

CHILDREN RELIANT ON BENEFIT RECIPIENTS

Introduction

In New Zealand, children who are reliant on benefit recipients are a particularly vulnerable group. The Living Standards Survey conducted five years ago found that about three out of five children living in households whose main source of income was a benefit experienced material hardship [9]. Benefit-reliant families were much more likely to report living in houses that were damp or mouldy, or in very poor physical condition; that their children were having to continue to wear worn out shoes or clothing; and that they were postponing doctors' visits because of cost. All these are factors that are likely to impact adversely on children's health and wellbeing.

The following section reviews the number of children aged 0–17 years who were reliant on a benefit recipient during June, 2000–2014, using information from the Ministry of Social Development's SWIFTT database. While the number of children reliant on a benefit recipient is not exactly the same as the number living in significant hardship, nevertheless it is an indicator of the size of a vulnerable group who tend to have higher than average health needs, and so make significant demands on health services.

With the introduction of the Ministry of Social Development's Welfare Reform in July 2013, changes were made to a number of benefits, so the data on benefits in June 2014 are not directly comparable to the benefit data prior to July 2013.

Data Source and Methods

Indicator

1. Number of children aged 0–17 years reliant on a benefit recipient by benefit type

Data Source

Numerator: SWIFTT Database: Number of children aged 0–17 years who were reliant on a benefit recipient

Denominator: Statistics NZ Estimated Resident Population as at 30 June each year

Notes on Interpretation

Note 1: All data in this section were provided by the Ministry of Social Development (MSD) and were derived from the SWIFTT database. SWIFTT was developed by the NZ Income Support Service to calculate, provide and record income support payments and related client histories [39]. It provides information on the recipients of financial assistance through Work and Income.

Note 2: All figures refer to the number of children reliant on a benefit recipient at the end of June and provide no information on the number receiving assistance at other times of the year.

Note 3: The MSD's Welfare Reforms, brought into effect in July 2013, made changes to the types of benefits available, and to the obligations to be met by benefit recipients. Three new benefits (Jobseeker Support, Sole Parent Support, and Supported Living Payment) were introduced, and these replaced many of the previously existing benefits. The welfare reform changes have been described at <https://www.msd.govt.nz/about-msd-and-our-work/work-programmes/welfare-reform/july-2013/>

Note 4: The benefits prior to the June 2013 reform are not directly comparable with the benefits as at June 2014.

Prior to 2014, "Other benefits" included: Domestic Purposes Benefit - Women Alone and Caring for Sick or Infirm, Emergency Benefit, Independent Youth Benefit, Unemployment Benefit Training, and Unemployment Benefit Training Hardship, Unemployment Benefit Student Hardship, Widows Benefit, NZ Superannuation, Veterans and Transitional Retirement Benefit. "Other Benefits" *did not include* Orphan's and Unsupported Child's Benefits, and Non-benefit assistance.

From 2014, "Other benefits" included: Emergency Benefit, Youth Payment, Young Parent Payment, Unemployment Benefit Student Hardship, NZ Superannuation, Veterans and Transitional Retirement Benefit.

To be eligible for a benefit, clients must have insufficient income from all sources to support themselves and any dependents and meet specific eligibility criteria. The current eligibility criteria for benefits can be found at <http://www.workandincome.govt.nz/individuals/a-z-benefits/index.html>



New Zealand Distribution and Trends

Number of Children Reliant on a Benefit Recipient

Between 2000 and 2013, the number of children aged 0–17 years in New Zealand who were reliant on a benefit recipient dropped overall, although not consistently. There was a steady decrease from 271,463 in June 2000, to 200,525 in June 2008. The number then increased over the next three years to reach 233,633 in June 2010 after which it declined, with the greatest fall occurring between 2012 and 2013. In June 2013, 214,746 children were reliant on a benefit recipient.

Much of this variation can be attributed to changes in the number of children reliant on unemployment benefit recipients. The number of children dependent on a recipient of an unemployment benefit fell from 51,124 in June 2000 to 5,243 in June 2008. The numbers then increased to reach 17,281 in June 2010 before falling again. By June 2013, 12,622 children were reliant on an unemployment benefit recipient (**Table 1**).

Following the welfare reform of July 2013, the number of children aged 0–17 years who were reliant on a benefit recipient as at June 2014 was 196,247. Of these children, the majority were reliant on a recipient of Sole Parent Support (141,468; 72.1%). The next largest group were those reliant on a recipient of Jobseeker support (18,502; 17.0%) (**Table 1**).

Proportion of Children Reliant on a Benefit Recipient

The proportion of all children aged 0–17 years in New Zealand who were reliant on a benefit recipient fell from 26.2% in June 2000 to 18.5% in June 2008. The proportion then increased, to reach a peak of 21.4% in June 2010, before falling again to 19.6% in June 2013 (**Figure 1**).

A large part of the initial decline was due to a fall in the proportion of children reliant on unemployment benefit recipients. This fell from 4.9% of children in June 2000, to 0.5% in June 2008. It then increased to 1.6% in June 2010 before falling again to 1.2% in June 2013. The proportion of children reliant on DPB recipients also fell from 17.9% in June 2000 to 14.5% in June 2008, before increasing to 16.5% in June 2011. It then fell again to 15.1% in June 2013 (**Figure 1**).

During this period, the rate of decline in the number of children reliant on DPB recipients was much less than the rate of decline in the number reliant on unemployment benefit recipients (**Figure 1**). As a consequence, the proportion of benefit-dependent children who were reliant on DPB recipients actually increased, from 68.4% of benefit-dependent children in June 2000, to 76.9% in June 2013 (**Table 1**).

In June 2014, after the welfare reform was introduced, the proportion of all children aged 0–17 years in New Zealand who were reliant on a benefit recipient was 17.9%. The proportion of all children who were reliant on recipients of the various benefits types was: Sole Parent Support 12.9%, Jobseeker Support 3.0%, and Supported Living Payment 1.7% (**Figure 1**).

Distribution by Age

At the end of June 2014, the proportion of children reliant on a benefit recipient was highest among those aged 1–4 years. The proportion reduced gradually with increasing age through middle to late childhood, and then more steeply as children reached 13 years of age (**Figure 2**).

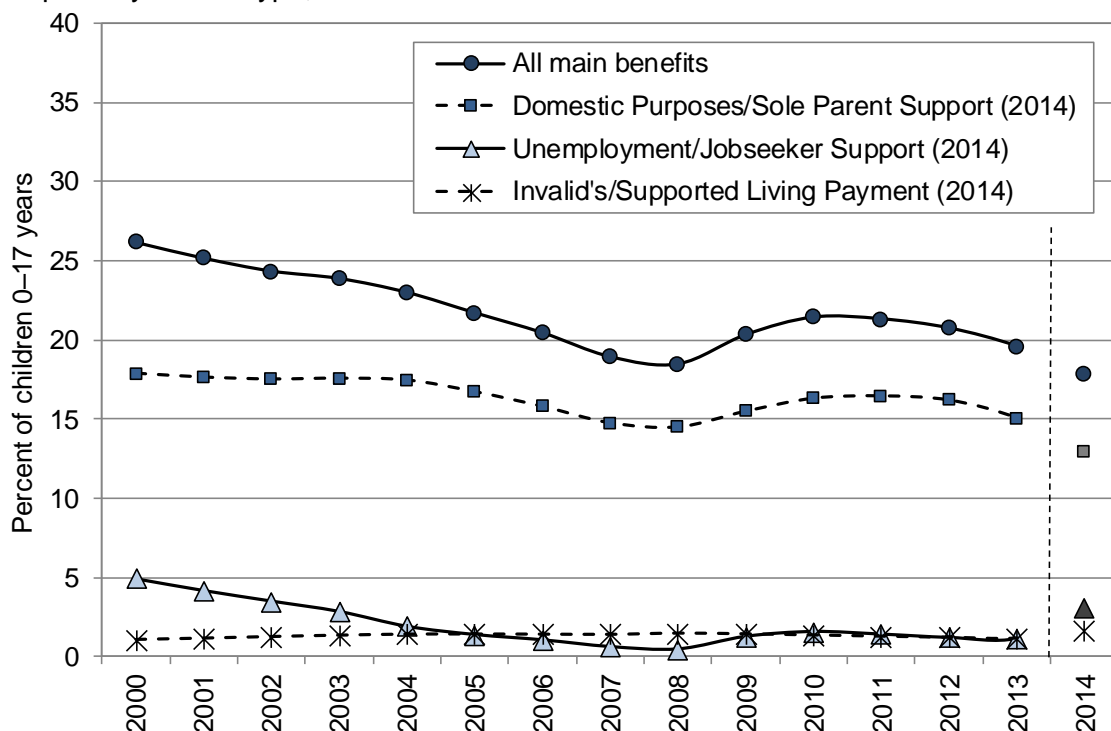


Table 1. Number of children aged 0–17 years who were reliant on a benefit recipient by benefit type, New Zealand, as at end of June 2000–2014

Year	Domestic Purposes		Unemployment		Invalid's		Sickness		Other benefits		Total
	Number	Percent*	Number	Percent*	Number	Percent*	Number	Percent*	Number	Percent*	Number
2000	185,658	68.4	51,124	18.8	11,205	4.1	11,425	4.2	12,051	4.4	271,463
2001	184,448	70.2	43,688	16.6	12,164	4.6	11,155	4.2	11,468	4.4	262,923
2002	184,497	72.0	36,960	14.4	13,290	5.2	11,836	4.6	9,611	3.8	256,194
2003	186,288	73.6	30,257	12.0	14,306	5.7	12,477	4.9	9,701	3.8	253,029
2004	186,372	76.0	20,413	8.3	15,091	6.2	13,782	5.6	9,711	4.0	245,369
2005	179,791	77.1	14,968	6.4	15,277	6.6	13,892	6.0	9,267	4.0	233,195
2006	171,011	77.3	11,422	5.2	15,291	6.9	13,775	6.2	9,598	4.3	221,097
2007	160,137	78.1	6,800	3.3	15,197	7.4	13,509	6.6	9,394	4.6	205,037
2008	157,693	78.6	5,243	2.6	16,045	8.0	11,980	6.0	9,564	4.8	200,525
2009	168,709	76.3	13,943	6.3	15,605	7.1	13,025	5.9	9,855	4.5	221,137
2010	177,874	76.1	17,281	7.4	14,840	6.4	13,798	5.9	9,840	4.2	233,633
2011	179,784	77.2	15,486	6.7	14,044	6.0	13,351	5.7	10,144	4.4	232,809
2012	177,237	78.1	13,205	5.8	13,287	5.9	12,955	5.7	10,212	4.5	226,896
2013	165,113	76.9	12,622	5.9	12,804	6.0	12,590	5.9	11,617	5.4	214,746
	Sole Parent Support (incl EMA ¹)		Jobseeker Support		Supported Living Payment				Other benefits		Total
	Number	Percent*	Number	Percent*	Number	Percent*			Number	Percent*	Number
2014	141,468	72.1	33,447	17.0	18,502	9.4			2,830	1.4	196,247

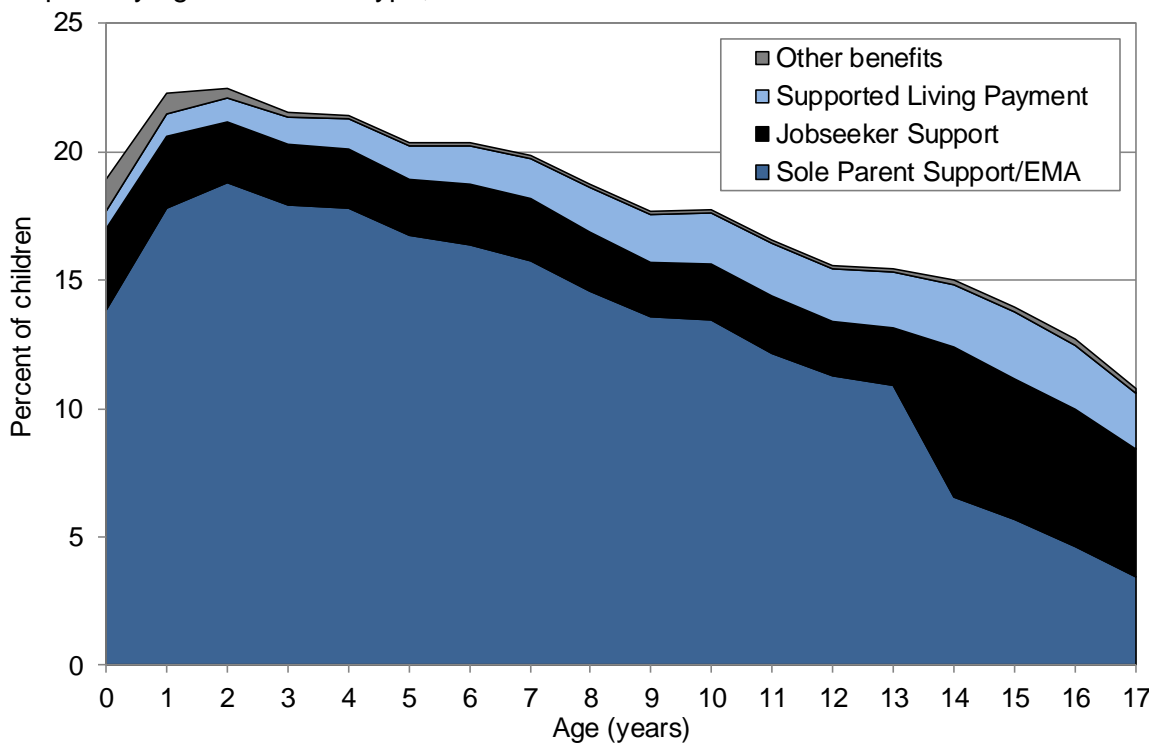
Source: MSD SWIFTT Database; Note: * Percent refers to percent of children relying on benefit recipients, rather than percent of all children; ¹ EMA: Emergency Maintenance Allowance; for composition of "Other benefits" see Methods box above

Figure 1. Percentage of all children aged 0–17 years who were reliant on a benefit recipient by benefit type, New Zealand as at end of June 2000–2014



Source: Numerator: MSD SWIFTT Database; Denominator: Statistics NZ Estimated Resident Population; Note: The benefits prior to the June 2013 reform are not directly comparable with the benefits as at June 2014

Figure 2. Percentage of all children aged 0–17 years who were reliant on a benefit recipient by age and benefit type, New Zealand as at end of June 2014



Source: Numerator: MSD SWIFTT Database; Denominator: Statistics NZ Estimated Resident Population; Note: For composition of "Other benefits" see Methods box



South Island DHBs Distribution and Trends

Number of Children Reliant on a Benefit Recipient

At the end of June 2014, 4,714 Nelson Marlborough, 1,548 South Canterbury, 12,337 Canterbury, 1,062 West Coast, and 8,373 Southern children aged 0–17 years were reliant on a benefit recipient who received their benefit from a service centre in the South Island DHBs' catchments. The majority of children reliant on benefit recipients were reliant on recipients of Sole Parent Support or the Emergency Maintenance Allowance (EMA) (**Table 2**).

Table 2. Number of children aged 0–17 years who were reliant on benefit recipients by benefit type, for service centres in South Island DHBs as at end of June 2014

DHB	Sole Parent Support/EMA		Jobseeker Support		Supported Living Payment		Other main benefits		Total
	No.	%*	No.	%*	No.	%*	No.	%*	
Nelson Marlborough	3,574	75.8	759	16.1	359	7.6	22	0.5	4,714
South Canterbury	1,152	74.4	200	12.9	192	12.4	4	0.3	1,548
Canterbury	9,122	73.9	1,545	12.5	1,601	13.0	69	0.6	12,337
West Coast	770	72.5	190	17.9	99	9.3	3	0.3	1,062
Southern	6,207	74.1	1,467	17.5	650	7.8	49	0.6	8,373
Total South Island	20,825	74.3	4,161	14.8	2,901	10.3	147	0.5	28,034

Source: MSD SWIFTT Database; Note: * % refers to percent of children relying on benefit recipients, rather than percent of all children; EMA: Emergency Maintenance Allowance; see Methods Section for composition of "Other main benefits"; Non-benefit assistance not included; Service centres include: *Nelson Marlborough*: Blenheim, Motueka, Nelson, Nelson Region Processing Unit, Richmond; *South Canterbury*: Timaru; *Canterbury*: Actionworks, Ashburton, Hornby, Kaiapoi, Linwood, New Brighton, Papanui, Rangiora, Riccarton, Shirley, Sydenham; *West Coast*: Greymouth, Westport; *Southern*: Alexandra, Balclutha, Dunedin Central, Mosgiel, Oamaru, South Dunedin, Gore, Invercargill, Queenstown

Local Policy Documents and Evidence Based Reviews Relevant to Benefit Reliant Families

Error! Reference source not found. on page **Error! Bookmark not defined.** considers local policy documents and evidence based reviews which are relevant to the social policy environment and the socioeconomic determinants of child and youth health.

