

Information Supporting the Supplementary Estimates

Vote Social Development

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Disability Issues (M23), Minister of Revenue (M57), Minister for Social Development (M63), Minister of State Services (M66)

ADMINISTERING DEPARTMENT: Ministry of Social Development

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

Part 1 - Summary of the Vote

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2011/12				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	1,502,166	20,928	(5,943)	14,985	1,517,151
Benefits and Other Unrequited Expenses	17,733,865	N/A	(216,872)	(216,872)	17,516,993
Borrowing Expenses	-	-	-	-	-
Other Expenses	769,705	-	17,628	17,628	787,333
Capital Expenditure	1,822,733	6,200	24,493	30,693	1,853,426
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	21,828,469	27,128	(180,694)	(153,566)	21,674,903
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	66,350	N/A	3,265	3,265	69,615
Capital Receipts	640,665	N/A	(43,424)	(43,424)	597,241
Total Crown Revenue and Capital Receipts	707,015	N/A	(40,159)	(40,159)	666,856

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

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	9,037	(1,815)	7,222
Revenue from Crown	8,991	(1,815)	7,176
Revenue from Other	46	-	46

Reasons for Change in Appropriation

This appropriation decreased by \$1.815 million to \$7.222 million for 2011/12. This was due to a fiscally neutral adjustment to expand frontline social work capacity.

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

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	328,348	5,899	334,247
Revenue from Crown	325,752	5,471	331,223
Revenue from Other	2,596	428	3,024

Reasons for Change in Appropriation

This appropriation increased by \$5.899 million to \$334.247 million for 2011/12. The increase mainly relates to a fiscally neutral adjustment to fund the expanding of frontline social work capacity.

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

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	16,200	35	16,235
Revenue from Crown	16,020	-	16,020
Revenue from Other	180	35	215

Reasons for Change in Appropriation

This appropriation increased by \$35,000 to \$16.235 million for 2011/12. The increase relates to adjustments to baselines for the superannuation (KiwiSaver and SSRSS) contributions from the State Services Commission.

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

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	35,335	(1,860)	33,475
Revenue from Crown	35,206	(1,860)	33,346
Revenue from Other	129	-	129

Reasons for Change in Appropriation

This appropriation decreased by \$1.860 million to \$33.475 million for 2011/12. The decrease relates to the reprioritisation of the Quality Services Innovation Fund to fund cost pressures including Non Government Organisation funding and Christchurch support initiatives in Budget 2012.

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 to help older people maintain independence and social participation; and administering international social security agreements relating to non-superannuitants; and assessing financial entitlement to residential Care Subsidies.

Expenses and Revenue

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	36,934	170	37,104
Revenue from Crown	36,522	(20)	36,502
Revenue from Other	412	190	602

Reasons for Change in Appropriation

This appropriation increased by \$170,000 to \$37.104 million for 2011/12. The increase mainly relates to adjustments to baselines for the superannuation (KiwiSaver and SSRSS) contributions from the State Services Commission.

Management of Student Loans (M57)

Scope of Appropriation

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

Reasons for Change in Appropriation

This appropriation increased by \$900,000 to \$16.367 million relates to a fiscally neutral adjustment to reflect changes in volumes between Student Services and Student Loans.

Management of Student Support, excluding Student Loans (M63)

Scope of Appropriation

This appropriation is limited to managing non-recoverable financial support to students, involving assessing and paying student allowances and other income support to eligible secondary and tertiary students.

Expenses and Revenue

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	20,144	(3,750)	16,394
Revenue from Crown	19,980	(3,750)	16,230
Revenue from Other	164	-	164

Reasons for Change in Appropriation

This appropriation decreased by \$3.750 million to \$16.394 million for 2011/12. The decrease relates to fiscally neutral adjustments to:

- reflect increases in applications for Unemployment Benefit Student Hardship processed by Studylink of \$2.850 million, and
- reflect changes in volumes between Student Services and Student Loans of \$900,000.

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

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	37,564	81	37,645
Crown Entity Monitoring	303	-	303
Social Policy Advice	37,261	81	37,342
Revenue from Crown	36,019	16	36,035
Crown Entity Monitoring	303	-	303
Social Policy Advice	35,716	16	35,732
Revenue from Other	1,545	65	1,610
Crown Entity Monitoring	-	-	-
Social Policy Advice	1,545	65	1,610

Reasons for Change in Appropriation

This appropriation increased by \$81,000 to \$37.645 million for 2011/12. The increase relates to:

- adjustments to baselines for the superannuation (KiwiSaver and SSRSS) contributions from the State Services Commission of \$65,000
- confirmation of Social Policy Evaluation and Research (SPEAR) in-principle expense transfer of \$500,000, and
- newly established Work and Income Board for Welfare Reform of \$66,000.

These increases were offset by decreased funding for fiscally neutral adjustments:

- to fund a one-off increase in the Property Management Centre of Expertise of \$30,000, and
- procuring independent advice on government priority areas of \$520,000.

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

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	4,662	(262)	4,400
Revenue from Crown	4,048	(262)	3,786
Revenue from Other	614	-	614

Reasons for Change in Appropriation

This appropriation decreased by \$262,000 to \$4.400 million for 2011/12. The decrease relates to a fiscally neutral adjustment to fund expanding frontline social work capacity.

Property Management Centre of Expertise (M66)*Scope of Appropriation*

This appropriation is limited to the operation of a Property Management Centre of Expertise, to provide guidance, support, and monitoring in respect of property management within the Public Sector.

Reasons for Change in Appropriation

This appropriation increased by \$300,000 to \$400,000 for 2011/12. The increase relates to a fiscally neutral adjustment to fund an increase in costs.

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

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	36,246	85	36,331
Revenue from Crown	35,900	-	35,900
Revenue from Other	346	85	431

Reasons for Change in Appropriation

This appropriation increased by \$85,000 to \$36.331 million for 2011/12. The increase relates to adjustments to baselines for the superannuation (KiwiSaver and SSRSS) contributions from the State Services Commission.

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

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	402,704	23,290	425,994
Revenue from Crown	388,246	22,450	410,696
Revenue from Other	14,458	840	15,298

Reasons for Change in Appropriation

This appropriation increased by \$23.290 million to \$425.994 million for 2011/12. The increase relates to:

- a programme of welfare reform aimed at turning the benefit system into a modern, active work-focused system of \$19.720 million
- a fiscally neutral adjustment to reflect an increase in applications for Unemployment Benefit Student Hardship processed by Studylink of \$2.850 million, and
- adjustments to baselines for the superannuation (KiwiSaver and SSRSS) contributions from the State Services Commission of \$840,000.

The increases were offset by:

- a fiscally neutral adjustment to fund a one-off increase in the Property Management Centre of Expertise of \$120,000.

Vocational Skills Training (M63)

Scope of Appropriation

This appropriation is limited to vocationally based skills training for working-age people through the Training Opportunities Programme.

Reasons for Change in Appropriation

This appropriation increased by \$1.070 million to \$54.515 million for 2011/12. The increase relates to additional funding for Christchurch trades training in response to the Canterbury earthquakes.

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

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	137,091	(3,215)	133,876
Revenue from Crown	136,694	(3,445)	133,249
Revenue from Other	397	230	627

Reasons for Change in Appropriation

This appropriation decreased by \$3.215 million to \$133.876 million for 2011/12. The decrease relates to:

- a fiscally neutral adjustment for expanding frontline social work capacity of \$3.400 million, and
- a fiscally neutral adjustment to fund a one-off increase in the Property Management Centre of Expertise of \$45,000.

The decreases were offset by:

- adjustments to baselines for the superannuation (KiwiSaver and SSRSS) contributions from the State Services Commission of \$230,000.

Part 2.2 - Non-Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
More people get into work and stay in work	Independent Advice on Government Priority Areas (MCOA)
More children are safe	Independent Advice on Government Priority Areas (MCOA)
More young people stay on track	Independent Advice on Government Priority Areas (MCOA)
Reduced reoffending by young people	Independent Advice on Government Priority Areas (MCOA)
Improved quality of life for older people	Independent Advice on Government Priority Areas (MCOA)
Communities are better able to support themselves	Independent Advice on Government Priority Areas (MCOA)

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.

Output Performance Measures and Standards

Performance Measures	2011/12		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Women's Refuges			
The number of clients who receive case management interventions will be no fewer than	12,000 (see Note 1)	6,000	6,000

Note 1 - The original standard is an error as 12,000 is the contracted volume with Women's Refuges for two years. This means that the standard for one year should have been 6,000.

Independent Advice on Government Priority Areas MCOA (M63)

Scope of Appropriation

Other Advice

This output class is limited to the procurement of other advice (including advice on operational matters; advice from expert parties that provide review services not available in-house; advice on matters where a review is necessary but cannot be undertaken due to a conflict of interest; and advice on procurement to ensure value for money) on government priority areas.

Policy Advice

This output class is limited to the provision of independent advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government priority areas.

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 advice to Ministers.

Expenses

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	520	520
Other Advice	-	260	260
Policy Advice	-	260	260

Reasons for Change in Appropriation

This is a newly created appropriation in 2011/12 for the purpose of procuring independent advice on government priority areas.

Output Performance Measures and Standards

Performance Measures	2011/12		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Other Advice Output Class			
The percentage of service contracts delivered and completed within the time period agreed to will be no less than	New measure	New measure	100%
Policy Advice Output Class			
The percentage of service contracts delivered and completed within the time period agreed to will be no less than	New measure	New measure	100%

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 decreased by \$8.140 million to \$112.177 million for 2011/12. The decrease relates to the reprioritisation of the Quality Services Innovation Fund to fund cost pressures including Non Government Organisation funding and Christchurch support initiatives in Budget 2012.

Vocational Services for People with Disabilities (M63)*Scope of Appropriation*

Provision of vocational services for people with disabilities including community participation and employment services.

Reasons for Change in Appropriation

This appropriation increased by \$1.677 million to \$88.285 million for 2011/12. The increase related to funding for an additional 105 school leavers eligible for the very high needs programme.

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 \$53.475 million to \$1,210.752 million for 2011/12 largely because of fewer 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 increase by \$217,000 to \$37.373 million for 2011/12. The increase is due to the Australian inflation rate in the year to June 2011 (and used in the 2011/12 payment) being higher than was forecast at Budget 2011.

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 \$9.783 million to \$197.680 million for 2011/12. The increase is owing to an increase to the appropriation to reduce the likelihood of an overspend and a higher than expected average rate (before adjusting for inflation). This is partially offset by fewer than expected number of recipients.

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 \$6.779 million to \$403.727 million for 2011/12. The decrease is mainly because of fewer than expected number of Disability Allowance and Child 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 decrease by \$68.282 million to \$1,826.355 million for 2011/12. This decrease is mainly because of fewer than expected number of recipients and a lower than expected average payment rate (before adjusting for inflation).

Employment Related Training Assistance (M63)

Scope of Appropriation

Provision of assistance with costs of undertaking approved employment related training, which is paid in accordance with the criteria set out in delegated legislation under the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will decrease by \$334,000 to \$16.136 million for 2011/12. This decrease is because of a decrease in the appropriation to fund the Confidential Listening and Assistance Service.

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 is a capped appropriation and will remain unchanged at \$705,000 for 2011/12.

Hardship Assistance (M63)

Scope of Appropriation

This appropriation is limited to Civil Defence payments, 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 \$14.008 million to \$274.623 million for 2011/12. The decrease in the appropriation is mainly because of a reduced demand for Special Needs Grants and fewer than expected number of Temporary Additional Support recipients.

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

The appropriation will decrease by \$2.585 million to \$12.714 million for 2011/12. The decrease in appropriation is mainly because of fewer than expected number of Independent Youth Benefit recipients.

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 decrease by \$16.043 million to \$1,330.793 million for 2011/12. The decrease is driven by fewer than expected number of recipients followed by a lower than expected average payment rate (before adjusting for inflation).

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 \$39.488 million to \$9,614.854 million for 2011/12. The increase is driven by the increase made to the appropriation to reduce the likelihood of an overspend and a higher than expected number of New Zealand Superannuation recipients. These are partially offset by a lower than expected average payment rate (before adjusting for inflation).

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 that 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.

Reasons for Change in Appropriation

This appropriation will increase by \$302,000 to \$112.250 million for 2011/12. This is mainly owing to the increase made to the appropriation to reduce the likelihood of an overspend as well as a higher average payment rate (before adjusting for inflation).

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 decrease by \$4.166 million to \$778.214 million. This is mainly caused by fewer than expected number of recipients. This is partially offset by a lower than expected debt establishments, higher than expected average payment rate (before adjusting for inflation) and the increase to the appropriation to reduce the likelihood of an overspend.

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 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 \$39,000 to \$14.127 million for 2011/12. The increase to the appropriation to reduce the likelihood of an overspend is partially offset by fewer than expected number of recipients.

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 dependants 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 \$32.266 million to \$659.216 million for 2011/12. This is mainly driven by a higher than expected number of recipients and average payment rate (before adjusting for inflation).

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 is a capped appropriation and will remain unchanged at \$30.762 million for 2011/12.

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. Criteria are set out in relevant Welfare Programmes and Ministerial Directions pursuant to the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will decrease by \$1.835 million to \$22.835 million for 2011/12. The decrease in the appropriation is mainly owing to a lower than expected demand for Transition to Work Grants.

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 \$131.410 million to \$897.544 million for 2011/12. This is mainly owing to fewer than expected number of recipients.

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 decrease by \$50,000 to \$76.333 million for 2011/12. This is mainly because of a lower than expected average payment rate (before inflation adjustment). The increase to the appropriation to reduce the likelihood of an overspend mostly offsets this decrease.

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
More people get into work and stay in work	Rena Grounding Employment Support

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 increased by \$26.528 million to \$653.180 million for 2011/12 mainly due to increased Student Loans being issued during the year. This has resulted in the initial fair value write down on Student Loans being higher than originally budgeted.

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 decreased by \$10.660 million to \$111.094 million for 2011/12. The decrease relates to:

- additional funding for Out of School Care and Recreation of \$2.800 million
- a support package for employees affected by the Rena stranding of \$360,000
- Canterbury employment assistance expense transfer of \$1 million, and
- the return of an underspend to partially fund Welfare Reform in 2012/13 of \$6.500 million.

Out of School Care Programmes (M63)

Scope of Appropriation

Provision of assistance to CYF approved OSCAR programmes to assist with the establishment and/or operating costs of OSCAR programmes.

Reasons for Change in Appropriation

This appropriation increased by \$1.400 million to \$19.153 million for 2011/12. The increase relates to funding for Out of School Care and Recreation.

Rena Grounding Employment Support (M63)

Scope of Appropriation

This appropriation is limited to the provision of assistance to help ensure employees can stay in employment for longer periods of time, where those employees were in paid work immediately prior to the Rena grounding on 5 October 2011, and whose paid work has been adversely affected by the Rena grounding.

Expenses

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	360	360

Reasons for Change in Appropriation

This is a new appropriation for 2011/12, to help ensure employees can stay in employment for longer periods of time, where their paid work has been adversely affected by the Rena grounding.

Expected Results

	2011/12		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
The number of employers who received the Rena Grounding Employment Support Subsidy will be between	-	17-21	17-21

Reporting Mechanisms

Appropriation	Reporting Mechanism
Rena Grounding Employment Support	Not reported

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental other expenses appropriation.

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

	2011/12		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	780	43,618	44,398
Intangibles	21,241	5,000	26,241
Other	42,418	(42,418)	-
Total Appropriation	64,439	6,200	70,639

Reasons for Change in Appropriation

This appropriation increased by \$6.200 million to \$70.639 million in 2011/12. The increase mainly relates to the development of online software services.

Expected Results

	2011/12		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Residential Buildings	14,372	1,200	15,572
Software Development	21,241	5,000	26,241
Computer Hardware	9,000	-	9,000
Motor Vehicles	8,000	-	8,000
Plant and Equipment	780	-	780
Furniture and Fitouts	11,046	-	11,046
Total Appropriation	64,439	6,200	70,639

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 relevant Welfare Programmes and Ministerial Directions pursuant to the Social Security Act 1964.

Reasons for Change in Appropriation

This appropriation will decrease by \$18.268 million to \$150.344 million for 2011/12. This is mainly because of a lower than expected demand for Recoverable Assistance grants.

Student Loans (M57)

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 \$42.761 million to \$1,632.443 million for 2011/12. This increase reflects more student loan borrowers than expected as well as an increase to the appropriation to reduce the likelihood of an overspend.