

Vote Social Development

APPROPRIATION MINISTER(S): 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)

APPROPRIATION ADMINISTRATOR: Ministry of Social Development

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

Supplementary Estimates of Appropriations

Details of Appropriations

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2013/14		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Administration of Trialling New Approaches to Social Sector Change (M36) This appropriation is limited to the administration by committed individuals of the delivery of social sector services as part of the Social Sector Trials in specified locations.	2,832	(1,450)	1,382
Adoption Services (M63) The management of services, incorporating education, assessment, reporting, counselling, and mediation, to all people who are party to adoption-related matters, past or present.	7,114	(300)	6,814
Care and Protection Services (M63) Social work services, both statutory and informal, that protect and assist children and young people who are in need of care and protection.	345,500	3,806	349,306
Children's Action Plan (M63) This appropriation is limited to activities necessary to implement the Children's Action Plan.	400	5,290	5,690
Collection of Balances Owed by Former Clients and Non-beneficiaries (M63) 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.	14,011	(300)	13,711
Development and Funding of Community Services (M63) Management of Government funding of community-based social and welfare services.	8,329	-	8,329
Family and Community Services (M63) Provision of leadership and co-ordination services to support and strengthen families and whānau; including providing information and advice that assists families, young people and communities and managing preventative social services programmes.	35,692	200	35,892
Income Support and Assistance to Seniors (M63) 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.	38,998	(1,170)	37,828
Management of Service Cards MCOA (M63)	6,654	-	6,654
<i>Administration of Community Services Card</i> This output class is limited to assessing entitlement, issuing cards, and promoting and distributing information about the Community Services Card.	5,251	-	5,251
<i>Management of SuperGold Card</i> 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.	1,403	-	1,403

	2013/14		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Management of Student Loans (M57) 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.	15,407	830	16,237
Management of Student Support, excluding Student Loans (M63) 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.	16,647	455	17,102
Planning, Correspondence and Monitoring (M63) This appropriation is limited to providing planning, reporting and monitoring, Crown entity and statutory appointment advice (other than policy decision-making advice) and correspondence services to support Ministers to discharge their portfolio responsibilities.	5,554	-	5,554
Prevention Services (M63) 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.	4,040	-	4,040
Promoting Positive Outcomes for Disabled People (M23) 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.	5,485	300	5,785
Property Management Centre of Expertise (M66) 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.	2,755	1,100	3,855
Services to Protect the Integrity of the Benefit System (M63) Services to minimise errors, fraud and abuse of the benefit system.	35,139	-	35,139
Social Housing Services (M63) This appropriation is limited to ensuring that people's social housing financial assistance is assessed and is paid to social housing providers, providing advice on options to access alternative accommodation, and services to manage the collection of overpayments of Income Related Rent Subsidies.	-	9,545	9,545
Social Policy Advice MCOA (M63)	32,811	(3,181)	29,630
<i>Forecast, Modelling, Information Monitoring and Analysis</i> 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.	6,450	-	6,450
<i>Longitudinal Studies</i> 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.	3,001	(3,001)	-
<i>Policy Advice</i> 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.	18,180	-	18,180
<i>Research and Evaluation</i> This output class is limited to providing research and evaluation to inform the development of social policy advice and to support government decision-making.	5,180	(180)	5,000

	2013/14		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Departmental Output Expenses - cont'd			
Tailored Sets of Services to Help People into Work or Achieve Independence (M63) 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.	441,563	(214,959)	226,604
Vocational Skills Training (M63) This appropriation is limited to vocationally based skills training for working-age people through the Training Opportunities Programme.	46,784	(23,392)	23,392
Youth Development (M77) This appropriation is limited to providing leadership and service delivery to promote the interests of, and improve outcomes for, young people.	2,953	-	2,953
Youth Justice Services (M63) 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.	131,896	(2,350)	129,546
Total Departmental Output Expenses	1,200,564	(225,576)	974,988
Departmental Capital Expenditure			
Ministry of Social Development - Capital Expenditure PLA (M63) This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Social Development, as authorised by section 24(1) of the Public Finance Act 1989.	62,996	5,966	68,962
Total Departmental Capital Expenditure	62,996	5,966	68,962
Non-Departmental Output Expenses			
Assistance to Disadvantaged Persons (M63) This appropriation is limited to the provision of resources and assistance to disadvantaged and disabled people in the community and comprises: distribution of talking books and articles for the blind; advocacy assistance to people seeking entitlements from government agencies; and supporting and promoting the development of more houses accessible by disabled and older people.	950	-	950
Children's Commissioner (M63) Provision of services from the Children's Commissioner including the discharge of the Commissioner's duties under the Children's Commissioner Act 2003, monitoring and reporting on services delivered under the Children, Young Persons, and Their Families Act, 1989, and the identification of aspects of law, policy and practice that might adversely affect children and the development and proposal of remedies.	2,157	-	2,157
Connected Communities (M63) Funding of services that strengthen and support communities and community functioning, and which assist communities to support families in improving their family circumstances.	13,097	950	14,047
Counselling and Rehabilitation Services (M63) 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.	17,677	-	17,677
Education and Prevention Services (M63) 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.	8,562	-	8,562

	2013/14		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Families Commission (M63) Provision of services from the Families Commission to promote the wellbeing of a full range of New Zealand families and whānau through undertaking research and evidence gathering to build a transfer of knowledge to policymakers and purchasers and providers of services.	7,124	3,181	10,305
Family Wellbeing Services (M63) 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.	84,903	-	84,903
Income Related Rent Subsidy for Community Housing Providers (M63) This appropriation is limited to the purchase of housing and related services delivered by approved community housing providers to individuals who are eligible for an income related rent, assessed as the difference in price between the amounts of market rents for the housing provided by the approved community housing providers and the Income Related Rents charged.	-	2,900	2,900
Independent Advice on Government Priority Areas MCOA (M63)	538	-	538
<i>Other Advice</i> 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.	269	60	329
<i>Policy Advice</i> 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.	269	(60)	209
Provision of Housing and Related Services for Tenants Paying Income Related Rent (M63) This appropriation is limited to the purchase of housing and related services delivered by Housing New Zealand Corporation to individuals who are eligible for an Income Related Rent, assessed as the difference in price between the amounts of market rents for the housing provided by the Corporation and the Income Related Rents charged.	-	151,535	151,535
Services for Young People (M77) Provision of programmes and services to enable the implementation of the Youth Development Strategy Aotearoa at a regional and local level.	5,244	-	5,244
Strengthening Providers and Communities (M63) Purchase of services that contribute to strengthening the capacity and capability of providers to deliver strong and effective social services.	2,382	-	2,382
Strong Families (M63) Purchase of services to improve outcomes for families and their members. These services aim to support vulnerable families with a focus on prevention and early intervention.	106,246	2,250	108,496
Student Placement Services (M63) Provision of placement services for students for holiday and term employment.	3,512	(175)	3,337
Trialling New Approaches to Social Sector Change (M36) This appropriation is limited to the delivery of social sector services as part of the Social Sector Trials in specified locations and, in those locations where that delivery is led by Non-Government Organisations, to the administration of that delivery.	3,385	1,450	4,835
Vocational Services for People with Disabilities (M63) Provision of vocational services for people with disabilities including community participation and employment services.	89,042	(140)	88,902
Youth Development Partnership Fund (M77) Provision of one-off partial funding, to assist Territorial Authorities to respond to the emerging needs and opportunities for young people.	889	-	889

Titles and Scopes of Appropriations by Appropriation Type	2013/14		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Non-Departmental Output Expenses - cont'd			
Youth Support Services MCOA (M63)	34,171	(970)	33,201
<i>Support for Youth Payment and Young Parent Payment recipients</i> 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.	15,464	(500)	14,964
<i>Support to prevent disengaged young people from coming on to benefit at the age of 18</i> 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.	18,707	(470)	18,237
Total Non-Departmental Output Expenses	379,879	160,981	540,860
Benefits and Other Unrequited Expenses			
Accommodation Assistance (M63)	1,191,296	(33,294)	1,158,002
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.			
Benefits Paid in Australia (M63)	18,669	(109)	18,560
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.			
Childcare Assistance (M63)	183,660	6,281	189,941
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.			
Disability Assistance (M63)	380,111	590	380,701
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.			
Domestic Purposes Benefit (M63)	149,349	(86,433)	62,916
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.			
Employment Related Training Assistance (M63)	15,262	-	15,262
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.			
Family Start/NGO Awards (M63)	705	-	705
Payment of course fees for Family Start family/whānau and NGO workers pursuing social work qualifications.			
Hardship Assistance (M63)	272,503	3,898	276,401
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.			

Titles and Scopes of Appropriations by Appropriation Type	2013/14		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Invalid's Benefit (M63) Provision of means-tested income support for people who are totally blind, or permanently and severely restricted in their capacity for work due to sickness, injury or disability. Paid in accordance with the criteria set out in the Social Security Act 1964.	116,468	(64,113)	52,355
Jobseeker Support and Emergency Benefit (M63) This appropriation is limited to the provision of means tested income support for people who are eligible for Jobseeker Support or an Emergency Benefit as set out in the Social Security Act 1964 and delegated legislation made under that Act.	1,773,301	(57,317)	1,715,984
New Zealand Superannuation (M63) Provision of an income for people who have reached the qualifying age of 65 years and fulfil the residency requirements, as provided for in the New Zealand Superannuation and Retirement Income Act 2001.	10,894,365	26,300	10,920,665
Orphan's/Unsupported Child's Benefit (M63) This appropriation is limited to the 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 and in relevant Welfare Programmes pursuant to it.	117,743	5,310	123,053
Sickness Benefit (M63) Provision of means-tested income support for people who are not in full-time employment and are limited in their capacity for work, or who are in employment but working at a reduced level, because of sickness, injury, disability or pregnancy. Paid in accordance with the criteria set out in the Social Security Act 1964.	69,833	(40,624)	29,209
Sole Parent Support (M63) This appropriation is limited to the provision of means-tested income support for people who are eligible for Sole Parent Support as set out in the Social Security Act 1964 and delegated legislation made under that Act.	1,287,824	(45,568)	1,242,256
Special Circumstance Assistance (M63) 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.	12,861	188	13,049
Student Allowances (M63) 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.	574,360	(9,001)	565,359
Study Scholarships and Awards (M63) 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.	21,467	-	21,467
Supported Living Payment (M63) This appropriation is limited to the provision of means-tested income support for people who are eligible for Supported Living Payment as set out in the Social Security Act 1964 and delegated legislation made under that Act.	1,391,858	40,552	1,432,410

Titles and Scopes of Appropriations by Appropriation Type	2013/14		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Benefits and Other Unrequited Expenses - cont'd			
Transition to Work (M63) Provision of payments to beneficiaries, low income earners, students and ex beneficiaries, who meet certain criteria, to assist in the transition from benefit to employment and the continuation of employment. Criteria are set out in relevant Welfare Programmes and Ministerial Directions pursuant to the Social Security Act 1964.	23,100	4,500	27,600
Unemployment Benefit and Emergency Benefit (M63) Provision of means-tested assistance for people who are not in full-time employment and are available for and seeking full time employment, or engaged in approved activities. 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.	64,589	(36,043)	28,546
Widow's Benefit (M63) Provision of means-tested income support for women whose partners have died and who do not yet qualify for New Zealand Superannuation, but meet residency and other requirements. Paid in accordance with criteria set out in the Social Security Act 1964.	5,996	(3,773)	2,223
Youth Payment and Young Parent Payment (M63) 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.	35,573	4,950	40,523
Total Benefits and Other Unrequited Expenses	18,600,893	(283,706)	18,317,187
Non-Departmental Other Expenses			
Debt Write-downs (M63) Provision for write-downs of Crown debt administered by the Ministry of Social Development due to debt write offs or debt provisions resulting from the need to value debt in accordance with generally accepted accounting practice.	80,793	13,190	93,983
Employment Assistance (M63) Provision of assistance to help address barriers faced by job seekers so they can become work ready, move into employment and stay in employment for longer periods of time. This employment assistance is governed by the Cabinet and Ministerial Guidelines for Employment and Training Assistance.	102,133	(58,233)	43,900
Mainstream Supported Employment Programme (M63) 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.	3,546	-	3,546
Out of School Care Programmes (M63) Provision of assistance to CYF approved OSCAR programmes to assist with the establishment and/or operating costs of OSCAR programmes.	18,803	800	19,603
Total Non-Departmental Other Expenses	205,275	(44,243)	161,032

	2013/14		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Non-Departmental Capital Expenditure			
Recoverable Assistance (M63) This appropriation is limited to recoverable assistance payments, as a facility for low-income earners and beneficiaries to access means-tested assistance to help them to meet essential and immediate needs, or costs in specific circumstances, and to meet costs of pre-employment drug tests, in accordance with criteria set out in the Social Security Act 1964 and delegated legislation issued under that Act.	150,669	(2,821)	147,848
Student Loans (M57) This appropriation is limited to loans to tertiary students undertaking studies at approved tertiary institutions in accordance with Cabinet decisions.	1,631,661	54,484	1,686,145
Total Non-Departmental Capital Expenditure	1,782,330	51,663	1,833,993
Multi-Category Expenses and Capital Expenditure			
Improved Employment and Social Outcomes Support MCA (M63) The single overarching purpose of this appropriation is to operate the benefit system and associated interventions in such a way as to improve client outcomes (employment and social) to move them closer to independence, with a focus on those at risk of long term benefit receipt. <i>Departmental Output Expenses</i> <i>Administering Income Support</i> This category is limited to assessing, paying, reviewing and collecting debts in respect of working age benefits, supplementary benefits, grants and allowances, and ensuring people meet their social and other obligations. <i>Improving Employment Outcomes - Service Provision</i> This category is limited to providing services, including services provided in accordance with criteria set out in delegated legislation under the Social Security Act 1964, to facilitate transitions to work for people who are receiving or likely to receive working age benefits or youth support payments and are work ready to help them move into sustainable employment <i>Improving Work Readiness - Service Provision</i> This category is limited to providing services, including services provided in accordance with criteria set out in delegated legislation under the Social Security Act 1964, to address barriers to employment (such as literacy, numeracy, health, skills, drug or alcohol use, confidence and motivation) for people who are receiving or likely to receive working age benefits or youth support payments to help them become work ready. <i>Non-Departmental Other Expenses</i> <i>Improving Employment Outcomes - Assistance</i> This category is limited to providing specified assistance, including services provided in accordance with criteria set out in delegated legislation under the Social Security Act 1964, to facilitate transitions to work to help people who are receiving or likely to receive working age benefits or youth support payments and are work ready to move into sustainable employment.	-	285,064	285,064
Total Multi-Category Expenses and Capital Expenditure	-	285,064	285,064
Total Annual and Permanent Appropriations	22,231,937	(49,851)	22,182,086

Details of Projected Movements in Departmental Net Assets

Ministry of Social Development

Details of Net Asset Schedule	2013/14 Main Estimates Projections \$000	2013/14 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2013/14
Opening Balance	292,771	292,771	Supplementary Estimates opening balance reflects the audited results as at 30 June 2013.
Capital Injections	-	4,991	Drawdown of funding from the Vulnerable Children's Contingency Fund \$3,000 and Social Housing Reform: Implementing the Transfer of Needs Assessment Functions \$1,991.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	292,771	297,762	

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2013/14				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	1,580,443	(225,576)	160,981	(64,595)	1,515,848
Benefits and Other Unrequited Expenses	18,600,893	N/A	(283,706)	(283,706)	18,317,187
Borrowing Expenses	-	-	-	-	-
Other Expenses	205,275	-	(44,243)	(44,243)	161,032
Capital Expenditure	1,845,326	5,966	51,663	57,629	1,902,955
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	-	284,064	-	284,064	284,064
<i>Other Expenses</i>	-	-	1,000	1,000	1,000
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	22,231,937	64,454	(114,305)	(49,851)	22,182,086
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	11,394	N/A	466	466	11,860
Capital Receipts	629,147	N/A	(7,492)	(7,492)	621,655
Total Crown Revenue and Capital Receipts	640,541	N/A	(7,026)	(7,026)	633,515

1.4 - Reconciliation of Changes in Appropriation Structure

The Improved Employment and Social Outcomes Support MCA was established from 1 January 2014 following changes to the Public Finance Act 1989 to provide greater flexibility for allocating resources. The reconciliation table shows the transfers from existing appropriations to the new MCA categories in 2013/14. The restated figures in 2013/14 for the new MCA categories excludes any funding changes since it was established.

Estimates	2013/14 (Estimates) \$000	Supplementary Estimates (Changes during the year)	Amount Moved \$000	New Structure	2013/14 (Restated) \$000
Vote Social Development					
Departmental Output Expenses					
Tailored Sets of Services to Help People into Work or Achieve Independence	441,563	Transferred to Administering Income Support category of MCA Transferred to Improving Employment Outcomes - Service Provision category of MCA	(151,907) (63,052)	Tailored Sets of Services to Help People into Work or Achieve Independence	226,604
Non-Departmental Other Expenses					
Employment Assistance	102,133	Transferred to Improving Employment Outcomes - Service Provision category of MCA Transferred to Improving Work Readiness - Service Provision category of MCA	(49,291) (8,942)	Employment Assistance	43,900
				Multi-Category Expenses and Capital Expenditure: Improved Employment and Social Outcomes Support MCA	
				Departmental Output Expenses	
		Transferred from Tailored Sets of Services to Help People into Work or Achieve Independence	151,907	Administering Income Support category of MCA	151,907
		Transferred from Tailored Sets of Services to Help People into Work or Achieve Independence Transferred from Employment Assistance	63,052 49,291	Improving Employment Outcomes - Service Provision category of MCA	112,343
		Transferred from Employment Assistance	8,942	Improving Work Readiness - Service Provision category of MCA	8,942
Total changes in Appropriations	543,696		-		543,696

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.

Mapping the Layout of the 2013/14 Supplementary Estimates to the Layout of the 2013/14 Estimates

Supplementary Estimates Structure 2013/14		Estimates Structure 2013/14	
Part #	Part Name	Part #	Part Name
2.1	Departmental Output Expenses	2.1	Departmental Output Expenses
2.2	Departmental Other Expenses	5.1	Departmental Other Expenses
2.3	Departmental Capital Expenditure and Capital Injections	6.1	Departmental Capital Expenditure
3.1	Non-Departmental Output Expenses	2.2	Non-Departmental Output Expenses
3.2	Non-Departmental Benefits and Other Unrequited Expenses	3.2	Non-Departmental Benefits and Other Unrequited Expenses
3.3	Non-Departmental Borrowing Expenses	4.2	Non-Departmental Borrowing Expenses
3.4	Non-Departmental Other Expenses	5.2	Non-Departmental Other Expenses
3.5	Non-Departmental Capital Expenditure	6.2	Non-Departmental Capital Expenditure
4	Multi-Category Expenses and Capital Expenditure	N/A	Did not exist in the Estimates

Part 2 - Details of Departmental Appropriations

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 as part of the Social Sector Trials in specified locations.

Reasons for Change in Appropriation

This appropriation decreased by \$1.450 million due to a transfer to the Non-departmental Output Expense, Trialling New Approaches to Social Sector Change, to fund seven Trial locations led by Non-Government Organisations (NGO's).

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.

Reasons for Change in Appropriation

This appropriation decreased by \$300,000 to \$6.814 million in 2013/14. This was due to a reprioritisation of departmental baselines within Vote Social Development to reflect changes in drivers used to allocate costs in 2013/14.

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

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	345,500	3,806	349,306
Revenue from the Crown	343,701	3,806	347,507
Revenue from Others	1,799	-	1,799

Reasons for Change in Appropriation

This appropriation increased by \$3.806 million to \$349.306 million in 2013/14. The increase is due to:

- reprioritisation of baselines to reflect changes in cost drivers used to allocate costs \$2.950 million
- reprioritisation of funding for the accelerated settlement process to clear backlog of historical claims \$770,000
- CPI adjustment for board and clothing allowance payments to caregivers \$86,000.

Children's Action Plan (M63)*Scope of Appropriation*

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

Reasons for Change in Appropriation

This appropriation increased by \$5.290 million to \$5.690 million in 2013/14 due to:

- drawdown of funding from the Vulnerable Children's contingency fund \$6.980 million
- retention of underspends from 2012/13 \$637,000
- a transfer of funds from Vote Education for the Safe and Competent Children's Workforce project \$264,000.

The above increases offset by:

- transfer of funds to New Zealand Police for Child Harm Prevention Orders implementation work \$1.091 million
- transfer of funds to 2014/15 to implement Children's Action Plan as part of Budget 2014 \$1.500 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.

Reasons for Change in Appropriation

This appropriation decreased by \$300,000 due to the reprioritisation of baselines to reflect changes in cost drivers used to allocate costs in 2013/14.

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 due to a transfer from Non-department Output Expense, Connected Communities, to fund operational costs relating to the two Family Violence initiatives: Pasifika Campaign and Family Violence training programmes for Pacific providers.

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 decreased by \$1.170 million to \$37.828 million in 2013/14. The decrease is due to:

- transfer of funding to Departmental Output Expense, Care and Protection Services, for the accelerated settlement process to clear backlog of historical claims \$770,000
- reprioritisation of baselines to reflect changes in cost drivers used to allocate costs in 2013/14 \$400,000.

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 \$830,000 to \$16.237 million in 2013/14. This increase is due to reprioritisation of baselines to reflect changes in cost drivers used to allocate costs in 2013/14.

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 increased by \$455,000 to \$17.102 million in 2013/14. This increase is due to:

- a transfer from Non-departmental Output Expense, Student Placement Services, to fund a student text messaging service \$175,000
- reprioritisation of baselines to reflect changes in cost drivers used to allocate costs in 2013/14 \$280,000.

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 \$300,000 to \$5.785 million in 2013/14 due to a transfer from Vote Health for Enabling Good Lives Demonstration.

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

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	2,755	1,100	3,855
Revenue from the Crown	1,000	-	1,000
Revenue from Others	1,755	1,100	2,855

Reasons for Change in Appropriation

This appropriation increased by \$1.100 million to \$3.855 million in 2013/14. This increase is due to an increased level of work activity performed by the Property Management Centre of Expertise (PMCoE) on behalf of other agencies. The appropriation increase will be funded by Revenue Other.

Social Housing Services (M63)*Scope of Appropriation*

This appropriation is limited to ensuring that people's social housing financial assistance is assessed and is paid to social housing providers, providing advice on options to access alternative accommodation, and services to manage the collection of overpayments of Income Related Rent Subsidies.

Expenses and Revenue

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	9,545	9,545
Revenue from the Crown	-	9,545	9,545
Revenue from Others	-	-	-

How Performance will be Assessed and End of Year Reporting Requirements

	2013/14		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Performance Measures			
The transfer of social housing functions from Housing New Zealand to the Ministry of Social Development will be completed by 14 April 2014	New measure	Achieved	Achieved

Reasons for Change in Appropriation

This is a newly established appropriation in 2013/14 due to the transfer of the social housing needs assessment and related functions from the Housing New Zealand Corporation with funding of \$9.545 million.

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.

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2013/14		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Forecast, Modelling, Information Monitoring and Analysis Output Class			
The Annual Statistical Report is published by 30 June 2014	Standard met	-	-
Benefit fact sheets are published on the Ministry of Social Development website	New measure	4 times a year	4 times a year

Reasons for Change in Appropriation

The Social Policy Advice MCOA decreased by \$3.181 million to \$29.630 million in 2013/14. This decrease is due to the transfer of monitoring, evaluation and research responsibilities and the Growing Up in New Zealand longitudinal study, to the Families 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

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	441,563	(214,959)	226,604
Revenue from the Crown	432,670	(207,339)	225,331
Revenue from Others	8,893	(7,620)	1,273

Reasons for Change in Appropriation

This appropriation has decreased by \$214.959 million due to the transfer of funds to the Multi-Category Appropriation (MCA) Improved Employment and Social Outcomes Support from 1 January 2014. The introduction of this new MCA structure in Vote Social Development is to facilitate the Investment Approach for working age benefits.

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 decreased by \$23.392 million to \$23.392 million in 2013/14 due to:

- transfer of funding to Vote Tertiary Education as a result of reprioritising Foundation Focused Training Opportunities funding \$7.251 million
- transfer to Non-Departmental Other Expense, Employment Assistance, to provide funding for other education, training and employment interventions to support beneficiaries into work \$16.141 million.

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.

Reasons for Change in Appropriation

This appropriation decreased by \$2.350 million to \$129.546 million in 2013/14. This decrease is due to reprioritisation of baselines to reflect changes in cost drivers used to allocate costs in 2013/14.

2.3 - Departmental Capital Expenditure and Capital Injections

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

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	45,175	5,954	51,129
Intangibles	17,821	12	17,833
Other	-	-	-
Total Appropriation	62,996	5,966	68,962

Reasons for Change in Appropriation

This appropriation increased by \$5.966 million to \$68.962 million in 2013/14. This increase reflects a revised capital plan for the Ministry. The funding increase is mainly driven by the need to bring the Ministry's Information Technology infrastructure up to standard as well as beginning the process of relocating the National Office campus.

*Capital Injections and Movements in Departmental Net Assets***Ministry of Social Development**

Details of Net Asset Schedule	2013/14 Main Estimates Projections \$000	2013/14 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2013/14
Opening Balance	292,771	292,771	Supplementary Estimates opening balance reflects the audited results as at 30 June 2013.
Capital Injections	-	4,991	Drawdown of funding from the Vulnerable Children's Contingency Fund \$3,000 and Social Housing Reform: Implementing the Transfer of Needs Assessment Functions \$1,991.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	292,771	297,762	

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

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 has increased by \$950,000 to \$14.047 million for 2013/14 due to:

- a drawdown of funding for the Marae CBD and Community hub demonstration sites \$1.100 million
- expanding the reach of the microfinance scheme \$50,000.

This increase is offset by:

- a transfer to the Departmental Output Expense, Family and Community Services, of \$200,000 to fund the operational costs for the two Family Violence initiatives: Pasifika Campaign and the Family Violence training programme for Pacific Providers.

Families Commission (M63)

Scope of Appropriation

Provision of services from the Families Commission to promote the wellbeing of a full range of New Zealand families and whānau through undertaking research and evidence gathering to build a transfer of knowledge to policymakers and purchasers and providers of services.

Reasons for Change in Appropriation

This appropriation increased by \$3.181 million to \$10.305 million for 2013/14 due to a transfer of funding from the Social Policy Advice and Support to Ministers (MCOA). This is due to the Families Commission assuming responsibility for the Growing Up in New Zealand longitudinal study and for the transfer of the monitoring, evaluation and research funding associated with the Children's Action Plan and Youth Mental Health projects.

Income Related Rent Subsidy for Community Housing Providers (M63)

Scope of Appropriation

This appropriation is limited to the purchase of housing and related services delivered by approved community housing providers to individuals who are eligible for an income related rent, assessed as the difference in price between the amounts of market rents for the housing provided by the approved community housing providers and the Income Related Rents charged.

Reasons for Change in Appropriation

This is a new appropriation in 2013/14 with funding related to the transfer of functions from Vote Housing for the assessment of eligibility for Social Housing and the calculation of Income Related Rent subsidies.

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.

Reasons for Change in Appropriation

While there is no overall change to the Independent Advice on Government Priority Areas (MCOA) there is a transfer of \$60,000 from Policy Advice to Other Advice output class. This is to provide for strategic communication advice for the Children's Action Plan team.

Provision of Housing and Related Services for Tenants Paying Income Related Rent (M63)

Scope of Appropriation

This appropriation is limited to the purchase of housing and related services delivered by Housing New Zealand Corporation to individuals who are eligible for an Income Related Rent, assessed as the difference in price between the amounts of market rents for the housing provided by the Corporation and the Income Related Rents charged.

How Performance will be Assessed and End of Year Reporting Requirements

Performance Measures	2013/14		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
The percentage of Income Related Rent assessments (for tenants with verified income) that are calculated accurately (see Note 1) will be no less than	New measure	95%	95%

Note 1 - This appropriation and associated functions will be transferred to the Ministry of Social Development on 14 April 2014. The performance information covers the period 14 April to 30 June 2014.

Reasons for Change in Appropriation

This is a new appropriation in 2013/14 to provide for the transfer of functions related to the assessment of eligibility for social housing and the calculation of Income Related Rent subsidies from Vote Housing.

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 \$2.250 million to \$108.496 million for 2013/14 due to:

- the drawdown of funding for the Support for Food in Schools programme \$1.900 million, and
- a contribution to KidsCan programmes targeting disadvantaged school children \$350,000.

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 \$175,000 to \$3.337 million for 2013/14 due to a transfer to Departmental Output Expense, Management of Student Support, excluding Student Loans, to enhance the student text messaging service.

Trialling New Approaches to Social Sector Change (M36)

Scope of Appropriation

This appropriation is limited to the delivery of social sector services as part of the Social Sector Trials 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 \$1.450 million to \$4.835 million for 2013/14 due to a transfer from the Departmental Output Expense, Administration of Trialling New Approaches to Social Sector Change, to fund seven Trial locations led by Non-Government Organisations (NGO's).

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 decreased by \$140,000 to \$88.902 million for 2013/14 due to a transfer to Vote Health for the Enabling Good lives demonstration.

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 \$970,000 to \$33.201 million for 2013/14 due to a transfer to the Non-Departmental Benefits and Other Unrequited Expenses, Childcare Assistance, as a result of an extension to the grandparenting provision.

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 decreased by \$33.294 million to \$1,158.002 million in 2013/14 due to:

- \$28.410 million for fewer Accommodation Assistance recipients as a result of fewer main benefit recipients
- \$14.093 million for a lower average payment rate.

Partially offsetting the above factors are:

- \$9 million supplementary estimates add-on to reduce the likelihood of an overspend
- \$209,000 increase from policy changes, mostly from the Supporting Better Public Services and the Business Growth Agenda.

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 decreased by \$109,000 to \$18.560 million in 2013/14 due to the Australian inflation rate in the year to June 2013 (and used in the 2013/14 payment) being lower than was forecast at the 2013 Budget.

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 increased by \$6.281 million to \$189.941 million in 2013/14 due to:

- \$4.539 million for the supplementary estimates add-on to reduce the likelihood of an overspend
- \$2.597 million for a higher average payment rate (before inflation adjustments)
- \$1.850 million for the impact of extending the grandparenting provision.

Partially offsetting the above factors are:

- \$2.624 million for fewer recipients
- \$81,000 for lower-than-expected inflation adjustments.

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 increased by \$590,000 to \$380.701 million in 2013/14 due to:

- \$2.132 million for the supplementary estimates add-on to reduce the likelihood of an overspend
- \$938,000 for a higher number of recipients
- \$24,000 for the impact of the Annual General Adjustment on the 2014 Income Threshold for Disability Allowance.

Partially offsetting the above factors are:

- \$2.448 million for a lower average payment rate (before inflation adjustments)
- \$55,000 for lower-than-expected inflation adjustments.

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 decreased by \$86.433 million to \$62.916 million in 2013/14 because the 2014 Budget is two weeks of actual spending compared to a whole forecast month in the 2013 Budget. This appropriation ceased on 14 July 2013 and was replaced by new appropriations under Welfare Reform.

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 increased by \$3.898 million to \$276.401 million in 2013/14 due to:

- \$6.991 million for the supplementary estimates add-on to reduce the likelihood of an overspend
- \$1.848 million for Temporary Additional Support, largely due to a higher number of recipients
- \$103,000 for Special Benefit, largely due to a higher average payment rate.

Partially offsetting the above factors are:

- \$4.649 million lower Special Needs Grants expenditure, largely due to fewer grants
- \$395,000 lower Temporary Accommodation Assistance expenditure, largely due to fewer 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 decreased by \$64.133 million to \$52.355 million in 2013/14 because the 2014 Budget is two weeks of actual spending compared to a whole forecast month in the 2013 Budget. This appropriation ceased on 14 July 2013 and was replaced by new appropriations under Welfare Reform.

Jobseeker Support and Emergency Benefit (M63)

Scope of Appropriation

This appropriation is limited to the provision of means tested income support for people who are eligible for Jobseeker Support or an Emergency Benefit as set out in the Social Security Act 1964 and delegated legislation made under that Act.

Reasons for Change in Appropriation

This appropriation decreased by \$57.317 million to \$1,715.984 million in 2013/14 due to:

- \$79.403 million for fewer recipients because of better economic conditions
- \$1.460 million for lower-than-expected inflation adjustments
- \$545,000 for higher-than-expected debt establishments
- \$78,000 for higher-than-expected overseas pension recoveries.

Partially offsetting the above factors are:

- \$22.953 million for the supplementary estimates add-on to reduce the likelihood of an overspend
- \$1.111 million for a higher average payment rate (before inflation adjustments)
- \$105,000 for the cumulative impact of policy changes since the 2013 Budget.

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 increased by \$26.300 million to \$10,920.665 million in 2013/14 due to:

- \$41.648 million for a higher number of recipients because of demographic trends
- \$18 million for supplementary estimates add-on to reduce the likelihood of an overspend
- \$9.204 million for the impact of the reduction in the ACC levy for earners
- \$2.790 million for higher-than-expected wage adjustments.

Partially offsetting these factors are:

- \$23.760 million for higher-than-expected overseas pension recoveries
- \$16.748 million for a lower average payment rate (before inflation and wage growth adjustments)
- \$4.834 million for higher-than-expected debt establishments.

Orphan's/Unsupported Child's Benefit (M63)

Scope of Appropriation

This appropriation is limited to the 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 and in relevant Welfare Programmes pursuant to it.

Reasons for Change in Appropriation

This appropriation increased by \$5.310 million to \$123.053 million in 2013/14 due to:

- \$4.739 million for the impact of the Additional Assistance for Carers policy
- \$1.860 million for the supplementary estimates add-on to reduce the likelihood of an overspend
- \$88,000 for lower-than-expected debt establishments.

Partially offsetting the above factors are:

- \$980,000 for a lower average payment rate (before inflation adjustments)
- \$333,000 for fewer recipients
- \$62,000 for lower-than-expected inflation adjustments.

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 decreased by \$40.624 million to \$29.209 million in 2013/14 because the 2014 Budget is two weeks of actual spending compared to a whole forecast month in the 2013 Budget. This appropriation ceased on 14 July 2013 and was replaced by new appropriations under Welfare Reform.

Sole Parent Support (M63)

Scope of Appropriation

This appropriation is limited to the provision of means-tested income support for people who are eligible for Sole Parent Support as set out in the Social Security Act 1964 and delegated legislation made under that Act.

Reasons for Change in Appropriation

This appropriation decreased by \$45.568 million to \$1,242.256 million in 2013/14 due to:

- \$75.208 million for fewer recipients because of better than expected economic conditions
- \$776,000 for lower-than-expected inflation adjustments.

Partially offsetting the above factors are:

- \$17.678 million for the supplementary estimates add-on to reduce the likelihood of an overspend
- \$10.143 million for lower-than-expected debt establishments
- \$2.588 million for a higher average payment rate (before inflation adjustments)
- \$6,000 for lower-than-expected overseas pension recoveries.

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 increased by \$188,000 to \$13.049 million in 2013/14 due to:

- \$700,000 for the supplementary estimates add-on to reduce the likelihood of an overspend.

Mostly offsetting the above factor are:

- \$268,000 for fewer recipients
- \$147,000 for changes to spending on Civilian Amputee Assistance and the Community Costs Programme
- \$84,000 for a lower average payment rate (before inflation adjustments)
- \$13,000 for lower-than-expected inflation adjustments.

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 decreased by \$9.001 million to \$565.359 million in 2013/14 due to:

- \$36.620 million for fewer recipients
- \$620,000 for lower-than-expected inflation adjustments.

Partially offsetting the above factors are:

- \$23.568 million for the supplementary estimates add-on to reduce the likelihood of an overspend
- \$2.355 million for the combined impact of policy initiatives introduced in the 2014 Budget and the 2013 Half Year Update
- \$315,000 for a higher-than-expected average payment rate (before inflation adjustments).

Supported Living Payment (M63)

Scope of Appropriation

This appropriation is limited to the provision of means-tested income support for people who are eligible for Supported Living Payment as set out in the Social Security Act 1964 and delegated legislation made under that Act.

Reasons for Change in Appropriation

This appropriation increased by \$40.552 million to \$1,432.410 million in 2013/14 due to:

- \$34.331 million for a higher number of recipients
- \$10.223 million for the supplementary estimates add-on to reduce the likelihood of an overspend
- \$363,000 for the reduction in overseas pensions recovered.

Partially offsetting the above factors are:

- \$2.582 million for a lower average payment rate (before inflation adjustments)
- \$933,000 for a greater-than-expected debt establishments
- \$849,000 for a lower-than-expected inflation adjustments.

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 increased by \$4.500 million to \$27.600 million in 2013/14 due to:

- \$2.500 million for demand driven changes (before inflation adjustments)
- \$2 million for the supplementary estimates add-on 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 decreased by \$36.043 million to \$28.546 million in 2013/14 because the 2014 Budget is two weeks of actual spending compared to a whole forecast month in the 2013 Budget. This appropriation ceased on 14 July 2013 and was replaced by new appropriations under Welfare Reform.

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 decreased by \$3.773 million to \$2.223 million in 2013/14 because the 2014 Budget is two weeks of actual spending compared to a whole forecast month in the 2013 Budget. This appropriation ceased on 14 July 2013 and was replaced by new appropriations under Welfare Reform.

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 increased by \$4.950 million to \$40.523 million in 2013/14 due to:

- \$7.287 million for a higher number of recipients
- \$1.518 million for the supplementary estimates add-on to reduce the likelihood of an overspend.

Partially offsetting the above factors are:

- \$3.732 million for a lower average payment rate (before inflation adjustments)
- \$100,000 for a greater-than expected amount of debt establishments
- \$23,000 for lower-than-expected inflation adjustments.

3.4 - 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 \$13.190 million to \$93.983 million for 2013/14. 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 decreased by \$58.233 million to \$43.900 million in 2013/14 mainly due to the transfer of funds to the Multi-Category Appropriation (MCA) Improved Employment and Social Outcomes Support from 1 January 2014. The introduction of this new MCA structure in Vote Social Development is to facilitate the Investment Approach for working age benefits.

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 has increased by \$800,000 to \$19.603 million for 2013/14 due to a transfer from the Non-departmental Other Expenses, Employment Assistance, to fund the increases in the number of children enrolled in OSCAR funded programmes.

3.5 - Non-Departmental Capital Expenditure

Recoverable Assistance (M63)

Scope of Appropriation

This appropriation is limited to recoverable assistance payments, as a facility for low-income earners and beneficiaries to access means-tested assistance to help them to meet essential and immediate needs, or costs in specific circumstances, and to meet costs of pre-employment drug tests, 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 decreased by \$2.821 million to \$147.848 million in 2013/14 due to:

- \$9.545 million for the lower average payment per grant
- \$999,000 for the Improving Value for Money in the Benefit System by Use of Preferred Suppliers policy.

Partially offsetting the above factors are:

- \$4.482 million for the supplementary estimates add-on to reduce the likelihood of an overspend
- \$3.240 million for a higher number of 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 increased by \$54.484 million to \$1,686.145 million in 2013/14 due to:

- \$45 million for the supplementary estimates add-on to reduce the likelihood of an overspend
- \$13.513 million for a higher number of recipients
- \$11.126 million for the combined impact of policy initiatives.

Partly offsetting the above factors are:

- \$15.008 million for a lower average amount paid per loan
- \$147,000 for lower-than-expected inflation adjustments.

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

Multi-Category Expenses and Capital Expenditure

Improved Employment and Social Outcomes Support (M63)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to operate the benefit system and associated interventions in such a way as to improve client outcomes (employment and social) to move them closer to independence, with a focus on those at risk of long term benefit receipt.

Scope of Appropriation

Departmental Output Expenses

Administering Income Support

This category is limited to assessing, paying, reviewing and collecting debts in respect of working age benefits, supplementary benefits, grants and allowances, and ensuring people meet their social and other obligations.

Improving Employment Outcomes - Service Provision

This category is limited to providing services, including services provided in accordance with criteria set out in delegated legislation under the Social Security Act 1964, to facilitate transitions to work for people who are receiving or likely to receive working age benefits or youth support payments and are work ready to help them move into sustainable employment

Improving Work Readiness - Service Provision

This category is limited to providing services, including services provided in accordance with criteria set out in delegated legislation under the Social Security Act 1964, to address barriers to employment (such as literacy, numeracy, health, skills, drug or alcohol use, confidence and motivation) for people who are receiving or likely to receive working age benefits or youth support payments to help them become work ready.

Non-Departmental Other Expenses

Improving Employment Outcomes - Assistance

This category is limited to providing specified assistance, including services provided in accordance with criteria set out in delegated legislation under the Social Security Act 1964, to facilitate transitions to work to help people who are receiving or likely to receive working age benefits or youth support payments and are work ready to move into sustainable employment.

Expenses, Revenue and Capital Expenditure

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	285,064	285,064
Departmental Output Expenses			
Administering Income Support	-	151,291	151,291
Improving Employment Outcomes - Service Provision	-	123,049	123,049
Improving Work Readiness - Service Provision	-	9,724	9,724
Non-Departmental Other Expenses			
Improving Employment Outcomes - Assistance	-	1,000	1,000
Funding for Departmental Output Expenses			
Revenue from the Crown	-	282,764	282,764
Administering Income Support	-	149,991	149,991
Improving Employment Outcomes - Service Provision	-	123,049	123,049
Improving Work Readiness - Service Provision	-	9,724	9,724
Revenue from Others	-	1,300	1,300
Administering Income Support	-	1,300	1,300
Improving Employment Outcomes - Service Provision	-	-	-
Improving Work Readiness - Service Provision	-	-	-

What is Intended to be Achieved with this Appropriation

The MCA as a whole is intended to achieve a reduction in long-term valuation and achievement of Better Public Services Result 1.

How Performance will be Assessed for this Appropriation

Performance will be assessed by:

- reducing the number of people continuously receiving working-age benefits for more than 12 months by 30%, from 78,000 in April 2012 to 55,000 by 2017
- using the future benefit valuation to track the key drivers of the valuation, identify variances in trends projected from the valuation, and show how the management of the benefit system is influencing movements in the future valuation.

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2013/14		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Improved Employment and Social Outcomes Support			
Departmental Output Expenses			
<i>Administering Income Support</i>			
This category is intended to achieve accurate and efficient operation of the benefit system so that the correct amount is paid to the correct people on time			
The proportion of benefit entitlement assessments completed accurately will be no less than	90%	90%	90%
The proportion of benefit entitlement assessments completed within five working days will be no less than	90%	90%	90%
The proportion of clients who participate in a triage service and do not require a benefit within 28 days will be between	35-40%	35-40%	35-40%
The proportion of payments to third-party providers that are made in accordance with their contracts will be no less than	100%	100%	100%
<i>Improving Employment Outcomes - Service Provision</i>			
This category is intended to increase the number of people (from those who are currently receiving or are likely to receive working-age benefits and are work ready) moving into sustainable employment			
The proportion of Jobseeker Support clients with less than 52 weeks benefit duration who participate in a work-focused intervention will be between	70-75%	85-90%	85-90%
The proportion of Jobseeker Support clients with more than 52 weeks benefit duration who participate in a work-focused intervention will be between	60-65%	85-90%	85-90%
The proportion of Sole Parent Support clients with part-time work obligations (with a youngest child aged between 5-13 years) and a duration of less than 52 weeks who participate in a work-focused intervention will be between	55-60%	80-85%	80-85%
The proportion of Sole Parent Support clients with part-time work obligations (with a youngest child aged between 5-13 years) and a duration of more than 52 weeks who participate in a work-focused intervention will be between	60-65%	80-85%	80-85%
The proportion of Jobseeker Support clients with less than 52 weeks benefit duration who do not return to benefit within 91 days of exit will be between	80-85%	80-85%	80-85%
The proportion of Jobseeker Support clients with more than 52 weeks benefit duration who do not return to benefit within 91 days of exit will be between	70-75%	70-75%	70-75%
The proportion of Jobseeker Support clients aged 18-24 years with less than 52 weeks benefit duration who do not return to benefit within 91 days of exit will be between	80-85%	80-85%	80-85%
The proportion of Jobseeker Support clients aged 18-24 years with more than 52 weeks benefit duration who do not return to benefit within 91 days of exit will be between	65-70%	65-70%	65-70%

	2013/14		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
The average time that Sole Parent Support clients (with a youngest child aged between 5-13 years) with a cumulative benefit duration of less than 52 weeks spend in part-time employment will be between	20-25 weeks	15-20 weeks	15-20 weeks
The average time that Sole Parent Support clients (with a youngest child aged between 5-13 years) with a cumulative benefit duration of more than 52 weeks spend in part-time employment will be between	30-35 weeks	25-30 weeks	25-30 weeks
The number of contracted places in Skills for Industry training will be between	22,000-24,000	22,000-24,000	22,000-24,000
The proportion of participants in Skills for Industry training who move off benefit into employment after eight weeks of completion will be between	55-60%	55-60%	55-60%
The number of clients who are provided with a Flexi-Wage will be between	4,800-5,000	4,800-5,000	4,800-5,000
The proportion of clients who are provided with a Flexi-Wage who retain employment after eight weeks of expiry of the subsidy will be between	75-80%	75-80%	75-80%
<i>Improving Work Readiness - Service Provision</i>			
This category is intended to achieve a substantial reduction in barriers to employment so that people who are receiving or are likely to receive working-age benefits can become work ready			
The proportion of Jobseeker Support clients who undertake a comprehensive work assessment will be no less than	100%	100%	100%
The proportion of Sole Parent Support clients with pre-employment obligations (with a youngest child aged under five years) who will be engaged with will be between	40-45%	40-45%	40-45%
Non-Departmental Output Expenses			
<i>Improving Work Readiness - Assistance</i>			
Non-Departmental Other Expenses			
<i>Improving Employment Outcomes - Assistance</i>			
This category is intended to increase the number of people who are currently receiving or are likely to receive working-age benefits and are work ready to move into sustainable employment			
An exemption was granted under s.15D(2)(b)(iii) of the PFA as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million			

Reasons for Change in Appropriation

This is a newly established Multi-Category Appropriation (MCA) Improved Employment and Social Outcomes Support from 1 January 2014. A transfer from the Departmental Output Expense, Tailored Sets of Services to Help People into Work or Achieve Independence and Non-Departmental Other Expenses, Employment Assistance, has funded the establishment of the MCA. The introduction of this new MCA structure in Vote Social Development is to facilitate the Investment Approach for working age benefits.