

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

| | 2009/10 | | | | |
|---|--------------------|---------------------------------------|---|--------------------------------|-------------------|
| | Estimates \$000 | Supplementary Estimates | | | Total \$000 |
| | | Departmental Transactions \$000 | Non- Departmental Transactions \$000 | Total Transactions \$000 | |
| Appropriations | | | | | |
| Output Expenses | 1,461,173 | 24,864 | 19,047 | 43,911 | 1,505,084 |
| Benefits and Other Unrequited Expenses | 15,826,103 | N/A | 140,300 | 140,300 | 15,966,403 |
| Borrowing Expenses | - | - | - | - | - |
| Other Expenses | 778,577 | - | 210,191 | 210,191 | 988,768 |
| Capital Expenditure | 1,794,844 | (21,584) | 102,769 | 81,185 | 1,876,029 |
| Intelligence and Security Department Expenses and Capital Expenditure | - | - | N/A | - | - |
| Total Appropriations | 19,860,697 | 3,280 | 472,307 | 475,587 | 20,336,284 |
| Crown Revenue and Capital Receipts | | | | | |
| Tax Revenue | - | N/A | - | - | - |
| Non-Tax Revenue | 75,860 | N/A | 643 | 643 | 76,503 |
| Capital Receipts | 558,026 | N/A | 27,705 | 27,705 | 585,731 |
| Total Crown Revenue and Capital Receipts | 633,886 | N/A | 28,348 | 28,348 | 662,234 |

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Adoption Services (M63)

Scope of Appropriation

The management of services, incorporating education, assessment, reporting, counselling, and mediation, to all people who are party to adoption-related matters, past or present.

Expenses and Revenue

| | 2009/10 | | |
|---------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 8,690 | 118 | 8,808 |
| Revenue from Crown | 8,644 | 118 | 8,762 |
| Revenue from Other | 46 | - | 46 |

Reasons for Change in Appropriation

This appropriation will increase by \$118,000 to \$8.808 million for 2009/10. The increase relates to a fiscally neutral transfer to accurately reflect the appropriation cost.

Care and Protection Services (M63)

Scope of Appropriation

Social work services, both statutory and informal, that protect and assist children and young people who are in need of care and protection.

Expenses and Revenue

| | 2009/10 | | |
|---------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 303,310 | 14,472 | 317,782 |
| Revenue from Crown | 300,714 | 14,472 | 315,186 |
| Revenue from Other | 2,596 | - | 2,596 |

Reasons for Change in Appropriation

This appropriation will increase by \$14.472 million to \$317.782 million for 2009/10. The increase relates to:

- a fiscally neutral transfer to establish a Community Response Contingency to respond to urgent funding issues in the NGO sector (\$992,000)
- the change in the capital charge scheme (\$1.741 million)
- a CPI adjustment to cover cost increases for Care and Protection services (\$47,000)
- a fiscally neutral transfer to accurately reflect the appropriation cost (\$11.692 million).

Collection of Balances Owed by Former Clients and Non-beneficiaries (M63)

Scope of Appropriation

Services to manage the collection of overpayments and recoverable assistance loans from former clients and other balances owed comprising of Student Allowance overpayments, Liable Parent Contributions, and court ordered Maintenance.

Expenses and Revenue

| | 2009/10 | | |
|---------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 19,782 | (3,100) | 16,682 |
| Revenue from Crown | 19,602 | (3,100) | 16,502 |
| Revenue from Other | 180 | - | 180 |

Reasons for Change in Appropriation

This appropriation will decrease by \$3.100 million to \$16.682 million for 2009/10. The decrease relates to a fiscally neutral transfer to accurately reflect the cost of the appropriation (\$3.222 million) which is offset by the change in the capital charge scheme (\$122,000).

Output Performance Measures and Standards

| Performance Measures | 2009/10 | | |
|---|-----------------------|--|-------------------|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| The actual amount of money collected by the Collection Units is expected to be: | \$70-\$76m | \$77-\$82m | \$77-\$82m |
| The percentage of former clients on arrangement to pay, or paid in full, within four months of the balances owed transferring to the Collection Units will be no less than: | 80% | 82% | 82% |

Development and Funding of Community Services (M63)

Scope of Appropriation

Management of Government funding of community-based social and welfare services.

Expenses and Revenue

| | 2009/10 | | |
|---------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 7,761 | 609 | 8,370 |
| Revenue from Crown | 7,702 | 609 | 8,311 |
| Revenue from Other | 59 | - | 59 |

Reasons for Change in Appropriation

This appropriation will increase by \$609,000 to \$8.370 million for 2009/10. The increase relates to a fiscally neutral transfer to accurately reflect the appropriation cost.

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.

Expenses and Revenue

| | 2009/10 | | |
|---------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 29,827 | 1,491 | 31,318 |
| Revenue from Crown | 29,698 | 1,491 | 31,189 |
| Revenue from Other | 129 | - | 129 |

Reasons for Change in Appropriation

This appropriation will increase by \$1.491 million to \$31.318 million for 2009/10. The increase relates to fiscally neutral transfers to:

- establish a Community Response Contingency to respond to urgent funding issues in the NGO sector (\$264,000)
- accurately reflect the appropriation cost (\$1.325 million).

The increases will be offset by another fiscally neutral transfer from this appropriation of \$98,000 to a new Family Violence Whānau Ora fund.

Output Performance Measures and Standards

| Performance Measures | 2009/10 | | |
|---|--------------------|----------------------------------|----------------|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| Facilitation, Leadership, Influencing and Coordination Processes | | | |
| <i>Heartland Services</i> | | | |
| The Ministry of Social Development provides facilities and co-ordination services to Heartland Services Centres to the satisfaction of clients: | | | |
| <ul style="list-style-type: none"> the average number of clients using Heartland Services Centres on a monthly basis will be no less than: | 7,000 | 7,000-9,000 | 7,000-9,000 |
| <i>Strengthening Families</i> | | | |
| The number of new cases opened, on a monthly basis, in the Strengthening Families process will be: | Revised measure | 120-150 | 120-150 |

Income Support and Assistance to Seniors (M63)*Scope of Appropriation*

This appropriation is limited to paying New Zealand Superannuation and social security entitlements (including administering related international social security agreements) and providing advice and brokering services to help older people maintain independence and social participation; and administering international social security agreements relating to non-superannuitants.

Expenses and Revenue

| | 2009/10 | | |
|---------------------|-----------------|-------------------------------|-------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 37,097 | (2,658) | 34,439 |
| Revenue from Crown | 36,685 | (2,658) | 34,027 |
| Revenue from Other | 412 | - | 412 |

Reasons for Change in Appropriation

This appropriation will decrease by \$2.658 million to \$34.439 million for 2009/10. The change relates to fiscally neutral transfers of funds from the appropriation to:

- cover Work and Income's one-off costs (\$390,000)
- accurately reflect the appropriation cost (\$2.442 million).

The transfers will be offset by an increase of \$147,000 as a result of the change to the capital charge scheme.

Output Performance Measures and Standards

| Performance Measures | 2009/10 | | |
|--|--------------------|----------------------------------|----------------|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| Services to Seniors | | | |
| The percentage of entitlement assessments completed accurately will be no less than: | 90% | 92% | 92% |
| The percentage of entitlement completed within three working days shall be no less than: | Revised measure | 85% | 85% |
| International Services | | | |
| The percentage of entitlement assessments completed accurately will be no less than: | 90% | 92% | 92% |
| The percentage of review actions that are completed within five working days will be no less than: | 90% | 93% | 93% |

Management of Service Cards MCOA (M63)

Scope of Appropriation

Administration of Community Services Card

This output class is limited to assessing entitlement, issuing cards, and promoting and distributing information about the Community Services Card.

Management of SuperGold Card

This output class is limited to management of the SuperGold Card and the Veteran SuperGold Card comprising assessing entitlement for, and issuing cards, distributing information about the Card, enlisting business partners to provide discounts to cardholders, and promoting use of the Card and related discounts.

Explanation for Use of Multi-Class Output Expense Appropriation

The two output classes grouped together under this MCOA are both related to Service Cards and as such involve similar services.

Expenses and Revenue

| | 2009/10 | | |
|---|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 7,064 | 59 | 7,123 |
| Administration of Community Services Card | 5,764 | (62) | 5,702 |
| Management of SuperGold Card | 1,300 | 121 | 1,421 |
| Revenue from Crown | 7,028 | 59 | 7,087 |
| Administration of Community Services Card | 5,728 | (62) | 5,666 |
| Management of SuperGold Card | 1,300 | 121 | 1,421 |
| Revenue from Other | 36 | - | 36 |
| Administration of Community Services Card | 36 | - | 36 |
| Management of SuperGold Card | - | - | - |

Reasons for Change in Appropriation

This appropriation will increase by \$59,000 to \$7.123 million for 2009/10. The increase relates to:

- a fiscally neutral transfer to accurately reflect the appropriation cost (\$21,000)
- the change in the capital charge scheme (\$38,000).

Output Performance Measures and Standards

| Performance Measures | 2009/10 | | |
|---|-----------------------|--|-------------------|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| Administration of Community Services Card Output Class | | | |
| The percentage of Community Services Card entitlement assessments accurately completed will be no less than: | 90% | 95% | 95% |
| The percentage of applications processed within two working days of receipt will be no less than: | Revised measure | 90% | 90% |
| Management of SuperGold Card Output Class | | | |
| The percentage of SuperGold Card applications processed within two working days of receipt will be no less than: | Revised measure | 90% | 90% |
| The percentage of business partner applications approved within three working days of receipt will be no less than: | Revised measure | 85% | 85% |

Management of Student Support (M63)

Scope of Appropriation

This appropriation is limited to managing financial support to students involving assessing and paying student allowances to eligible secondary and tertiary students, student loans to tertiary students, and Government scholarships and awards for tertiary students, and, as part of managing this support, providing related guidance to students making financial and study decisions.

Expenses and Revenue

| | 2009/10 | | |
|---------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 33,435 | (1,035) | 32,400 |
| Revenue from Crown | 33,271 | (1,035) | 32,236 |
| Revenue from Other | 164 | - | 164 |

Reasons for Change in Appropriation

This appropriation will decrease by \$1.035 million to \$32.400 million for 2009/10. The decrease relates to:

- funding transferred from this appropriation to support the "Further Employment Opportunities for Young People" initiative (\$150,000)
- a fiscally neutral transfer to accurately reflect the appropriation cost (\$1.040 million).

The decreases will be offset by an increase in funding of \$155,000 as a result of the change to the capital charge scheme.

Output Performance Measures and Standards

| Performance Measures | 2009/10 | | |
|---|-----------------------|--|-------------------|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| Student Allowances and Student Loans | | | |
| The percentage of independently-surveyed students satisfied with the quality of service provided will be no less than: | 75-80% | 80-85% | 80-85% |
| Student Allowances | | | |
| The percentage of students who receive their correct Student Allowance entitlement on their first payment will be no less than: | 90% | 95% | 95% |
| Student Loans | | | |
| The percentage of students who receive their correct entitlement (living cost component) on their first payment will be no less than: | 90% | 95% | 95% |

Policy Advice and Support to Ministers MCOA (M63)

Scope of Appropriation

Crown Entity Monitoring

This output class is limited to the purchase, appointment and monitoring advice for social development and employment Crown entities, and appointment advice for social development and employment statutory tribunals.

Social Policy Advice

This output class is limited to policy advice and servicing support comprising advice on cross-sectoral and long term social policy matters; advice on the design and operation of social development programmes and initiatives; the provision of information to, and discussion fora for, the public and other agencies on social policy issues; and ministerial servicing.

Explanation for Use of Multi-Class Output Expense Appropriation

The two output classes under the MCOA both relate to the same broad service of providing advisory support to Ministers.

Expenses and Revenue

| | 2009/10 | | |
|----------------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 54,374 | (9,813) | 44,561 |
| Crown Entity Monitoring | 1,900 | (1,563) | 337 |
| Social Policy Advice | 52,474 | (8,250) | 44,224 |
| Revenue from Crown | 52,829 | (9,813) | 43,016 |
| Crown Entity Monitoring | 1,900 | (1,563) | 337 |
| Social Policy Advice | 50,929 | (8,250) | 42,679 |
| Revenue from Other | 1,545 | - | 1,545 |
| Crown Entity Monitoring | - | - | - |
| Social Policy Advice | 1,545 | - | 1,545 |

Reasons for Change in Appropriation

This appropriation will decrease by \$9.813 million to \$44.561 million for 2009/10. The decrease relates to fiscally neutral transfers to:

- the new Family Violence Whānau Ora fund (\$60,000)
- accurately reflect the appropriation cost (\$2.059 million)
- meet Work and Income's one-off costs (\$2.800 million) and
- the transfer of Historical Claims funding from 2009/2010 to 2010/2011 (\$5 million).

These decreases will be offset by an increase as a result of the change to the capital charge scheme (\$106,000).

Output Performance Measures and Standards

| Performance Measures | 2009/10 | | |
|--|----------------------|----------------------------------|----------------|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| Crown Entity Monitoring Output Class | | | |
| The number of meetings held with Crown entities will be: | Minimum 4 per entity | - | - |

Prevention Services (M63)

Scope of Appropriation

Education and advice services for the prevention of child abuse and neglect, and the promotion of the wellbeing of children, young people and their families.

Expenses and Revenue

| | 2009/10 | | |
|---------------------|-----------------|-------------------------------|-------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 5,104 | (723) | 4,381 |
| Revenue from Crown | 4,490 | (723) | 3,767 |
| Revenue from Other | 614 | - | 614 |

Reasons for Change in Appropriation

This appropriation will decrease by \$723,000 to \$4.381 million for 2009/10. This decrease relates to a fiscally neutral transfer to accurately reflect the appropriation cost.

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

Scope of Appropriation

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

Expenses and Revenue

| | 2009/10 | | |
|---------------------|-----------------|-------------------------------|-------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 35,750 | (297) | 35,453 |
| Revenue from Crown | 35,404 | (297) | 35,107 |
| Revenue from Other | 346 | - | 346 |

Reasons for Change in Appropriation

This appropriation will decrease by \$297,000 to \$35.453 million for 2009/10. The decrease relates to a fiscally neutral transfer to cover Work and Income's one-off costs (\$1.400 million). The transfer will be offset by an increase of:

- \$163,000 as a result of the change to the capital charge scheme
- \$940,000 from a fiscally neutral transfer to accurately reflect the appropriation cost.

Tailored Sets of Services to Help People into Work or Achieve Independence (M63)

Scope of Appropriation

This appropriation is limited to delivering tailored sets of services to individuals to help them into sustainable employment, participate more fully in their community or achieve a greater level of social independence; and the management of related non-departmental output contracts. The composition of each set of services is determined by the individual's needs and selected from a mix of employment readiness training and support, employment placement, social support services, payment of income support and training support benefits, and referrals to other employment or social support providers.

Expenses and Revenue

| | 2009/10 | | |
|---------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 417,194 | 22,810 | 440,004 |
| Revenue from Crown | 402,736 | 22,810 | 425,546 |
| Revenue from Other | 14,458 | - | 14,458 |

Reasons for Change in Appropriation

This appropriation will increase by \$22.810 million to \$440.004 million in 2009/10. The increase relates to:

- additional funding to meet volume pressures faced by Work and Income (\$17.200 million)
- the change in the capital charge scheme (\$2.146 million)
- extra funding for the Limited Service Volunteer programme (\$4.750 million)
- a fiscally neutral transfer to meet Work and Income's one-off costs (\$6.850 million).

These increases will be offset by \$8.136 million as a result of a fiscally neutral transfer to accurately reflect the appropriation cost.

Youth Justice Services (M63)

Scope of Appropriation

Social work and other services to manage and resolve offending behaviour by children and young people, by providing assessment, support, programmes, containment and care of young offenders.

Expenses and Revenue

| | 2009/10 | | |
|---------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Total Appropriation | 116,703 | 2,931 | 119,634 |
| Revenue from Crown | 116,306 | 2,931 | 119,237 |
| Revenue from Other | 397 | - | 397 |

Reasons for Change in Appropriation

This appropriation will increase by \$2.931 million to \$119.634 million for 2009/10. The increase relates to fiscally neutral transfers to:

- establish a Community Response Contingency to respond to urgent funding issues in the NGO sector (\$2.231 million)
- accurately reflect the appropriation cost (\$3.020 million), and
- a CPI adjustment to cover cost increases for Youth Justice services (\$15,000).

These increases will be offset by fiscally neutral transfers of \$75,000 to support Fresh Start services and \$2.260 million to meet Work and Income's one-off costs.

Part 2.2 - Non-Departmental Output Expenses

Assistance to Disadvantaged Persons (M63)

Scope of Appropriation

This appropriation is limited to the provision of resources and assistance to disadvantaged persons in the community and comprises: distribution of talking books and articles for the blind; support for carers of older persons, disabled or others in the community; and advocacy assistance to people seeking entitlements from government agencies.

Reasons for Change in Appropriation

This appropriation will decrease by \$500,000 to \$950,000 for 2009/10. This decrease relates to a transfer to partially fund the Opportunities for Young People During the Economic Downturn 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 Children, Young Persons and Their Families Act 1989, 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 \$400,000 to \$2.157 million for 2009/10. The increase relates to a fiscally neutral transfer from the Families Commission.

Connected Communities (M63)

Scope of Appropriation

Funding of services that strengthen and support communities and community functioning, and which assist communities to support families in improving their family circumstances.

Reasons for Change in Appropriation

This appropriation will decrease by \$535,000 to \$4.109 million for 2009/10. The decrease relates to a fiscally neutral transfer to the new Family Violence Whānau Ora fund (\$721,000). This is offset by a fiscally neutral transfer to increase funding for the Community Response Contingency to respond to urgent funding issues in the NGO sector (\$186,000).

Counselling and Rehabilitation Services (M63)

Scope of Appropriation

Purchase of services, including family counselling and other post-crisis interventions that restore the wellbeing of children, young people and families who have suffered harm and abuse or other forms of family breakdown or youth justice issues.

Reasons for Change in Appropriation

This appropriation will increase by \$833,000 to \$17.739 million for 2009/10. This increase relates to a fiscally neutral transfer to establish a Community Response Contingency to respond to urgent funding issues in the NGO sector.

Education and Prevention Services (M63)

Scope of Appropriation

Purchase of education and prevention programmes and initiatives that aim to provide skills to children, young people and families who are at risk of harm or abuse, which will help them reduce the risk of that abuse or harm.

Reasons for Change in Appropriation

This appropriation will increase by \$418,000 to \$9.184 million for 2009/10. This increase relates to a fiscally neutral transfer to establish a Community Response Contingency to respond to urgent funding issues in the NGO sector.

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 \$400,000 to \$7.770 million for 2009/10. This decrease relates to a fiscally neutral transfer to the Children's Commissioner.

Family Wellbeing Services (M63)

Scope of Appropriation

Purchase of services that aim to improve the life outcomes for children, young people and families through support and development programmes, and programmes that will prevent any future harm or abuse.

Reasons for Change in Appropriation

This appropriation will increase by \$16.757 million to \$69.573 million for 2009/10. The increase relates to fiscally neutral transfers:

- to establish a Community Response Contingency to respond to urgent funding issues in the NGO sector (\$2.782 million)
- of Children's Health Camp funding (\$13.975 million).

Output Performance Measures and Standards

| Performance Measures | 2009/10 | | |
|--|--------------------|----------------------------------|----------------|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| Number of schools receiving services from the Social Workers in Schools programme will be: | 300-350 | 330-350 | 330-350 |

Strengthening Providers and Communities (M63)

Scope of Appropriation

Purchase of services that contribute to strengthening the capacity and capability of providers to deliver strong and effective social services.

Reasons for Change in Appropriation

This appropriation will increase by \$82,000 to \$5.885 million for 2009/10. The increase relates to a fiscally neutral transfer to a Community Response Contingency to respond to urgent funding issues in the NGO sector.

Output Performance Measures and Standards

| Performance Measures | 2009/10 | | |
|---|--------------------|----------------------------------|----------------|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| The number of national body organisations supported to develop sector based best practice (eg, best practice guidelines for members) will be: | New measure | 5-10 | 5-10 |
| The number of NGO providers that complete capability plans (eg, training, develop governance frameworks, develop information systems, etc) will be: | New measure | 100-180 | 100-180 |
| The percentage of national body organisations who develop, implement and maintain sector based practice for their members (eg, supporting providers to develop new strategies) will be: | New measure | 80-90% | 80-90% |
| The percentage of NGO providers whose capability plans were assessed as being met will be: | New measure | 80-90% | 80-90% |
| Number of groups/organisations whose infrastructure were supported by a national body will be: | 180-210 | - | - |
| Number of groups/organisations receiving organisation development funding, eg, training, business mentoring or other forms of development will be: | 260-320 | - | - |
| Satisfaction survey results indicate the level of satisfaction with services received from a national body will be | 80-90% | - | - |
| The percentage of provider plans which were completed and the objective were assessed as being met will be: | 80-90% | - | - |

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 \$1.207 million to \$101.976 million for 2009/10. This increase relates to:

- fiscally neutral transfers to: establish a Community Response Contingency to respond to urgent funding issues in the NGO sector (\$1.012 million), support the Fresh Start initiative (\$1.500 million) and to fund the new Family Violence Whānau Ora fund (\$879,000)
- additional funding to support Children's Health Camps (\$1 million)
- new funding for the Community Response Contingency (\$10.866 million)

The increases will be offset by the fiscally neutral transfer of the Children's Health Camp funding (\$13.975 million) to the appropriation Family Wellbeing Services and \$75,000 the Family Start/NGO Awards appropriation.

Output Performance Measures and Standards

| Performance Measures | 2009/10 | | |
|--|--------------------|----------------------------------|----------------|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| Study Awards | | | |
| The number of Social Work and Family Start study awards will be: | 280 - 315 | 150-175 | 150-175 |
| The number of students who have completed their study and graduated since the inception of Study Awards will be: | 160 - 201 | 145-175 | 145-175 |

Student Placement Services (M63)*Scope of Appropriation*

Provision of placement services for students for holiday and term employment.

Reasons for Change in Appropriation

This appropriation will increase by \$785,000 to \$4.2497 million for 2009/10. This increase relates to additional funding to support Student Job Search to run an advertising campaign to create additional jobs for tertiary students over the summer break.

Part 3 - Details for Benefits and Other Unrequited Expenses

Part 3.2 - Non-Departmental Benefits and Other Unrequited Expenses

Accommodation Assistance (M63)

Scope of Appropriation

This appropriation is limited to the Accommodation Supplement, Special Transfer Allowance, and Away From Home Allowance to persons to cover accommodation costs, paid in accordance with the criteria set out in the Social Security Act 1964 and delegated legislation issued under that Act.

Reasons for Change in Appropriation

This appropriation will decrease by \$1.373 million to \$1,164.493 million for 2009/10. This is due to a lower than expected average payment rate, which is partly offset by a higher than expected number of recipients and an increase to the appropriation to reduce the likelihood of an overspend.

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 \$441,000 to \$45.041 million for 2009/10. The decrease is due to the Australian inflation rate in the year to June 2009 being lower than forecast.

Childcare Assistance (M63)

Scope of Appropriation

Provision of assistance for the costs of childcare that meets specific quality guidelines, where parents meet activity and income criteria set out in the Social Security Act 1964 and delegated legislation issued under that Act.

Reasons for Change in Appropriation

This appropriation will increase by \$7.140 million to \$184.877 million for 2009/10. This is due to an increase in the appropriation to reduce the likelihood of an overspend and a higher than expected number of children in Childcare Assistance. This is partly offset by a lower than expected average subsidy per child.

Disability Assistance (M63)

Scope of Appropriation

This appropriation is limited to the Disability Allowance to persons with disability costs and the Child Disability Allowance to the caregivers of children with a serious disability, paid in accordance with the criteria set out in the Social Security Act 1964 and delegated legislation issued under that Act.

Reasons for Change in Appropriation

This appropriation will decrease by \$4.800 million to \$412.639 million for 2009/10. The decrease is due to a lower than expected number of Child Disability Allowance recipients and a lower than expected average payment rate to Disability Allowance recipients. These were partly offset by a higher than expected number of Disability Allowance recipients.

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 the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$55.078 million to \$1,701.913 million for 2009/10. The increase is due largely to a higher than expected number of recipients. The increase to the appropriation to reduce the likelihood of an overspend also contributes.

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 increase by \$75,000 to \$705,000 for 2009/10. The increase is due to a fiscally neutral transfer to fund 70 students undertaking study in social work.

Hardship Assistance (M63)

Scope of Appropriation

This appropriation is limited to the Funeral Grants, Live Organ Donors Assistance, Special Benefit, Special Needs Grants and Temporary Additional Support to provide means-tested temporary financial assistance to persons with emergency or essential costs, paid in accordance with the criteria set out in the Social Security Act 1964 and delegated legislation issued under that Act.

Reasons for Change in Appropriation

This appropriation will decrease by \$16.957 million to \$277.963 million for 2009/10. A slower than expected increase in the number of Temporary Additional Support recipients and a lower than expected average payment track for Special Benefit recipients accounts for the reduction. This decrease is partly offset by an increase in the appropriation to reduce the likelihood of an overspend.

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 the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$245,000 to \$19.621 million for 2009/10. The increase is due to a higher than expected number of recipients, partly offset by a lower than expected average payment rate (before indexation).

Invalid's 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 the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$9.493 million to \$1,306.435 million for 2009/10. The increase is due to a higher than expected average payment rate (before indexation) and an increase to the appropriation to reduce the likelihood of an overspend. These were partly offset by a lower than expected number of recipients.

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 and Retirement Income Act 2001.

Reasons for Change in Appropriation

This appropriation will increase by \$60.497 million to \$8,306.504 million for 2009/10. The increase is due to a higher than expected number of recipients and a higher than expected 1 April 2010 cost of living adjustment (due to both higher than expected inflation and wage growth). Lower than expected overseas pension recoveries also contribute to the increase. These were partly offset by a lower than expected average payment rate (before indexation).

Orphan's/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 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 in accordance with criteria set out in delegated legislation under the Act.

Reasons for Change in Appropriation

This appropriation will increase by \$4.493 million to \$101.549 million for 2009/10. This is largely due to a higher than expected number of recipients. The increase to the appropriation to reduce the likelihood of an overspend and lower than expected debt establishments also contribute.

Redundancy Assistance (M63)

Scope of Appropriation

This appropriation is limited to paying assistance for a limited period to people made redundant, pursuant to the conditions and criteria set out in ReStart Transitional Relief Ministerial Welfare Programme 2008 and the Social Security Act 1964

Reasons for Change in Appropriation

This appropriation will decrease by \$17.730 million to \$3.637 million for 2009/10. This is due to lower than expected demand for both the ReStart and ReCover components.

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 the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$24.936 million to \$716.788 million for 2009/10. This is due to a higher than expected number of recipients, partly offset by a lower than expected average payment rate (before indexation).

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$22,000 to \$26,000 for 2009/10. This is largely due to a fiscally neutral transfer to Vote Veterans' Affairs - Defence Force. From 1 February 2010 the New Zealand Defence Force assumed responsibility for the payment of Special Annuities from the Ministry of Social Development.

Special Circumstance Assistance (M63)

Scope of Appropriation

This appropriation is limited to financial assistance to people in special circumstances and comprises the Clothing Allowance, and providing assistance for community costs, domestic violence and witness protection relocation, home help, social rehabilitation assistance, telephone costs, and civil defence payments paid in accordance with criteria set out in the Social Security Act 1964, and delegated legislation under that Act; and Civilian Amputees Assistance, paid in accordance with criteria set out in the Disabled Persons Community Welfare Act 1975.

Reasons for Change in Appropriation

This appropriation will increase by \$2.016 million to \$15.790 million for 2009/10. This is largely due to the increase to the appropriation to reduce the likelihood of an overspend. Higher than expected demand for assistance for community costs and a higher than expected average payment to social rehabilitation recipients also contribute.

Student Allowances (M63)

Scope of Appropriation

This appropriation is limited to means-tested allowances for students on an approved study programme in accordance with the criteria established by the Student Allowance Regulations 1998; and payment of Student Allowance Transfer Grants to students with dependents in accordance with the criteria established by delegated legislation issued under the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$134.601 million to \$596.284 million for 2009/10. This is almost entirely due to a higher than expected number of recipients, with the increase to the appropriation to reduce the likelihood of an overspend also contributing.

Study Scholarships and Awards (M63)

Scope of Appropriation

This appropriation is limited to scholarships and awards to tertiary students awarded in accordance with Cabinet decisions; and Teach NZ Scholarships awarded in accordance with the Education Act 1989.

Reasons for Change in Appropriation

This appropriation will increase by \$4.497 million to \$44.645 million for 2009/10. The increase is due to fiscally neutral adjustments from Vote Education for Teach NZ Scholarships.

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 and the Transition to Work Grant Programme pursuant to the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$6.219 million to \$23.166 million for 2009/10. The increase is caused by a higher than expected demand for Transition to Work payments as well as an increase to the appropriation to reduce the likelihood of an overspend.

Unemployment Benefit and Emergency 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. Also the provision of assistance to people who are in hardship and unable to earn enough income for themselves (and any dependent family) and cannot receive another benefit. Both forms of assistance are paid in accordance with criteria set out in the Social Security Act 1964 and delegated legislation issued under that Act.

Reasons for Change in Appropriation

This appropriation will decrease by \$130.303 million to \$947.867 million for 2009/10. This is due to a lower than expected number of recipients reflecting a stronger than expected recovery from the recession. A lower than forecast average payment rate (before indexation) also contributes.

Widow's 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 the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$2.636 million to \$72.993 million for 2009/10. The increase is due to a higher than expected number of recipients partly offset by a lower than expected average payment rate (before indexation).

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Community Labour Market Development Assistance (M63)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$3.733 million to zero for 2009/10. The decrease is due a fiscally neutral transfer to the Employment Assistance appropriation.

Expected Results

| | 2009/10 | | |
|---|--------------------|----------------------------------|----------------|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| The number of disadvantaged communities/groups assisted to recognise and develop their own labour market initiatives will be: | 40-50 | 100-120 | 100-120 |

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 \$169.725 million to \$849.115 million due to an increase in the Student Loan borrowing in 2009/10 and a decrease in the Student Loan initial fair value ratio.

Employment Assistance (M63)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will increase by \$52.886 million to \$113.461 million for 2009/10. This increase relates to additional funding for:

- opportunities for young people during economic downturn (\$40.264 million)
- Job Opportunities places (\$8.889 million), and
- a fiscally neutral transfer from the Community Labour Market Development Assistance appropriation (\$3.733 million).

Expected Results

| | 2009/10 | | |
|---|--------------------|----------------------------------|----------------|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| Employment Assistance will be paid in accordance with the Cabinet and Ministerial Guidelines for Employment and Training Assistance | Revised measure | 100% | 100% |

Job Support Scheme (M63)

Scope of Appropriation

This appropriation is limited to providing financial assistance for a limited period for employees who have entered into an agreement with their employers to reduce their working hours on a temporary basis and to receive this assistance.

Reasons for Change in Appropriation

This appropriation will decrease by \$8.687 million to \$2.920 million for 2009/10. This decrease relates to funding additional employment initiatives in 2010/11 (\$8.400 million) and \$287,000 to fund study cost for beneficiaries.

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

| | 2009/10 | | |
|-------------------------------|--------------------|-------------------------------------|----------------|
| | Estimates \$000 | Supplementary Estimates \$000 | Total \$000 |
| Forests/Agricultural | - | - | - |
| Land | - | - | - |
| Property, Plant and Equipment | 1,050 | 490 | 1,540 |
| Intangibles | 29,320 | 10,138 | 39,458 |
| Other | 108,787 | (32,212) | 76,575 |
| Total Appropriation | 139,157 | (21,584) | 117,573 |

Reasons for Change in Appropriation

Reduction in the appropriation for 2009/10 is due to timing delays on completing the Youth Justice Central building project. This project will now be completed in the following financial year.

Expected Results

| | 2009/10 | | |
|----------------------------|-----------------------|--|-------------------|
| | Estimates Standard | Supplementary Estimates Standard | Total Standard |
| Residential Buildings | 51,408 | (21,058) | 30,350 |
| Software Development | 29,320 | 10,138 | 39,458 |
| Computer Hardware | 17,540 | (5,675) | 11,865 |
| Motor Vehicles | 8,000 | - | 8,000 |
| Plant and Equipment | 1,050 | 490 | 1,540 |
| Furniture and Fitouts | 31,839 | (5,479) | 26,360 |
| Total Appropriation | 139,157 | (21,584) | 117,573 |

Part 6.2 - Non-Departmental Capital Expenditure

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, Ministerial Direction for Advance Payment of Benefits and recoverable Special Needs Grants in relevant parts of Welfare Programme for Special Needs Grants pursuant to the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will increase by \$1.165 million to \$179.205 million for 2009/10. The increase is due to a higher than forecast number of grants more than offsetting a lower than forecast average payment per grant.

Student Loans (M63)

Scope of Appropriation

This appropriation is limited to loans to tertiary students undertaking studies at approved tertiary institutions in accordance with Cabinet decisions.

Reasons for Change in Appropriation

This appropriation will increase by \$101.604 million to \$1,579.251 million for 2009/10. The increase is due to a higher than expected number of borrowers and the increase to the appropriation to reduce the likelihood of an overspend. These were partly offset by a lower than expected average amount borrowed.