

Information Supporting the Supplementary Estimates

Vote Social Development

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Disability Issues (M23), Minister of Health (M36), Minister of Revenue (M57), Minister for Social Development (M63), Minister of State Services (M66), Minister of Youth Affairs (M77)

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

	2012/13				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	1,544,008	43,601	413	44,014	1,588,022
Benefits and Other Unrequited Expenses	18,059,108	N/A	(123,562)	(123,562)	17,935,546
Borrowing Expenses	-	-	-	-	-
Other Expenses	170,615	-	34,010	34,010	204,625
Capital Expenditure	1,864,068	(15,000)	(61,724)	(76,724)	1,787,344
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	21,637,799	28,601	(150,863)	(122,262)	21,515,537
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	12,227	N/A	(432)	(432)	11,795
Capital Receipts	626,475	N/A	(30,108)	(30,108)	596,367
Total Crown Revenue and Capital Receipts	638,702	N/A	(30,540)	(30,540)	608,162

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Administration of Trialling New Approaches to Social Sector Change (M36)

Scope of Appropriation

This appropriation is limited to the administration by committed individuals of the delivery of social sector services for children and young people in specified locations.

Reasons for Change in Appropriation

This appropriation increased by \$185,000 to \$468,000 in 2012/13 to reflect the extension of the Social Sector Trials beyond February 2013.

Children's Action Plan (M63)

Scope of Appropriation

This appropriation is limited to activities necessary to implement the Children's Action Plan.

Expenses and Revenue

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	2,535	2,535
Revenue from Crown	-	2,535	2,535
Revenue from Other	-	-	-

Reasons for Change in Appropriation

This is a new appropriation established in 2012/13 for the Children's Action Plan.

Output Performance Measures and Standards

Performance Measures	2012/13		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
The Children's Action Plan Programme Office will be established no later than 30 June 2013	New measure	New measure	Standard met
The number of Children's Team sites that will be established under the Children's Action Plan will be no fewer than	New measure	New measure	Two

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 increased by \$200,000 to \$35.746 million for 2012/13 due to a transfer from Non-Departmental Output Expense appropriation, Strong Families, to fund the implementation and evaluation of the Te Punanga Haumaruru Fund.

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.

Reasons for Change in Appropriation

This appropriation increased by \$1.597 million to \$36.557 million for 2012/13. This increase relates to Welfare Reform phase two funding for the overseas pension collection initiative.

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 \$896,000 to \$16.489 million for 2012/13. This is due to:

- a transfer of \$700,000 from Management of Student Support, excluding Student Loans appropriation, to reflect changes in work volumes processed between Student Services and Student Loans
- additional funding of \$114,000 from Student Loans capital appropriation to allow StudyLink to implement changes to student loan eligibility for levels 1 and 2 tertiary education study, and
- \$82,000 of new funding to deliver changes to loan eligibility for entry level education.

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.

Reasons for Change in Appropriation

This appropriation decreased by \$528,000 to \$15.470 million for 2012/13. This is due to:

- a transfer of \$700,000 to Management of Student Loans to reflect the change in work volumes processed between Student Services and Student Loans.

This decrease is offset by:

- an increase of \$172,000 from Student Placement Services appropriation to implement the student text messaging platform.

Promoting Positive Outcomes for Disabled People (M23)

Scope of Appropriation

This appropriation is limited to providing services to promote and monitor the implementation of the New Zealand Disability Strategy, to monitor and implement the United Nations Convention on the Rights of Persons with Disabilities, and to provide information to Ministers on disability matters.

Reasons for Change in Appropriation

This appropriation increased by \$50,000 to \$2.210 million for 2012/13 due to a new initiative, Enabling Good Lives Work Programme, to change the design and delivery of disability supports and services in Christchurch and Waikato.

Property Management Centre of Expertise (M66)

Scope of Appropriation

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

Expenses and Revenue

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	2,651	2,651
Revenue from Crown	-	1,350	1,350
Revenue from Other	-	1,301	1,301

Reasons for Change in Appropriation

This appropriation had new funding of \$2.651 million for 2012/13. This is for providing for the costs of the Property Management Centre of Expertise and the costs associated with the Integrated Workplace Management System (IWMS).

Social Policy Advice MCOA (M63)*Scope of Appropriation***Forecast, Modelling, Information Monitoring and Analysis**

This output class is limited to providing forecast, modelling, information monitoring and analysis used to inform social policy development and to support government decision-making.

Longitudinal Studies

This output class is limited to providing longitudinal studies to inform social policy development and to support decision-making by Ministers on government social policy matters.

Policy Advice

This output class is limited to providing advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government social policy matters, including social sector issues.

Research and Evaluation

This output class is limited to providing research and evaluation to inform the development of social policy advice and to support government decision-making.

Explanation for Use of Multi-Class Output Expense Appropriation

The four output classes under the MCOA relate to the same broad service of providing advice to Ministers to support decision making.

Expenses and Revenue

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	30,550	4,802	35,352
Forecast, Modelling, Information Monitoring and Analysis	6,450	-	6,450
Longitudinal Studies	2,088	1,322	3,410
Policy Advice	18,362	-	18,362
Research and Evaluation	3,650	3,480	7,130
Revenue from Crown	30,550	3,480	34,030
Forecast, Modelling, Information Monitoring and Analysis	6,450	-	6,450
Longitudinal Studies	2,088	-	2,088
Policy Advice	18,362	-	18,362
Research and Evaluation	3,650	3,480	7,130

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Revenue from Other	-	1,322	1,322
Forecast, Modelling, Information Monitoring and Analysis	-	-	-
Longitudinal Studies	-	1,322	1,322
Policy Advice	-	-	-
Research and Evaluation	-	-	-

Reasons for Change in Appropriation

The Social Policy Advice MCOA appropriation increased by \$4.802 million for 2012/13 due to:

- an increase in Longitudinal Studies output class of \$1.322 million, funded by contributions from other departments for the Growing Up in New Zealand Study, and
- an increase in the Research and Evaluation output class of \$3.480 million, relating to funding for Welfare Reform phase two.

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

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	421,057	31,213	452,270
Revenue from Crown	411,058	31,213	442,271
Revenue from Other	9,999	-	9,999

Reasons for Change in Appropriation

This appropriation increased by \$31.213 million for 2012/13. This increase in funding is explained by:

- \$29.057 million increase for Welfare Reform phase two
- \$1.450 million increase for the Needs Assessment for Social Housing, and
- a fiscally neutral transfer of \$706,000 from Non-Departmental Output Expense, Youth Support Services MCOA, to enable some of the youth services to be delivered in-house by Work and Income.

Part 2.2 - Non-Departmental Output Expenses

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 decreased by \$15,000 to \$17.814 million for 2012/13. This was due to a transfer of funding to Trialling New Approaches to Social Sector Change appropriation for the extension of the Social Sector Trials beyond February 2013.

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 decreases by \$28,000 to \$8.678 million for 2012/13. This is due to a transfer of funding to Trialling New Approaches to Social Sector Change appropriation for the extension of the Social Sector Trials beyond February 2013.

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 decreases by \$14,000 to \$78.462 million for 2012/13 due to a transfer of funding to Trialling New Approaches to Social Sector Change appropriation to fund the extension of the Social Sector Trials beyond February 2013.

Services for Young People (M77)

Scope of Appropriation

Provision of programmes and services to enable the implementation of the Youth Development Strategy Aotearoa at a regional and local level.

Reasons for Change in Appropriation

This appropriation increased by \$692,000 to \$6.246 million for 2012/13. This increase relates to an expense transfer of \$692,000 from 2011/12 to 2012/13, to provide transitional funding to those providers with reduced funding levels in 2012/13, to help them make operational adjustments.

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 increased by \$5.131 million to \$110.005 million for 2012/13. The increase was mainly due to:

- an expense transfer from 2011/12 to 2012/13 of \$11.132 million to enable payments to providers who were successful under round nine of the Community Response Fund.

This increase was offset by:

- an expense transfer of \$5.800 million from 2012/13 to 2013/14 for the Capability Investment Resource funding.

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 decreased by \$172,000 to \$3.340 million for 2012/13. The decrease relates to a fiscally neutral transfer to Departmental appropriation, Management of Student Support, excluding Student Loans, to fund the text messaging platform for students.

Trialling New Approaches to Social Sector Change (M36)

Scope of Appropriation

This appropriation is limited to the delivery of social sector services for children and young people in specified locations and, in those locations where that delivery is led by Non Government Organisations, to the administration of that delivery.

Reasons for Change in Appropriation

This appropriation increased by \$568,000 to \$1.792 million for 2012/13 as the Social Sector Trials was extended beyond February 2013.

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 \$592,000 to \$89.634 million in 2012/13. The increase relates to additional funding of \$792,000 for the Very High Needs School Leavers, offset by a funding transfer of \$200,000 to the Mainstream Supported Employment Programme.

Youth Support Services MCOA (M63)

Scope of Appropriation

Support for Youth Payment and Young Parent Payment recipients

This output class is limited to the provision of support to Youth Payment and Young Parent Payment recipients, and other young people subject to obligations associated with these payments, to help them re-engage in education, training or work-based learning.

Support to prevent disengaged young people from coming on to benefit at the age of 18

This output class is limited to the provision of support to young people who are not in employment, education or training (NEET) or are at risk of becoming NEET, to help them re-engage in education, training or work-based learning.

Explanation for Use of Multi-Class Output Expense Appropriation

The two output classes under the MCOA both contribute to the same outcome of helping youth re-engage in education, training or work-based learning.

Reasons for Change in Appropriation

This appropriation decreased by \$6.341 million to \$25.821 million for 2012/13 due to:

- \$1.518 million of underspends in 2012/13 used to fund the expansion of the Social Sector Trials into ten new locations

- \$4 million from 2012/13 underspends to fund Budget 2013 initiatives
- \$706,000 transferred to Departmental appropriation, Tailored Sets of Services to Help People into Work or Achieve Independence, to enable Work and Income to deliver in-house some of the youth services, and
- \$117,000 transferred to fund the extension of the Social Sector Trials beyond February 2013.

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 \$51.705 million to \$1,191.278 million for 2012/13 because of fewer than expected number of recipients and a lower than expected average payment rate.

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 \$279,000 to \$21.707 million for 2012/13. The decrease is driven by the Australian inflation rate in the year to June 2012 (and used in the 2012/13 payment) being lower than was forecast at Budget 2012.

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 \$9.337 million to \$200.418 million for 2012/13. The increase is because of the increase to the appropriation to reduce the likelihood of overspending. This is partially offset by fewer than expected number of recipients and a lower than expected average payment rate (before adjusting for inflation).

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

As part of Budgets 2011 and 2012 decisions were taken that reduced the future Disability Allowance budget to reflect savings targets. Proposals have not yet been progressed to fully achieve these savings targets. Therefore this appropriation will increase by \$22.480 million to \$388.069 million for 2012/13.

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. Also includes payment of a sub-category of the Emergency Benefit, administratively referred to as Emergency Maintenance Allowance. 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 \$68.538 million to \$1,751.117 million in 2012/13. The decrease is because of fewer than expected number of recipients.

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, Temporary Accommodation Assistance 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 \$2.897 million to \$279.980 million in 2012/13. The decrease in the appropriation is because of lower than expected demand for Special Needs Grants.

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 increase by \$4,000 to \$1.636 million in 2012/13. This reflects actual expenditure to August 2012.

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 \$16.889 million to \$1,337.448 million in 2012/13. The increase is driven by a greater than expected number of recipients and an increase to the appropriation to reduce the likelihood of overspending. Lower than expected inflation adjustments and a lower than expected average payment rate (before adjusting for inflation) partially offset this.

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 \$9.801 million to \$10,252.628 million in 2012/13. The increase is because of the increase made to the appropriation to reduce the likelihood of overspending and a greater number of recipients than expected. These are partially offset by a lower than expected average payment rate (before adjusting for inflation and wage growth).

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 \$980,000 to \$115.859 million in 2012/13. The increase is because of the increase made to the appropriation to reduce the likelihood of overspending as well as a greater number of recipients than expected. Partially offsetting the increase is lower than expected inflation adjustments and a lower than expected 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 increase by \$8.440 million to \$789.928 million in 2012/13. This is because of the increase made to the appropriation to reduce the likelihood of overspending as well as a greater number of recipients than expected. This is partially offset by a lower than expected average payment rate (before adjusting for inflation) and lower than expected inflation adjustments.

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 decrease by \$298,000 to \$13.041 million in 2012/13. This is because of fewer than expected number of recipients, partially offset by the increase made to the appropriation to reduce the likelihood of overspending and a higher than expected average payment rate (before adjusting for inflation).

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 \$2.445 million to \$604.027 million in 2012/13. This is because of the increase to the appropriation to reduce the likelihood of overspending, which is partially offset by fewer than expected number of recipients.

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 decrease by \$3.619 million to \$24.518 million in 2012/13. The decrease is mainly because of the reprioritisation of funding back to Vote Education, partly offset by the increase to the appropriation to reduce the likelihood of overspending.

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 increase by \$441,000 to \$22.362 million in 2012/13. This is because of the increase to the appropriation to reduce the likelihood of overspending, partially offset by 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 \$58.222 million to \$822.370 million in 2012/13. This is mainly driven by 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 \$2.825 million to \$71.911 million in 2012/13. This is mainly driven by fewer than expected number of recipients.

Youth Payment and Young Parent Payment (M63)

Scope of Appropriation

This appropriation is limited to the provision of income support and incentive payments for people aged 16, 17 or 18 years who are currently unemployed but are in or available for full-time education, training or work-based learning and where it is inappropriate for them to obtain financial support from their parents, and 16, 17, 18 and 19 year old parents who are currently unemployed but are in or available for full-time education, training or work-based learning. 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 \$5.996 million to \$32.276 million. The decrease is because of fewer than expected number of recipients, partially offset by a higher than expected average payment rate (before adjusting for inflation).

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 increased by \$35.339 million to \$90.087 million for 2012/13. This is due to forecast changes to account for an increase in the level of debt established and a change in the rates used to calculate the debt write-down provision.

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 increased by \$171,000 to \$93.639 million for 2012/13. This is due to additional funding for the Migrant Employment Assistance of \$391,000. This is offset by a fiscally neutral adjustment of \$200,000 to transfer funding to Mainstream Supported Employment Programme to meet strong demand following changes to the programme criteria. In addition, \$20,000 was transferred to partially fund the extension of the Social Sector Trials beyond February 2013.

Mainstream Supported Employment Programme (M63)

Scope of Appropriation

This appropriation is limited to salary subsidies, training for participants, supervisors and placement specialists, and funding for other employment support provided by the Mainstream Supported Employment Programme.

Reasons for Change in Appropriation

This appropriation increased by \$400,000 to \$3.946 million for 2012/13. This is due to a fiscally neutral adjustment to transfer funding to the Mainstream Supported Employment Programme to meet strong demand following changes to the programme criteria.

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 decreases by \$1.900 million to \$16.953 million for 2012/13. This decrease is due to a transfer of \$1.900 million funding from 2012/13 to 2013/14 to provide for transitional arrangements in the first year of the new OSCAR funding system.

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

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	41,198	(1,580)	39,618
Intangibles	31,241	(13,420)	17,821
Other	-	-	-
Total Appropriation	72,439	(15,000)	57,439

Reasons for Change in Appropriation

This appropriation decreased by \$15 million for 2012/13. The decrease reflects a revised capital plan for the Ministry.

Expected Results

	2012/13		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Residential Buildings	12,372	(7,794)	4,578
Software Development	31,241	(13,420)	17,821
Computer Hardware	9,000	3,420	12,420
Motor Vehicles	8,000	-	8,000
Plant and Equipment	780	-	780
Furniture and Fittings	11,046	2,794	13,840
Total Appropriation	72,439	(15,000)	57,439

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 increase by \$2.820 million to \$150.805 million in 2012/13. This is because of a higher than expected average payment rate and the increase to the appropriation to reduce the likelihood of overspending. Partially offsetting this is 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 decrease by \$64.544 million to \$1,579.100 million in 2012/13. The decrease is because of fewer than expected student loan borrowers.