



**MINISTRY OF SOCIAL  
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

# Monitoring the Families Package and changes to income support from 2018 to 2021

Trends in receipt of payments

**January 2022**

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## **Disclaimer**

The views and interpretations in this report are those of the Research and Evaluation team and are not the official position of the Ministry of Social Development. The views and interpretations in this report are based on the data provided to us (at a specific point of time) from MSD, Oranga Tamariki, and Inland Revenue, and therefore may be subject to change due to revisions or new data becoming available.

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## Executive summary

From April 2018, the Families Package increased several social assistance payments delivered through the tax and benefit systems. Two new payments, the Best Start tax credit for families with babies and toddlers and the Winter Energy Payment for people receiving main benefits, and superannuitants, were introduced. Additionally, the length of paid parental leave available to families was extended.

From April 2020, more changes to income support were made as part of the income support packages included in the 2019 Budget and the Government's initial response to COVID-19. These included increasing payment amounts, the removal of benefit deductions for sole parents if the name of the other parent was not declared, and changing abatement rates for some social assistance payments.

Further changes increased incomes for low- and middle- income families as part of Budget 2021. These changes included a \$20 a week increase to main benefits, and an increase in the income threshold for the Minimum Family Tax credit.

This monitoring report examines trends in receipt and expenditure for payments affected by the 2018 Families Package and subsequent changes to income support.

### **Trends to date for main benefit recipients show:**

- the 2020 increase in main benefit rates led to up to 318,000 recipients immediately benefitting by up to \$25 a week
- the 2021 increase in main benefit rates led to up to 363,500 recipients immediately benefitting by up to \$20 a week
- 7,269 sole parents receiving benefit had Section 192 deductions stopped from 1 April 2020
- the number of child support applications decreased following the removal of the section 192 deductions, particularly for people receiving a main benefit. The number of applications has since increased but remains below pre-removal levels.

### **Trends to date for Working for Families tax credits show:**

- growth in receipt of the Best Start tax credit increased from 2018 to 2021, before reaching a steady state around July 2021 when the first cohort to receive Best Start began to lose eligibility due to their children turning 3
- in July 2021, at the end of the third year of Best Start, there were 21,637 families receiving a payment from MSD and 57,420 families receiving a payment from IR
- the number of people receiving a weekly or fortnightly Family Tax Credit payment from MSD increased from 64,958 at the end of June 2017 to 66,086 at the end of June 2021, reflecting an increase in the number of people receiving Sole Parent Support
- the number of people receiving a weekly or fortnightly Family Tax Credit payment from IR has decreased from 149,394 in June 2017 to 148,586 in June 2021
- the average amount of Family Tax Credit that families received from MSD increased from \$147 per week at the end of June 2017 to \$188 at the end of June 2021, while the average weekly amount of Family Tax Credit that a recipient received from IR increased from \$117 per week at the end of June 2017 to \$155 at the end of June 2021.

### **Trends to date for Orphan's Benefit, Unsupported Child's Benefit, and the Foster Care Allowance show:**

- the number of carers receiving an Unsupported Child's Benefit increased from 10,001 at the end of June 2017 to 12,927 at the end of June 2021
- the number of carers receiving an Orphan's Benefit decreased from 276 at the end of June 2017 to 264 at the end of June 2021
- at the end of June 2018, there were 5,038 children and young people that a carer received a Foster Care Allowance on behalf of, decreasing to 4,269 by the end of June 2021
- combined monthly expenditure on the Orphan's Benefit and Unsupported Child's Benefit increased from \$13.7 million in June 2018 to \$17.1 million in July 2018 following the Families Package rate changes and the accompanying introduction of a Clothing Allowance for children
- monthly expenditure on the Foster Care Allowance increased from \$4.6 million in June 2018 to \$5.2 million in July 2018 following the Families Package rate changes
- combined monthly expenditure on the Orphan's Benefit and Unsupported Child's Benefit increased from \$20.6 million in June 2020 to \$23.4 million in July 2020 following rate changes made as part of the COVID-19 response
- monthly expenditure on Foster Care Allowance increased from \$4.9 million in June 2020 to \$6.1 million in July 2020 following rate changes made as part of the COVID-19 response.

### **Trends to date for the Winter Energy Payment show:**

- the number of Winter Energy Payment recipients increased from 775,498 at the end of June 2018 to 903,771 at the end of June 2021
- including the partners of recipients, in 2021 there were just over 1.2 million adults being helped by the Winter Energy Payment
- very few recipients opt out of receiving the Winter Energy Payment (582 eligible people chose not to receive the payment in 2021)

### **Trends to date for Accommodation Supplement and Accommodation Benefit show:**

- the number of Accommodation Supplement recipients has risen from 284,572 at the end of June 2017, to 351,912 at the end June 2021, reflecting an increase in numbers of benefit recipients over this time
- the average weekly Accommodation Supplement payment has increased from \$71 as at June 2017 to \$104 as at the end of June 2021, the percentage of recipients receiving the maximum Accommodation Supplement amount fell from 56 percent immediately prior, to 26 percent after the Families Package changes. Since then, the percentage has increased, to 38 percent in June 2021
- there was a drop in recipient numbers and expenditure for Temporary Additional Support/Special Benefit directly after the Families Package changes to Accommodation Supplement
- the number of people receiving an Accommodation Benefit increased from 33,684 in the 6 months between 1 January to 30 June 2020 to 37,089 in in the 6 months between 1 January and 30 June 2021.

# Introduction

The Families Package was introduced in 2018 and provided targeted assistance to improve incomes for low- and middle-income families with children. The package was implemented as part of the Government's focus on reducing child poverty, and ensuring children get the best start in life.

Different components of the package had different roles. These included:

- **boosting incomes of low- and middle-income families** by increasing the Family Tax Credit and raising the Working for Families abatement threshold
- **helping families with costs in a child's early years** by introducing a Best Start tax credit (replacing the Parental Tax Credit) and increasing paid parental leave to 26 weeks
- **helping older New Zealanders and people receiving a main benefit heat their homes** by introducing a Winter Energy Payment
- **increasing financial assistance for carers** by increasing the rate of Orphan's Benefit, Unsupported Child's Benefit, and Foster Care Allowance
- **increasing the Accommodation Supplement and Accommodation Benefit**, by implementing changes that had been announced in the 2017 Budget.<sup>1</sup>

Funding for some parts of the package came from a repeal of tax cuts announced in Budget 2017. These had been due to be implemented in 2018 and never came into effect.

By 2020/21, an estimated 385,000 families with children were expected to be better off by an average of \$75 a week, as a result of the Families Package. As part of our work programme to date, we estimated that 332,700 families have received an average of \$55 more a week from Families Package payments in 2018/19 than in 2017/18.<sup>2,3</sup>

As part of Budget 2019, further changes came into effect on 1 April 2020. These changes aimed to contribute to the achievement of the ten-year child poverty reduction targets that were introduced.<sup>4</sup> These changes included:

- **removing section 192 deductions (formerly section 70A)** – these had applied to the benefits of sole parents who did not identify the other parent of their child and apply for child support
- **indexing main benefits to movement in the net average wage**, rather than the consumers price index
- increasing the **abatement thresholds for main benefits**.<sup>5</sup>

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<sup>1</sup> Fact Sheet – Families Package. <https://www.beehive.govt.nz/sites/default/files/2017-12/Families%20Package%20Factsheet.pdf>

<sup>2</sup> This does not capture the full income gains from the Families Package because Best Start and the paid parental leave extension were not fully implemented in the first year, and the Winter Energy Payment was paid for a shortened period

<sup>3</sup> Estimates of the change in family incomes after the introduction of the Families Package. <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/evaluation/family-packages/2021-estimates-of-the-change-in-family-incomes-after-the-introduction-of-the-families-package.pdf>

<sup>4</sup> Cabinet Paper - Social Assistance Legislation (Budget 2019 Welfare Package) Amendment Bill: Approval for Introduction. <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/social-assistance-legislation-budget-2019/cabinet-paper-social-assistance-legislation-budget-2019-welfare-package-amendment-bill-approval-for-introduction.pdf>

<sup>5</sup> These changes also applied to New Zealand Superannuation and Veteran's Pension recipients where they have a non-qualifying partner included, and to qualified Veteran's Pension recipients aged under 65.

Additionally, several changes were introduced in 2020, to provide immediate assistance to low- and middle-income families in the early stages of the COVID-19 outbreak in New Zealand.<sup>6</sup> These included:

- **increasing main benefit rates** by \$25 on 1 April 2020
- **doubling the rate of the Winter Energy Payment** for 2020
- **removing the hours test** for the In-work Tax Credit from 1 July 2020.

A separate change was made to increase main benefit abatement thresholds. This change came into effect from 1 April 2021.<sup>7</sup>

As part of Budget 2021, an additional package of changes was introduced to further reduce child poverty by providing targeted support to low-income families.<sup>8</sup> These changes have been staggered across a two-year period, and include:

- **an increase to main benefit rates**, by \$20 from 1 July 2021 and a further increase on 1 April 2022
- **an increase to Student Allowance rates** from 1 April 2022
- **an increase to Orphan's Benefit, Unsupported Child's Benefit, and Foster Care Allowance rates** from 1 April 2022
- **an increase to Family Tax Credit and Best Start rates** from 1 April 2022
- **no longer counting some supplementary payments as income** towards Childcare Assistance entitlement, from 1 July 2021
- **indexing Childcare Assistance income thresholds to average wage growth**, from 1 April 2022
- **a new medical certificate system for Jobseeker Support clients with a health condition, injury, or a disability**, from 31 January 2022.

It was estimated that the Budget 2021 changes would increase incomes for people on benefits by \$32 to \$55 per week, after the second increase on 1 April 2022. Subsequently, it was predicted that the main benefit increase would lift 19,000 to 33,000 children out of poverty in 2022/23.<sup>9</sup>

## The purpose of this report

This report monitors trends in receipt and expenditure for payments affected by the Families Package, the 2020 income support packages, and the 2021 main benefit increase and complementary changes. It updates and expands upon the first and second Families Package monitoring reports released in 2019 and 2020<sup>10</sup>.

Monitoring data allows us to track payments affected by the policy changes. However, it does not allow us to say what difference the changes made to, for example, payments

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<sup>6</sup> Income Support Factsheet. <https://www.beehive.govt.nz/sites/default/files/2020-03/Income%20support%20factsheet.pdf>

<sup>7</sup> Increasing main benefit abatement thresholds on 1 April 2021 and consequential adjustment to the Minimum Family Tax Credit. <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2021/cabinet-paper-increasing-main-benefit-abatement-thresholds-on-1-april-2021-and-consequential-adjustment-to-the-minimum-family-tax-credit.pdf>

<sup>8</sup> Benefit increases and changes in Budget 2021. <https://www.workandincome.govt.nz/about-work-and-income/news/2021/2021-budget.html>

<sup>9</sup> Wellbeing Budget 2021. <https://www.treasury.govt.nz/sites/default/files/2021-07/b21-wellbeing-budget-v2.pdf>

<sup>10</sup> Families Package Monitoring and Evaluation. <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/evaluation/families-package-reports/families-package.html>



received, family incomes, child poverty, children’s outcomes, or employment. Other projects in our Families Package work programme are estimating some of these impacts.

The COVID-19 wage subsidies and COVID-19 Income Relief Payment are monitored separately.<sup>11</sup> Additionally, data on Childcare Assistance is unavailable for this year’s report.

A supplementary report provides further detailed breakdowns of receipt for selected payments.

## Next steps

The final annual update of this report will be prepared next year. We will continue to monitor other components of the income support system in relation to the welfare overall.

Other parts of our work programme are examining in more detail how the Families Package changed the payments families received, including families in different ethnic groups, and estimating the impacts that different parts of the package had on outcomes for families and children.

## Abbreviations

**Table 1: Abbreviations used in graphs in this report**

Abbreviation	Full meaning
FP	Families Package
C19	Covid-19
C19R	Covid-19 response
ISP	Income support package(s)
S192	Section 192 removal
B21	Budget 2021 benefit increase

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<sup>11</sup> COVID-19 Reporting. <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/covid-19/index.html>

## Increases in main benefit assistance

### Summary

The number of people receiving a main benefit increased from 286,225 at the end of June 2017 to 363,497 at the end of June 2021. The increase has mostly occurred since March 2020 and is associated with the impacts of COVID-19.

On the last day of section 192 (formerly 70A) deductions being in place (31 March 2020), there were deductions in place relating to 9,651 children, affecting 7,269 carers.

After the removal of Section 192 on 1 April 2020, there was an initial drop in the number of child support applications received. The number of applications has since increased but remains lower than levels prior to April 2020.

### Main benefit assistance

The Ministry of Social Development (MSD) provides a variety of benefits to people who do not have sufficient income to support themselves. Which benefit people receive depends on their circumstances. Reasons for receiving a benefit include but are not limited to:

- being unemployed and looking for work
- being unable to work or restricted in their ability to work due to a health condition or disability
- caring for someone with a health condition or disability, because they are a sole parent
- being unemployed and needing financial assistance during study breaks.<sup>12</sup>

This section reports receipt and expenditure for main benefit payments overall. For additional demographic and administrative breakdowns of main benefit payments please refer to the Benefit Fact Sheets on the MSD website.<sup>13</sup>

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<sup>12</sup> Income Support System. <http://www.weag.govt.nz/assets/documents/WEAG-report/background-documents/757c27caff/Income-support-system-040319.pdf>

<sup>13</sup> The Benefit Fact Sheets only report working age recipients, however, the number of main benefit recipients that are not working aged is very low, and so the demographics presented in the Benefit Fact Sheets are not substantially altered by their exclusion. See: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html>

## What changed?

A series of changes to main benefits occurred during 2020 and 2021. The following changes were made as part of the 2019 Budget income support package and the income support package that formed part of the initial response to COVID-19. On 1 April 2020:

- rates of all main benefits were raised by \$25 a week<sup>14</sup>
- main benefit rates were adjusted as part of the annual adjustment process by 3.09%, in line with changes to the average wage (previously the annual adjustment was based on the Consumers Price Index)
- abatement thresholds for several benefits were increased to allow recipients to earn more money each week before their benefit reduces (
- Table 2), and additional increases to abatement thresholds were introduced from 1 April 2021.

**Table 2: Benefit abatement thresholds as at 1 April 2019-2021**

Benefit	April 2019	April 2020	April 2021
Jobseeker Support	\$80	\$90	\$160
NZS/VP with a non-qualifying partner	\$100	\$115	\$160
Sole parents and Supported Living Payment – threshold 1	\$100	\$115	\$160
Sole parents and Supported Living Payment – threshold 2	\$200	\$215	\$250

More increases to main benefit rates were made as part of the 2021 Budget. On 1 July 2021 rates of all main benefits were raised by \$20 a week after tax<sup>15</sup>.

A further increase in main benefit rates is scheduled for 1 April 2022. This will bring main benefit rates for individuals and couples without children in line with the rates suggested by the Welfare Expert Advisory Group (WEAG) in 2019.<sup>16</sup> Couples with children will receive an additional \$15 after tax per adult per week, above the rate recommended by the WEAG. Benefit rates for sole parents were already higher than those recommended by the WEAG prior to the Budget 2021 increase. However, these rates will also increase in April 2022, meaning families with children will be receiving \$30 to \$86 more each week than the rates suggested by the WEAG.<sup>17</sup>

<sup>14</sup> For detailed rates, please refer to: <https://www.workandincome.govt.nz/products/benefit-rates/benefit-rates-april-2020.html>

<sup>15</sup> Benefit rates at 1 July 2021. <https://www.workandincome.govt.nz/products/benefit-rates/benefit-rates-july-2021.html>

<sup>16</sup> Whakamana Tāngata Restoring Dignity to Social Security in New Zealand. <http://www.weag.govt.nz/assets/documents/WEAG-report/aed960c3ce/WEAG-Report.pdf>

<sup>17</sup> Tackling Inequality and Child Poverty. <https://www.treasury.govt.nz/sites/default/files/2021-05/b21-tackling-inequality-child-poverty.pdf>

## Receipt of main benefits

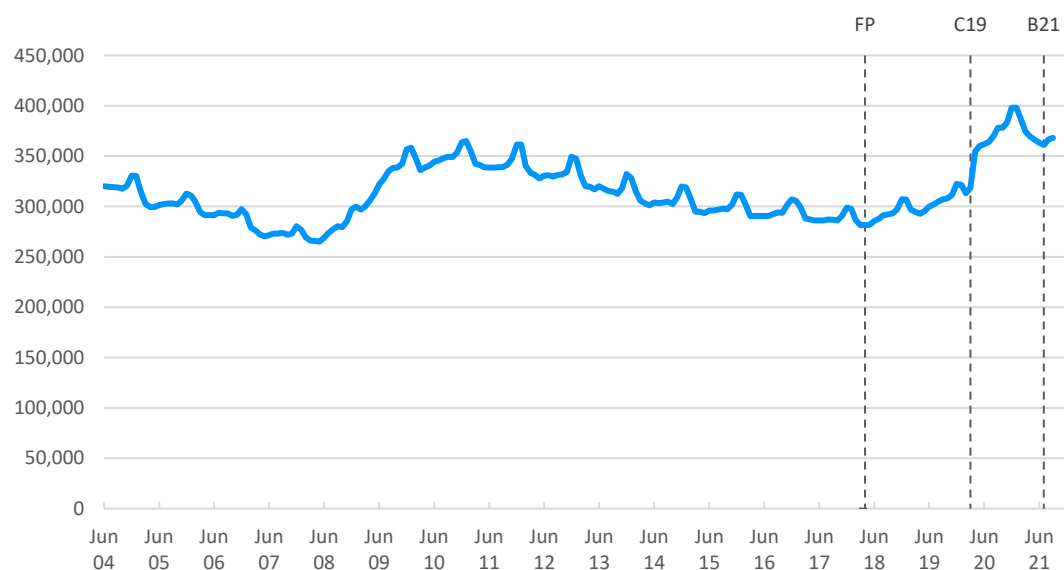
There were 318,135 main benefit recipients of all ages as at the end of March 2020 (including 97,222 with dependent children), most of whom would have been affected by the rate changes. After including the partners of benefit recipients, approximately 340,000 adults experienced an increase in their main benefit payments on that date.

As at the end of June 2021 there were 363,498 main benefit recipients, most of whom would have been affected by the main benefit increase on 1 July 2021. After including the partners of benefit recipients, up to 388,020 adults could have experienced an increase in their main benefit payments.

In terms of overall income gains, not all recipients would have benefitted by the full \$25 in 2020 and \$20 in 2021. For example, recipients also receiving income-tested supplementary payments (e.g. Accommodation Supplement, Temporary Additional Support) could have received a smaller overall increase in income if their supplementary payment rate decreased as they received more income from their main benefit.

As shown in Figure 1, the number of people receiving a main benefit has been increasing since June 2018, particularly from March 2020 through to January 2021, associated with the impacts of COVID-19. From January 2021, the number of recipients began to decrease, before increasing again slightly from June 2021. From August 2020 to May 2021 the number of benefit recipients exceeded the peak of recipient numbers during the Global Financial Crisis, which was recorded in January 2011.<sup>18</sup>

**Figure 1: Number of main benefit recipients since June 2004.**

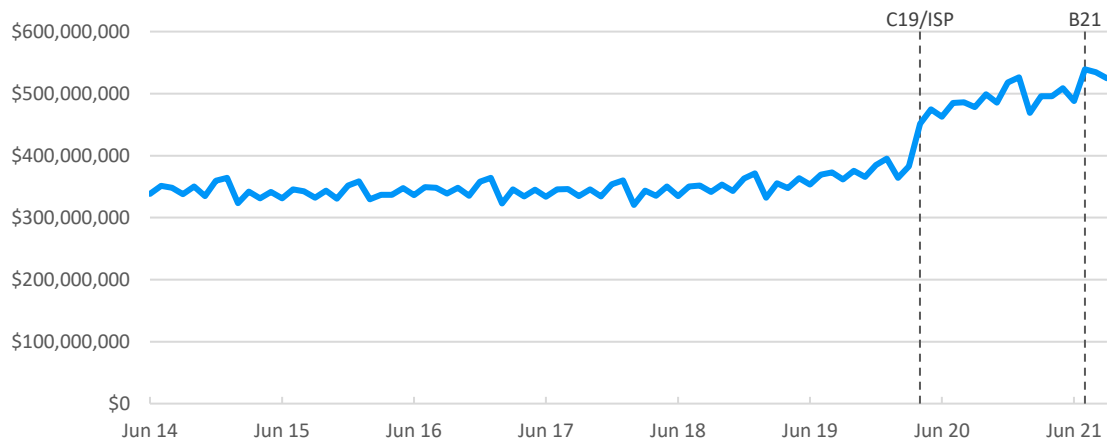


<sup>18</sup> This calculation includes seasonal Jobseeker Support Student Hardship numbers. If we exclude these recipients, then the Global Financial Crisis peak was in October 2010, and the number of benefit recipients exceeded that in April 2020

## Expenditure on main benefits

The amount of expenditure on main benefits increased in April 2020, in line with the 2020 increase in main benefit rates as well as the increase in recipient numbers. There was also an increase in expenditure in July 2021, in line with the 2021 increase in main benefit rates (Figure 2).

**Figure 2: Monthly expenditure on main benefits since June 2014.**



## Section 192

Prior to 1 April 2020, the benefit received by a sole parent was reduced for each dependent child for whom they did not seek child support, subject to some exemptions. The benefit was reduced by \$22 to \$28 per week for each such child. In 2018, the average affected family had a \$34 reduction in benefit per week, equivalent to a loss of 10 percent of the net weekly rate of Sole Parent Support.<sup>19</sup> These reductions were set out in section 70A of the Social Security Act 1964, and then section 192 of the Social Security Act 2018.

### What changed?

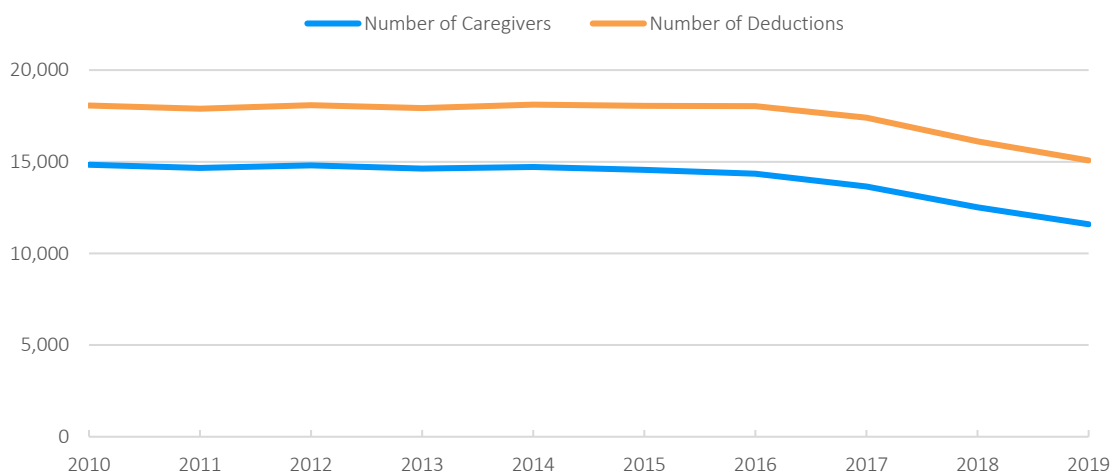
As a part of the Budget 2019 income support package, section 192 was removed, with effect from 1 April 2020.

### Numbers affected

On the last day of section 192 deductions being in place (31 March 2020), there were deductions in place relating to 9,651 children, affecting 7,269 carers.

The number of carers with Section 192 deductions, and the number of deductions in place was stable between June 2010 and June 2016, before steadily falling in the years following (Figure 3). Drivers included both a reduction in numbers of sole parents receiving benefit and a reduction in the proportion for whom deductions were applied.<sup>20</sup>

**Figure 3: Number of carers receiving a section 192 deduction and total number of section 192 deductions as at the end of June, from 2010 to 2019.**



<sup>19</sup> Section 70A and Children. <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/research/section-70a/section-70a-research-brief.pdf>

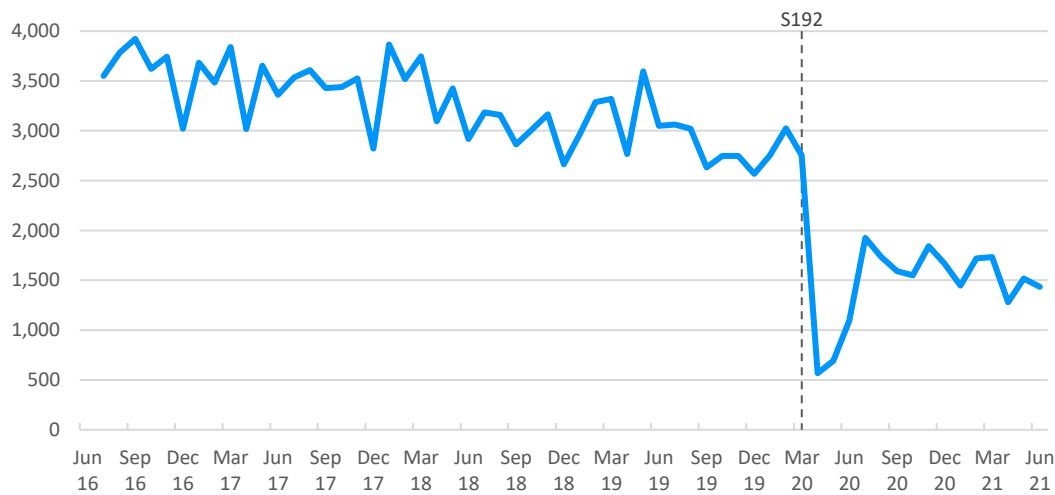
<sup>20</sup> Ibid.

## Trends in child support

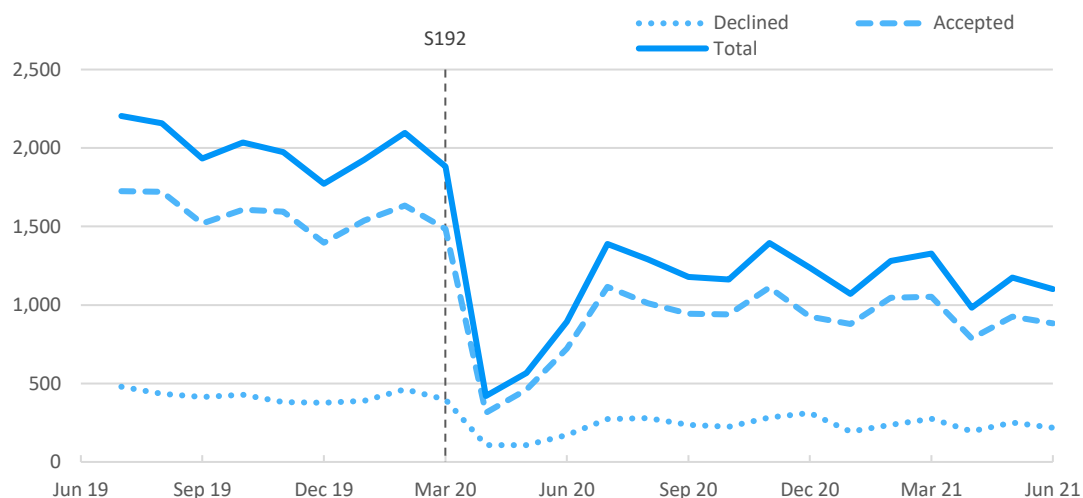
Data for total applications is available from 2016. Breakdowns by benefit status of the applicant, and by whether the application was accepted or declined, are available from 2019.

Figure 4 shows that the total number of child support applications received by IR had been slowly decreasing since 2016. In April 2020, after the removal of the Section 192 deductions, the number of child support applications registered with IR dropped significantly. This coincided with the beginning of Alert Level 4 COVID-19 restrictions. IR and MSD offices were closed to the public. This disrupted the ability of IR to receive and process child support applications. Since then, there has been a rebound in the number of applications, although the total number remains lower than before section 192 deductions were removed.

**Figure 4: Total number of child support applications received by IR, monthly since June 2016**

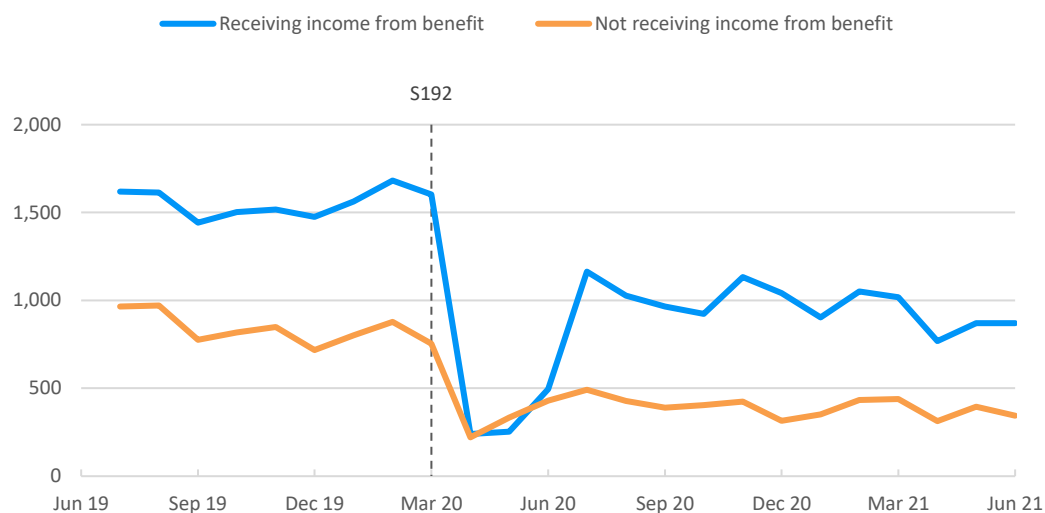


**Figure 5: Number of child support applications registered with IR since July 2019, by status.**



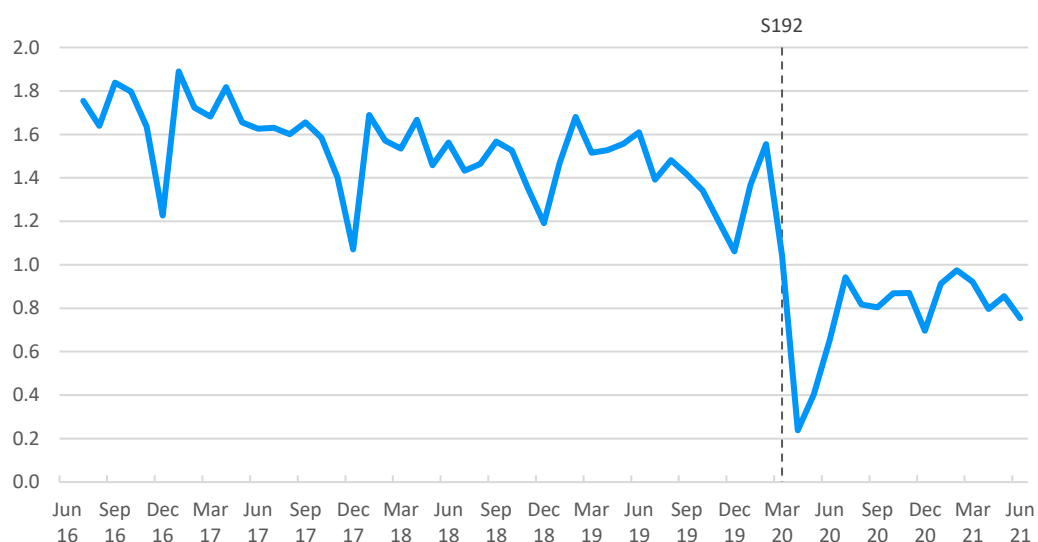
Most applications are made by people receiving income from a main benefit. The drop in applications affected both those receiving a main benefit at the time their application was made, and those not receiving a main benefit at that date (Figure 6).

**Figure 6: Number of child support applications accepted by IR, by whether the applicant is receiving income from a main benefit or not.<sup>21</sup>**



Most child support applications made by people receiving a main benefit come from those receiving Sole Parent Support. Figure 7 shows the ratio of total child support applications received by IR to the number of Sole Parent Support grants each month. In April 2020, the ratio dropped to 0.2 child support applications for every grant of Sole Parent Support. The ratio has since increased, but remains lower than before section 192 deductions were removed.

**Figure 7: Ratio of child support applications to Sole Parent Support grants, monthly since 2016**



<sup>21</sup> Applicants are counted as "receiving income from benefit" if they are receiving a main benefit payment as of the date the application is made.



Table 3 shows that both the number of liable parents paying child support, and the number of carers receiving child support as part of a child support arrangement, fell between June 2020 and June 2021. The proportion of receiving carers who had income from a benefit increased slightly. The proportion of liable parents who had income from a benefit remained relatively stable.

**Table 3: Number of liable parents and receiving carers in the child support system, as at 30 June 2020 and 2021.**

Date	Liable parents		Receiving carers	
	Number	Percentage that had income from a benefit	Number	Percentage that had income from a benefit
30 June 2020	114,537	37.1%	114,275	49.9%
30 June 2021	111,073	37.4%	110,652	51.1%

# Changes to Working for Families Tax Credits

## Summary

The number of people receiving a Family Tax Credit from MSD increased from 64,958 at the end of June 2017 to 66,084 at the end of June 2021. The number of people receiving a payment from IR decreased from 149,849 in the final fortnight of June 2017 to 148,586 in the final fortnight of June 2021.

The number of people receiving a Best Start tax credit payment from MSD increased from 15,660 at the end of June 2020 to 21,690 at the end of June 2021. The number of people receiving a payment from IR has increased from 49,359 in the final fortnight of June 2020 to 57,420 in the final fortnight of June 2021. From July 2021 the number of Best Start recipients began to stabilise.

As at July 2021 weekly expenditure by MSD on Best Start had stabilised at approximately \$1,500,000. Weekly expenditure by IR had stabilised at approximately \$3,700,000.

The number of people receiving a weekly or fortnightly In-Work Tax Credit from IR decreased from 127,425 in the final fortnight of June 2017 to 114,092 in the final fortnight of June 2021. Expenditure on the In-Work Tax Credit also decreased from \$8,976,140 in the final fortnight of June 2017 to \$8,010,774 in the final fortnight of June 2021.

## Family Tax Credit

Family Tax Credit is an income-tested payment that can be claimed for each child in an eligible family. Families can choose to receive the payments either weekly, fortnightly, or as a lump sum after the end of the tax year. Payments are made by either MSD or IR. The payment amount depends on the family's income, number of dependent children, and any shared care arrangements.

Additional information on the Families Package and subsequent changes to the Minimum Family Tax Credit is contained in the companion supplementary report.<sup>22</sup>

## What changed?

As a part of the Families Package, Family Tax Credit payment rates were increased and simplified from 1 July 2018. Five payment rates were collapsed to two, one for the eldest or only child (a maximum of \$113.04 per week), and one for all subsequent children (a maximum of \$91.25 per week) (Table 4). The abatement threshold at which Family Tax Credits payments start to reduce (abate) was increased from \$36,350 to \$42,700, while the abatement rate increased from 22.5 percent to 25 percent.

The Family Tax Credit payment amount is scheduled to increase again on 1 April 2022 by up to \$15 per week for first or only children and \$13 per week for subsequent children.

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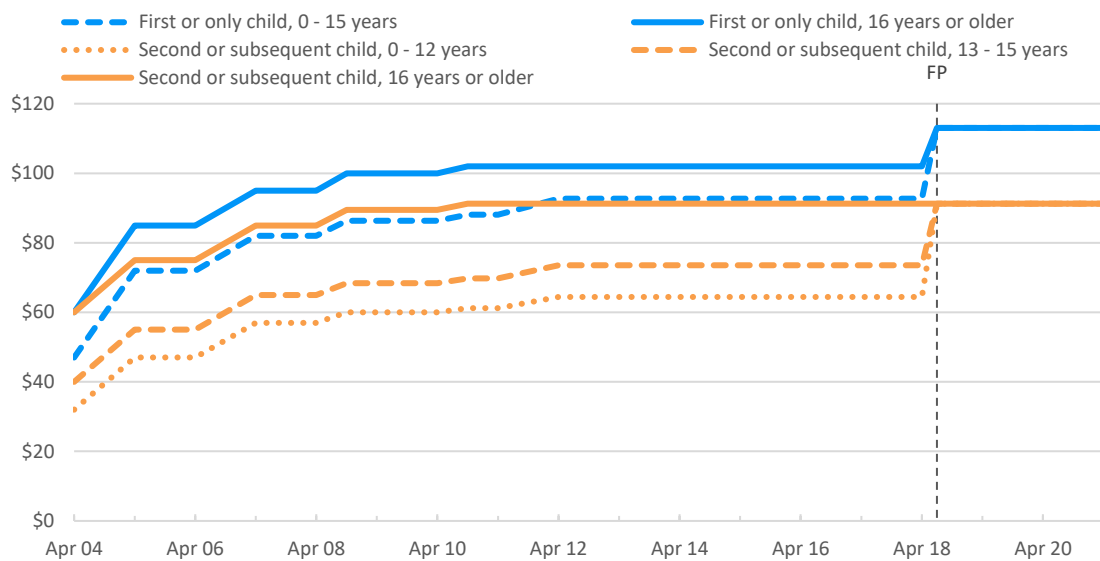
<sup>22</sup> The Families Package increased the income threshold for the Minimum Family Tax Credit, while regular adjustments to the Minimum Family Tax Credit are made in line with changes to other payments.

**Table 4: Change in the Family Tax Credit weekly rates, by age of children.**

Age of children	Pre 1 July 2018	From 1 July 2018	Increase
First or only child, 0-15 years	\$92.73	\$113.04	+\$20.31
First or only child, 16 years or older	\$101.98		+\$11.06
Second or subsequent child, 0-12 years	\$64.44	\$91.25	+\$26.81
Second or subsequent child, 13-15 years	\$73.50		+\$17.75
Second or subsequent child, 16 years or older	\$91.25		-

The increases in Family Tax Credit payment rates as part of the Families Package were substantial in historical context for most child age groupings (Figure 8).

**Figure 8: Family Tax Credit rates since 2004, by child age grouping.**



This section reports receipt and expenditure for weekly or fortnightly Family Tax Credit payments. Data on receipt of lump sum year-end payments is not yet available for 2021 but is able to be included for 2019 and 2020.

## Receipt of Family Tax Credit<sup>23</sup>

### Receipt of weekly and fortnightly payments from IR

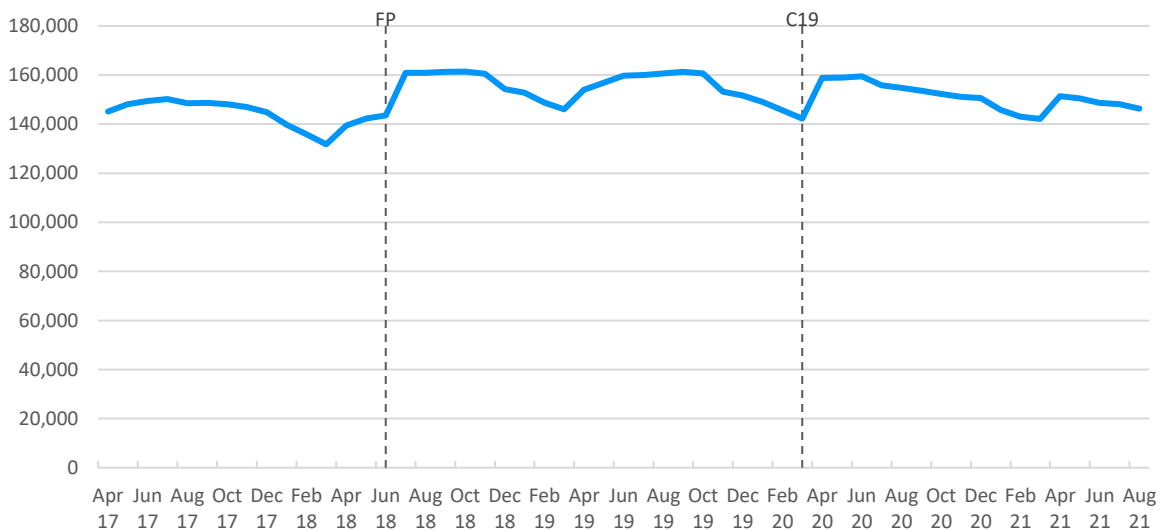
The number of people receiving a weekly or fortnightly Family Tax Credit from IR in the final pay period of June 2021 was the lowest since 2017 (Figure 9).

**Figure 9: Number of Family Tax Credit recipients paid weekly or fortnightly by IR, end of last five June months.**



Following the introduction of the Families Package, recipient numbers increased. There was also an increase in the number of recipients in early April 2020, coinciding with COVID-19 (Figure 10). While there appears to be a seasonal increase each April (likely related to the tax year), the April increase was larger in 2020. This could be due to falls in families’ incomes during the level four lockdown, leading to an increase in the number of eligible families.

**Figure 10: Number of Family Tax Credit recipients paid weekly or fortnightly by IR, from April 2017.**



<sup>23</sup> Some figures from Inland Revenue in this section have been revised from last years report. These revisions are minor, and due to data timing. They do not affect the conclusions we come to about these data series.

## Receipt of payments from MSD

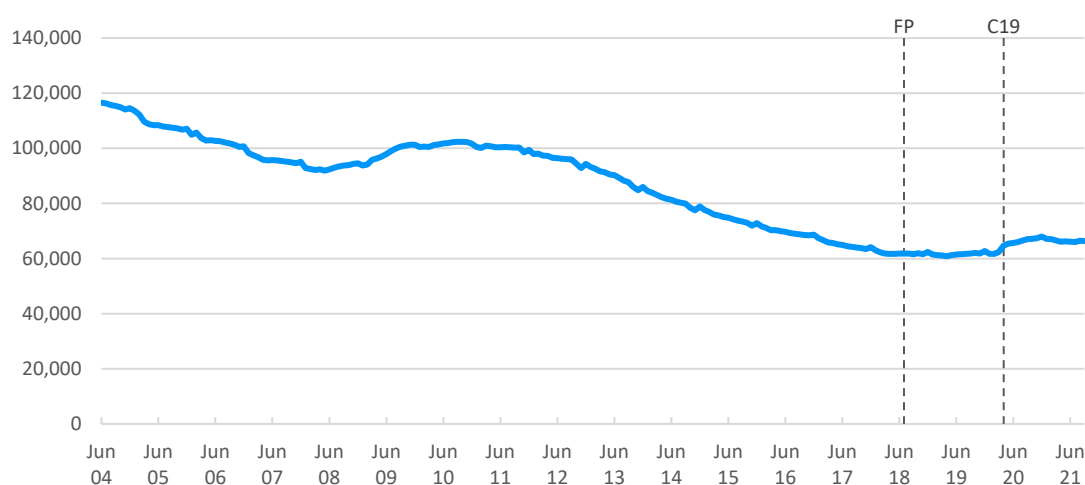
The number of recipients receiving a Family Tax Credit from MSD at the end of June 2021 was higher than the past four Junes (Figure 11).

**Figure 11: Number of Family Tax Credit recipients paid in the last week of June by MSD, last five years.**



Figure 12 shows that the number of recipients receiving a Family Tax Credit payment from MSD had decreased steadily since the Global Financial Crisis. However, after the Families Package the decrease slowed, consistent with a slowdown in the rate of decline in the numbers of benefit recipients with children. The number of recipients increased from March 2020 to February 2021, consistent with the increase in the number of benefit recipients with dependent children post COVID-19. It has since stabilised.

**Figure 12: Number of Family Tax Credit recipients paid in the last week of each month by MSD, since June 2004.**



## Total tax year receipt of payments from IR and MSD

Across the tax year ended 31 March 2019, 292,200 families received the Family Tax Credit through IR or MSD, either weekly, fortnightly, or as a lump sum payment at the end of the year.

This decreased to 282,000 across the tax year ended 31 March 2020. Around 46 percent of these families recorded receiving an income from a benefit during the year, while just under 61 percent of families were sole parent families.

## Expenditure on Family Tax Credit<sup>24</sup>

Expenditure on weekly and fortnightly payments from IR

In June 2021, expenditure by IR in the last fortnight of June was lower than the two previous Junes (Figure 13).

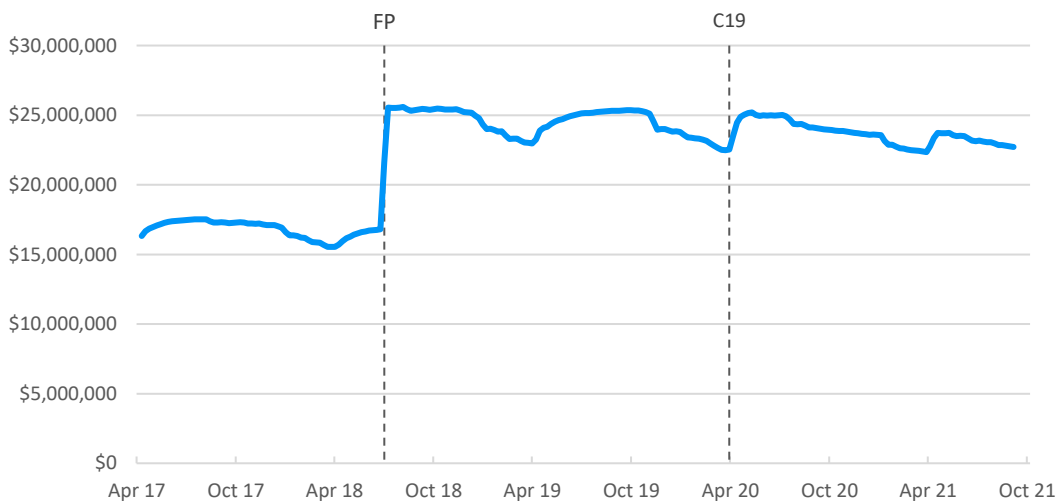
**Figure 13: Average weekly expenditure on Family Tax Credits in the last fortnight of June, last five years.**



The average amount that a recipient received from IR increased from \$117 per week at the end of June 2017 to \$168 at the end of June 2021.

This is reflected in the increase of overall weekly expenditure on the Family Tax Credit (Figure 14). A clear increase in expenditure can also be seen early in April 2020, coinciding with a lift of recipient numbers (see Figure 10 on page 20).

**Figure 14: Weekly expenditure on Family Tax Credits by IR, averaged across fortnights, from the start of April 2017.**



<sup>24</sup> Some figures from Inland Revenue in this section have been revised from last years report. These revisions are minor, and due to data timing. They do not affect the conclusions we come to about these data series.

## Expenditure on payments from MSD

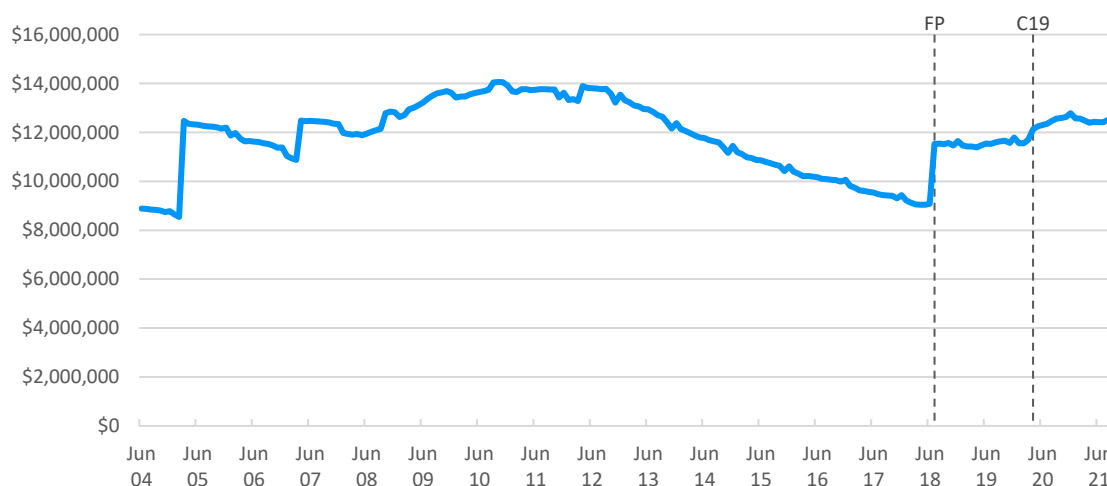
Consistent with the payment rate changes, there has been a sharp increase in the weekly expenditure on Family Tax Credits received from MSD since the Families Package changes (Figure 15). The increases in 2020 and 2021 correspond with the increases in main benefit recipients with dependent children.

**Figure 15: Expenditure on Family Tax Credits by MSD during the final week of June, last five years.**



The average weekly amount that a family received from Family Tax Credits has increased from \$147 in the final week of June 2017 to \$188 in the final week of June 2021. This increase combined with the increased number of recipients since March 2020 brings expenditure of Family Tax Credits back to 2013 levels (Figure 16), where the number of recipients was much higher (Figure 12, page 20). The increase in expenditure due to the Families Package changes was the largest increase in Family Tax Credit expenditure since the 2005 Working for Families rate increases.

**Figure 16: Expenditure on Family Tax Credits by MSD during the final week of the month, since 2004.**



## Total tax year expenditure on payments from IR and MSD

Across the tax year ended 31 March 2020, just over \$2.1 billion (or around \$146 a week on average across all recipients) was spent on Family Tax Credits (for weekly, fortnightly, and yearly payments) by IR and MSD. This is an increase from just over \$2.0 billion (or around \$132 a week on average across all recipients) across the tax year ended 31 March 2019.

## **In-work Tax Credit**

The In-work Tax Credit is a payment for families in paid work and not receiving a main benefit or a Student Allowance. Prior to July 2020, couples needed to work at least a combined 30 hours per week. Single parents needed to work at least 20 hours per week. This payment is paid by IR only.

Working families with one, two, or three dependent children may be eligible for up to \$72.50 a week. Working families with four or more dependent children may be eligible for an extra \$15 per child a week (on top of the \$72.50 a week).

For people not on a benefit, the In-work Tax Credit abates after other Working for Families payments have abated. This means the rate payable was influenced by the increases in the Family Tax Credit payment rates, as well as the Families Package Working for Families abatement changes.

### **What changed?**

In the income support package that formed part of the initial response to COVID-19, the hours test for the In-work Tax Credit was removed to help families that may have faced a reduction in hours, or variable hours of work. Previously, to receive the In-Work Tax Credit sole parents had to be working at least 20 hours a week and partners in couples had to be working at least 30 hours a week between them.



## Receipt of the In-work Tax Credit<sup>25</sup>

### Receipt of weekly and fortnightly payments

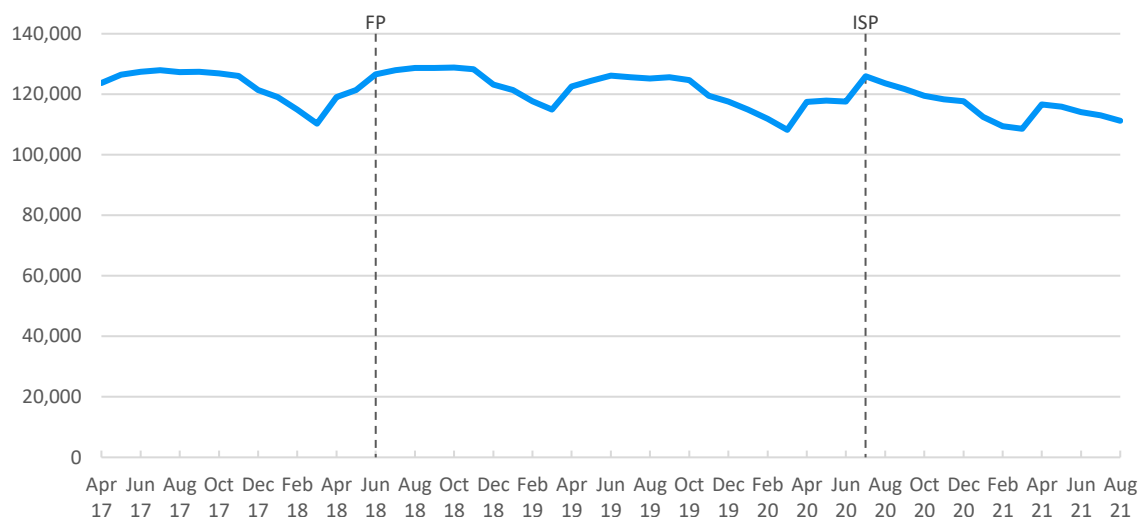
Figure 17 shows that the number of people receiving weekly or fortnightly payments has decreased from 127,425 in the final pay period of June 2017 to 114,092 in the final pay period of June 2021.

**Figure 17: Number of people receiving the In-work Tax Credit during the final pay period of June in the last five years**



Figure 18 shows that there had been a gradual decline in the number of In-work Tax Credit recipients over time, outside of seasonal trends. However, after the 1 July 2020 changes the number of recipients increased to levels just below what was recorded around the time of the Families Package in June 2018. Since then, receipt has decreased.

**Figure 18: Number of In-work Tax Credit recipients paid weekly or fortnightly by IR, from April 2017.**



### Total tax year receipt of payments

Across the tax year ended 31 March 2019, 206,500 families received the In-work tax credit through IR either weekly, fortnightly, or as a lump sum payment at the end of the year. This decreased to 191,100 families across the tax year ended 31 March 2020. Around 112,000 of these families were couples with children.

<sup>25</sup> Some figures from Inland Revenue in this section have been revised from last years report. These revisions are minor, and due to data timing. They do not affect the conclusions we come to about these data series.

## Expenditure on the In-work Tax Credit<sup>26</sup>

### Expenditure on weekly and fortnightly payments

Expenditure as at the end of June has been decreasing since 2017. Expenditure in the last pay period of June 2021 was lower than the past four Junes (Figure 19).

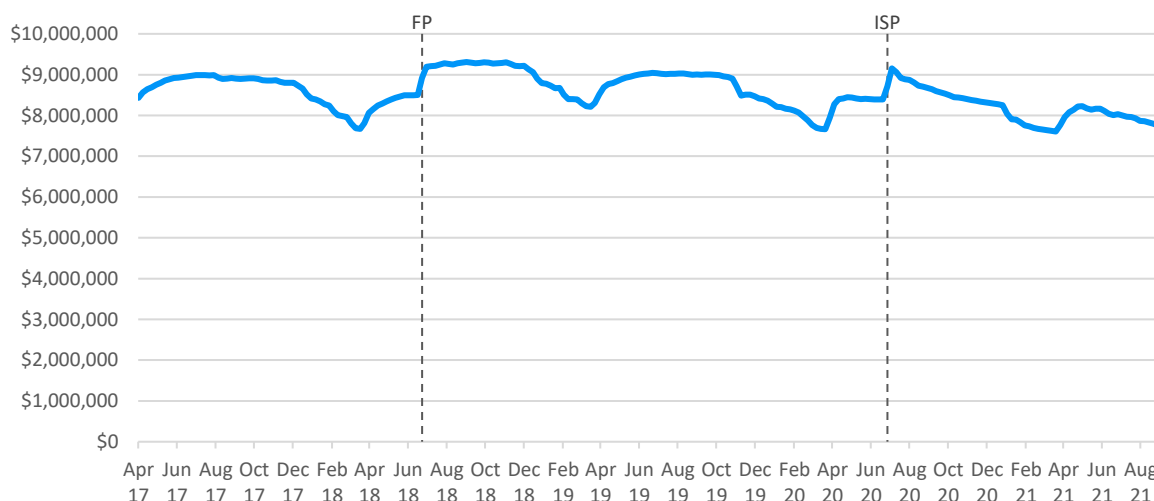
**Figure 19: Weekly expenditure on In-work Tax Credit, averaged across fortnights, in the last fortnight of June for the last 5 years**



Since the Families Package, families receiving the payment weekly or fortnightly have received slightly more from the In-work Tax Credit, generally between \$70-\$71 a week as of June 2021 compared to \$69-\$70 beforehand.

Expenditure data over time shows a small increase associated with the Families Package changes in July 2018 (Figure 20).

**Figure 20: Weekly expenditure on In-work Tax Credits, averaged across fortnights, from April 2017.**



### Total tax year expenditure

Across the tax year ended 31 March 2020, just under \$590 million (or around \$59 a week on average across all families) was spent on In-work Tax Credits by IR. Across the tax year ended 31 March 2019, just over \$600 million (or around \$57 a week on average across all recipients) was spent on In-work Tax Credits by Inland Revenue.

<sup>26</sup> Some figures from Inland Revenue in this section have been revised from last years report. These revisions are minor, and due to data timing. They do not affect the conclusions we come to about these data series.

## Best Start tax credit

The Best Start tax credit is a weekly payment of \$60 (up to \$3,120 per year) per child born, or due to be born, on or after 1 July 2018. This payment is available to all families in the first year of a baby's life during weeks the family is not in receipt of paid parental leave. In the child's second and third years, support continues for low- and middle-income families. In these years, Best Start is abated at 21 percent for family income above \$79,000 (Table 5).

When care of a child is shared, the parent receives a pro-rata rate of Best Start, provided they have care of the child for more than two days a week.

**Table 5: Best Start tax credit for a child's second and third years.<sup>27</sup>**

Family income	Best Start tax credit
Less than \$80,000	\$3,120 (\$60 per week)
\$80,000	\$2,910 (\$56 per week)
\$85,000	\$1,860 (\$35.80 per week)
\$90,000	\$810 (\$15.60 per week)
\$93,858 and higher	\$0

## What changed?

Best Start was introduced as a part of the Families Package and replaced the Parental Tax Credit. The Parental Tax Credit had provided eligible families with up to \$220 per week for the first 10 weeks of a child's life. This payment was not available to recipients of a benefit or the Student Allowance and could not be received by a family who received paid parental leave. Information on receipt and expenditure for the Parental Tax Credit can be found in the supplementary report.

This section reports receipt and expenditure for weekly or fortnightly payments when comparing between years. Data on receipt of lump sum year-end payments is only available for the first two years of Best Start.

The interactions between paid parental leave and Best Start tax credit eligibility, together with the income testing in the second and third years of a child's life, meant that increases in Best Start receipt occurred at varying rates over time, and numbers only reached a steady state three years after implementation.

The maximum Best Start payment is scheduled to increase to \$65 on 1 April 2022.

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<sup>27</sup> For a full table of weekly and fortnightly rates, please refer to this document from the Inland Revenue website: <https://www.ird.govt.nz/-/media/project/ir/home/documents/forms-and-guides/ir200---ir299/ir271/ir271-2021.pdf>

## Receipt of the Best Start tax credit

### Receipt of weekly and fortnightly payments from IR

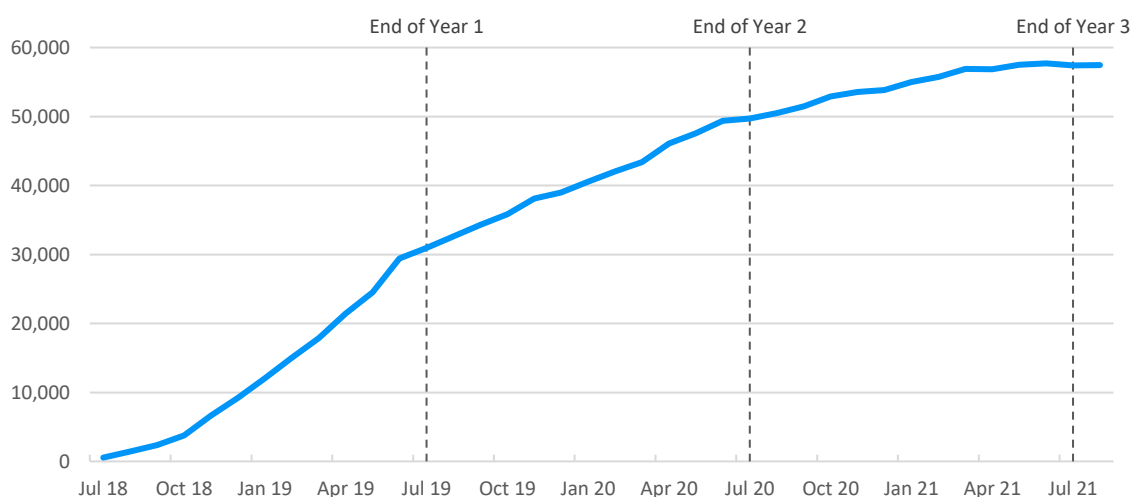
The slower rate of growth in Best Start receipt from IR in the initial few months reflects the fact that a proportion of the families newly eligible from 1 July 2018 had to wait until they finished receiving paid parental leave before they could claim Best Start.

Through the second year, growth was relatively linear, and at a slower rate than growth in the second half of year one. At that point, some families became no longer eligible after their child turned one due to the income testing of the payment.

In the third year, growth slowed, and began to level out towards the end of the year. The levelling out reflects the first cohort's entitlement ending as their children turned three.<sup>28</sup>

In the last fortnight of July 2021, 57,420 families received a weekly or fortnightly payment from IR (Figure 21).

**Figure 21: Number of Best Start tax credit recipients paid weekly or fortnightly by IR, from the start of July 2018 to the end of August 2021.**



The dips in the number of families receiving a weekly or fortnightly payment during 2020 and 2021 correspond to the end of each tax year. These dips likely relate to end of tax year income assessments that mean some families are no longer eligible.

### Total tax year receipt of payments

Across the nine relevant months of the tax year ended 31 March 2019, 27,400 families received the Best Start tax credit through IR, either weekly fortnightly or as a lump sum payment at the end of the year.<sup>29</sup>

This increased to 75,100 across the 12 relevant months of the tax year ended 31 March 2020. Of these, just under 83 percent of recipients did not record receiving an income from a benefit during the year, and just under 85 percent of recipients were partnered.

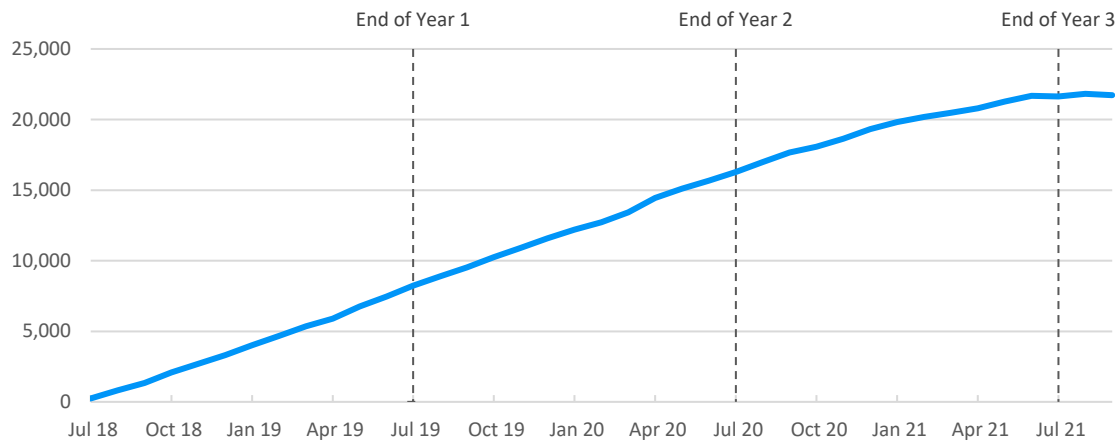
<sup>28</sup> Parents with children that were due to be born on or after 1 July 2018, but were instead born before that date, were eligible to receive Best Start. However, as their children turn three, their eligibility to the payment ends, leading to the leading out effects seen here.

<sup>29</sup> This has been revised up from 27,100 in last years report. The revision is due to data timing.

## Receipt of weekly payments from MSD

The number of people receiving a Best Start payment steadily increased during year one and year two. In year three, the growth in recipient numbers slowed, reaching a plateau by the end of year three. This plateauing was expected, as the first cohort of families to receive the payment began to lose eligibility as their children turned three.<sup>30</sup> At the end of June 2021 there were 21,690 recipients, an increase of 6,030 from June 2020 (Figure 22).

**Figure 42: Number of Best Start tax credit recipients paid at the end of each month by MSD, July 2018 to the end of September 2021.**



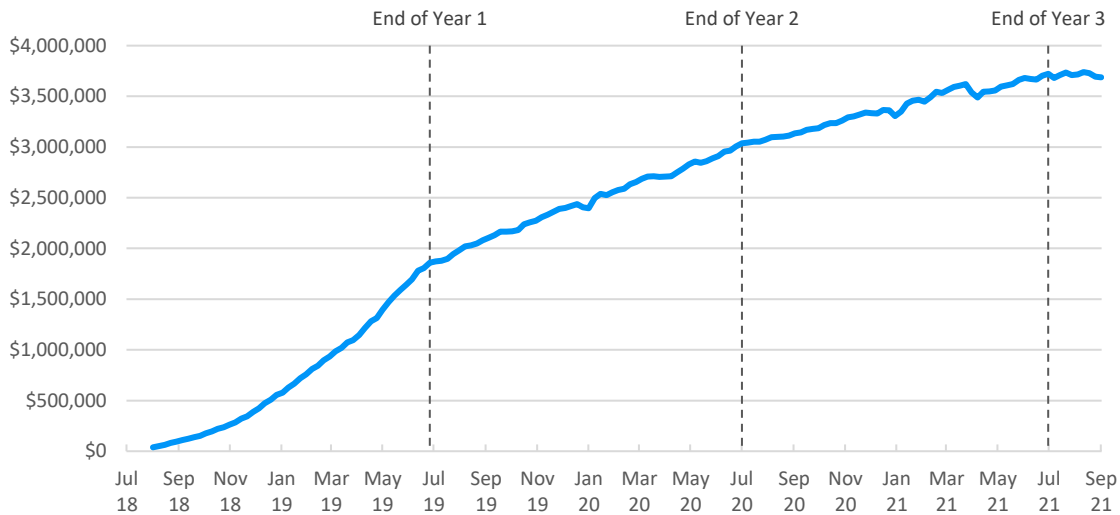
<sup>30</sup> See footnote 23.

## Expenditure on the Best Start tax credit

### Expenditure on weekly and fortnightly from IR

The growth in receipt is broadly reflected in the growth in expenditure by IR, which averaged just over \$3.7 million a week as of the last fortnight of July 2021 (Figure 23).

**Figure 23: Weekly expenditure on the Best Start tax credit by IR, averaged across fortnights, from July 2018.**



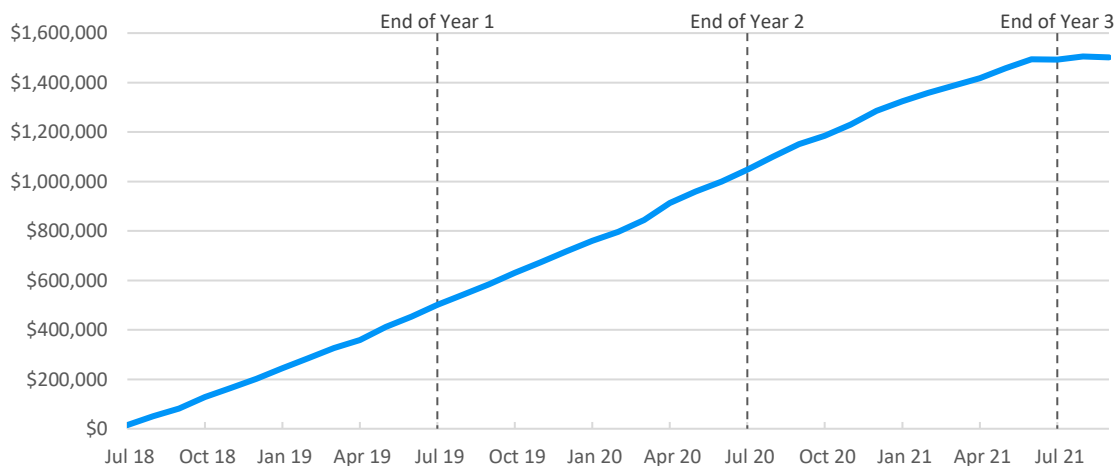
### Total tax year expenditure on payments from IR

Across the relevant nine months of the tax year ended 31 March 2019, just over \$23.4 million was spent on Best Start tax credits by IR. This increased to just over 131.4 million across the tax year ended 31 March 2020.

### Expenditure on weekly payments from MSD

Expenditure on the Best Start payment by MSD follows the trend of receipt, with steady growth during the first two years, followed by a plateau towards the end of year three (Figure 24).

**Figure 24: Expenditure on the Best Start tax credit by MSD, during the final week of each month, July 2018 to the end of September 2021.**



## Paid parental leave

Paid parental leave is available to parents and carers who take time off work to care for their baby or a child who has come into their care. It was originally introduced in July 2002, at which point eligible parents could receive a maximum of 12 weeks of paid parental leave.

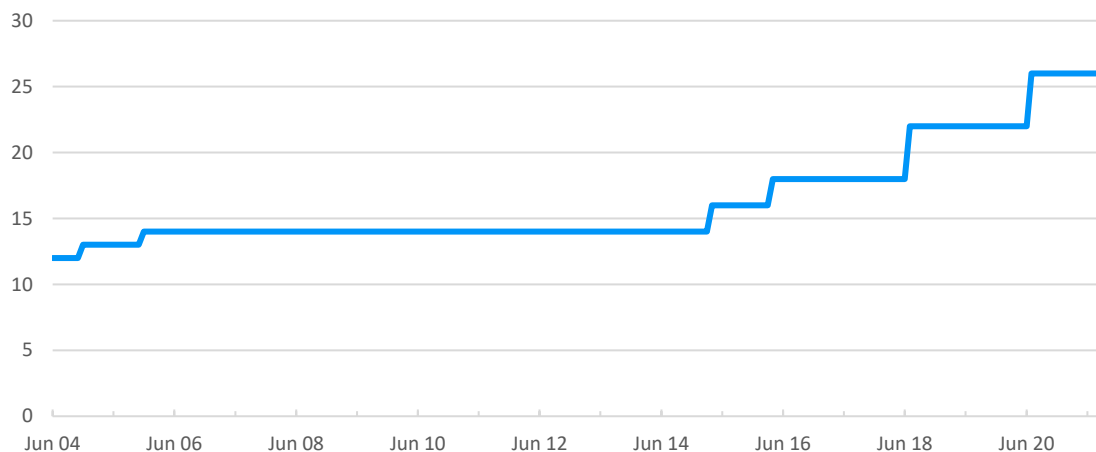
It is available to parents and carers of children under six years old who are the primary carers of those children. The parent or carer needs to have worked an average of 10 hours a week in at least half of the year before the child was born or came into their care. Paid parental leave is paid by IR.

### What changed?

As part of the Families Package, the maximum number of weeks of paid parental leave increased from 18 to 22, effective from 1 July 2018, and from 22 weeks to 26 weeks, effective from 1 July 2020.

Figure 25 shows the increase in the number of weeks a person can receive paid parental leave since 2004.

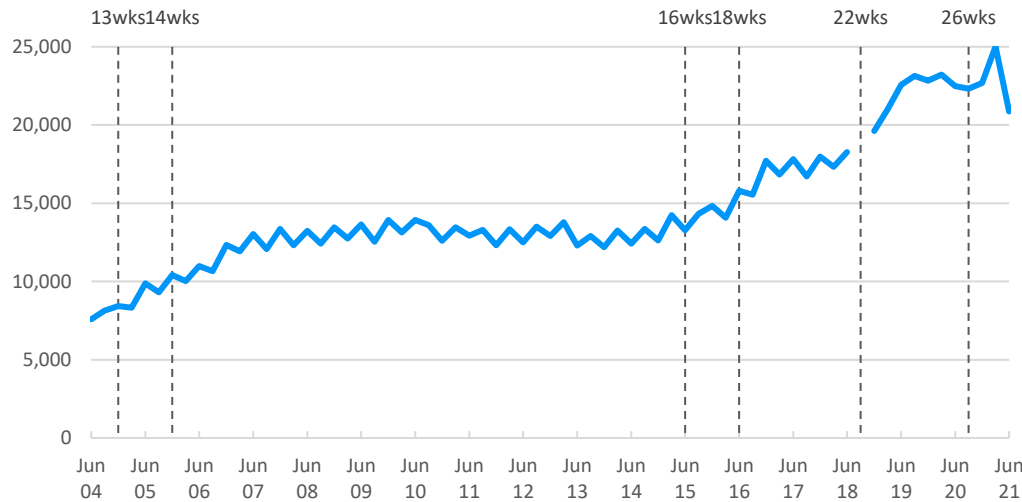
**Figure 25: Maximum weeks of paid parental leave since 2004.**



## Receipt of paid parental leave

During the quarter ended June 2018, 18,271 people received a paid parental leave payment. This increased to 20,867 people in the quarter ended June 2021.

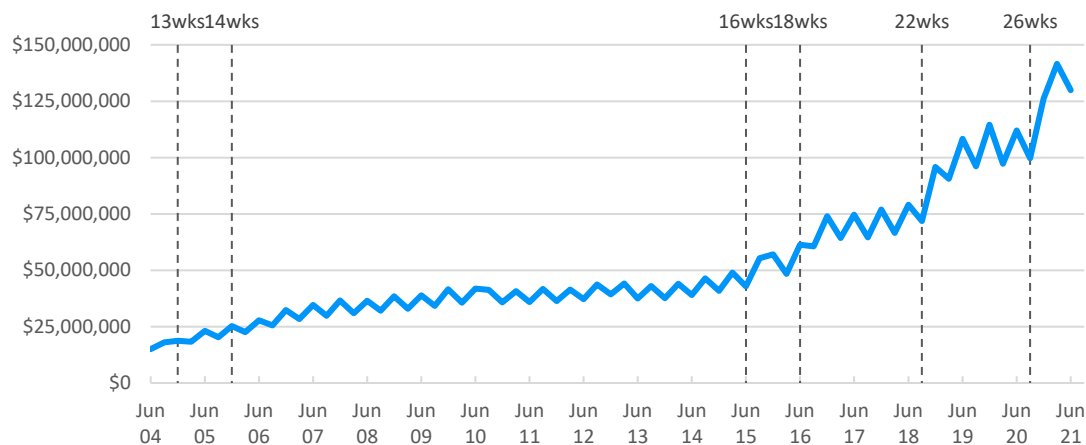
**Figure 26: Number of people receiving paid parental leave, since quarter ended June 2004.**<sup>31,32</sup>



## Expenditure on paid parental leave

There has been a steady increase in expenditure in paid parental leave over time, in line with wage inflation adjustments and increases to the maximum number of paid parental leave weeks. Since 2016, expenditure has begun to increase more rapidly, in line with the increase of recipients due to the extensions of paid parental leave weeks (Figure 27).

**Figure 27: Expenditure on paid parental leave, since quarter ended June 2004.**



<sup>31</sup> Data for the quarter ended September 2018 is excluded from this graph due to a large spike in the number of people paid over that quarter. This was due to Inland Revenue issuing corrective payments relating to a miscalculation of the 2017 maximum paid parental leave amounts. For information purposes, the number of people receiving a payment during this quarter was 43,179.

<sup>32</sup> Since last year's update, IR have moved to a new data warehouse storage system. This means that quarterly figures from this financial year may not be directly comparable to prior years.



# Increasing financial assistance for people caring for children

## Summary

The number of carers receiving an Unsupported Child's Benefit increased from 10,631 as at the end of June 2018, to 12,927 as at the end of June 2021.

The number of carers receiving an Orphan's Benefit decreased from 271 as at the end of June 2018, to 264 as at the end of June 2021.

Monthly expenditure on the Orphan's Benefit and Unsupported Child's Benefit increased from \$13.7 million in June 2018 to \$17.1 million in July 2018, following the Families Package rate increases and the accompanying introduction of a new Clothing Allowance. Following the COVID-19 response rate increases, monthly expenditure increased from \$20.6 million in June 2020 to \$23.4 million in July 2020. In June 2021, monthly expenditure had increased to \$24.2 million.

At the end of June 2018, there were 5,038 children and young people that a carer received a Foster Care Allowance on behalf of. This decreased to 4,766 by the end of June 2020, and 4,269 by the end of June 2021.

Monthly expenditure on the Foster Care Allowance increased from \$4.6 million in June 2018 to \$5.2 million in July 2018, following the Families Package rate increases. Following the COVID-19 response rate increases, monthly expenditure increased from \$4.9 million in June 2020, to \$6.1 million in July 2020. In June 2021, expenditure was \$5.2 million.

## Orphan's Benefit and Unsupported Child's Benefit

The Orphan's Benefit is a weekly payment that helps carers supporting a child or young person whose parents have died, can't be found, or can't look after them because they have a long-term health condition or incapacity.

The Unsupported Child's Benefit is a weekly payment that helps carers supporting a child or young person whose parents can't care for them because of a family breakdown.

Orphan's Benefit and Unsupported Child's Benefit are paid by MSD.

Both payments are non-taxable and not income tested. They are paid at the same rate, which depends on the age of the child and any income they have. Income the child earns from working part time does not affect their entitlement. However, income from family trusts, investments, estates, or ACC does affect entitlement.

Further breakdowns of receipt of Unsupported Child's Benefit and Orphan's Benefit are contained in a companion supplementary report.

## What changed?

As part of the Families Package, the rates for Orphan's Benefit and Unsupported Child's Benefit were increased on 1 July 2018. Family Tax Credit is not paid in respect of children for whom an Orphan's Benefit or Unsupported Child's Benefit is received. The increase of \$20.31 per week from 1 July 2018 was equivalent to the Families Package increase to Family Tax Credit from 1 July 2018 for first child aged under 16.

Outside of the Families Package, a Clothing Allowance was also introduced in July 2018. This provides weekly financial assistance to all carers receiving an Orphan's Benefit or Unsupported Child's Benefit so that they can provide a reasonable range of clothing, a travel bag, and replacement school clothing for children in their care.

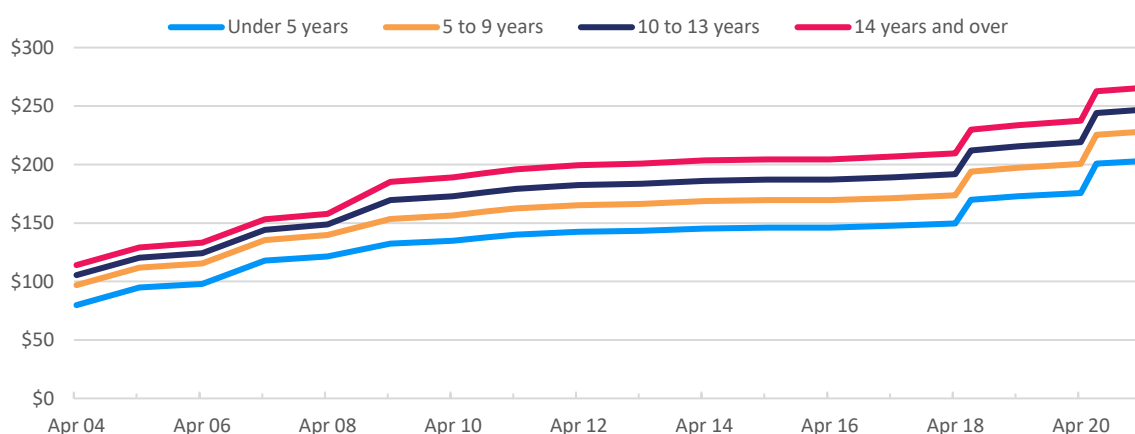
From 6 July 2020, the rates for Orphan's Benefit and Unsupported Child's Benefit were increased by \$25 as part of the COVID-19 response. Additionally, the rates of payment are also adjusted for inflation on 1 April each year. Table 6 displays the rates since April 2018.

**Table 6: Change in Orphan's Benefit and Unsupported Child's Benefit rates between 1 April 2018 and 1 April 2021.**

Age of child	1 April 2018	1 July 2018	1 April 2019	1 April 2020	6 July 2020	1 April 2021
Under 5 years	\$149.66	\$169.97	\$172.84	\$175.71	\$200.71	\$203.03
5 to 9 years	\$173.68	\$193.99	\$197.27	\$200.55	\$225.55	\$228.15
10 to 13 years	\$191.64	\$211.95	\$215.53	\$219.11	\$244.11	\$246.93
14 years and older	\$209.52	\$229.83	\$233.71	\$237.59	\$262.59	\$265.62

Figure 28 shows rate changes since 2004. The increases on 6 July 2020 as part of the COVID-19 response were the largest change for most groups during the period monitored. Prior to that, the Families Package increase was the largest change since April 2009.

**Figure 28: Change in Orphan's Benefit and Unsupported Child's Benefit rates since 2004, by age of child.**



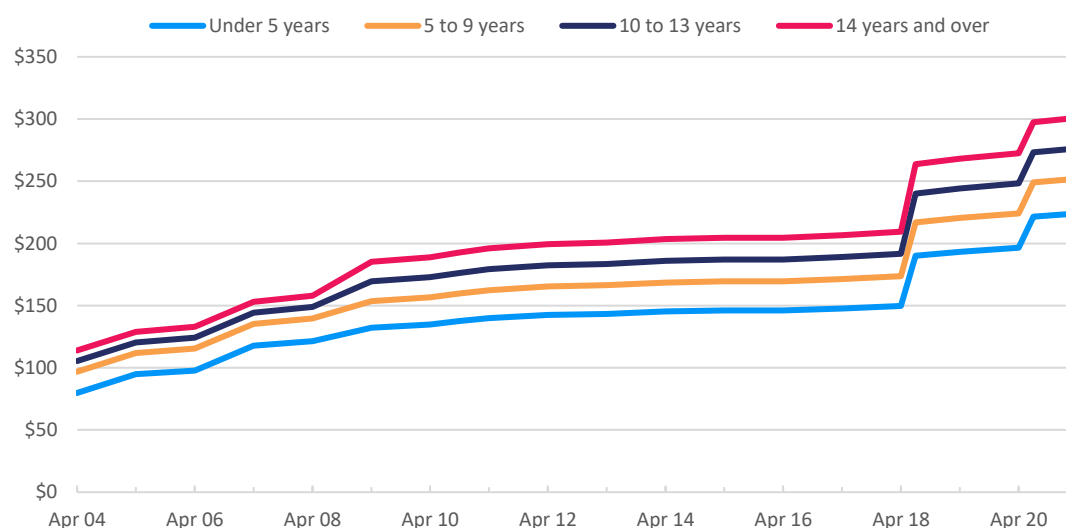
On top of these rate increases, the new Clothing Allowance introduced from 1 July 2018 further increased the support available to carers (Table 7). All recipients of an Orphan's Benefit or an Unsupported Child's Benefit receive this payment. It is adjusted for inflation every year and is the same rate as paid under Foster Care Allowance by Oranga Tamariki.

**Table 7: Clothing Allowance rates since its introduction.**

Age of child	1 July 2018	1 April 2019	1 April 2020	1 April 2021
Under 5 years	\$20.14	\$20.48	\$20.82	\$21.06
5 to 9 years	\$22.83	\$23.22	\$23.61	\$23.88
10 to 13 years	\$28.19	\$28.67	\$29.15	\$29.49
14 years and older	\$33.84	\$34.41	\$34.98	\$35.38

Factoring in the Clothing Allowance, Figure 29 shows the maximum amount a carer receives per child per week.

**Figure 29: Change in Orphan's Benefit and Unsupported Child's Benefit rates since 2004 (including the Clothing Allowance), by age of child.**



## Receipt of Orphan’s Benefit and Unsupported Child’s Benefit

### Overall

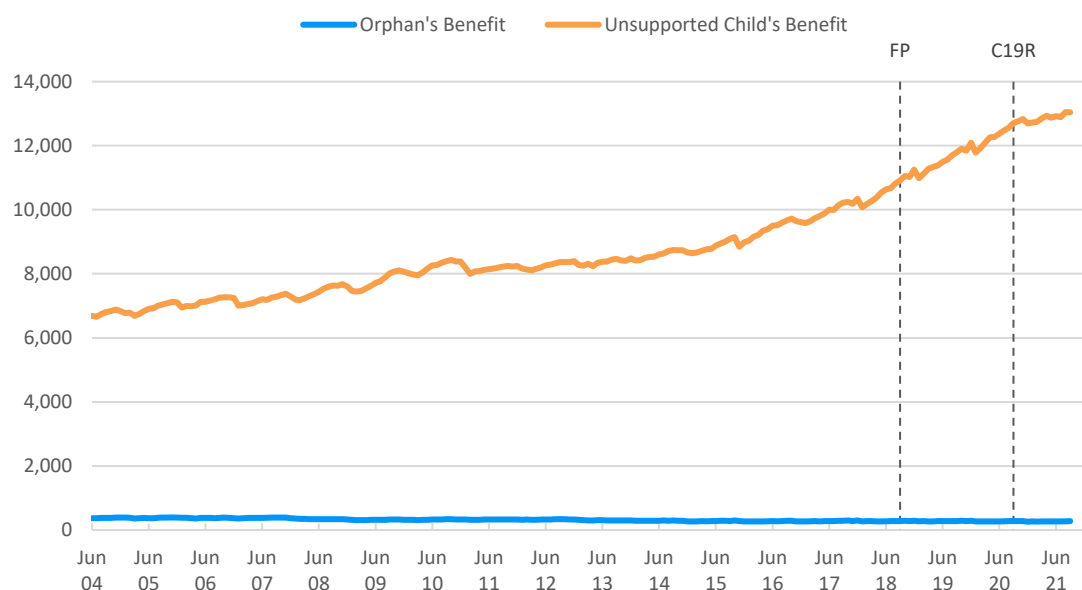
Table 8 shows the number of carers receiving an Orphan’s Benefit or an Unsupported Child’s Benefit at the end of the past five June months.

**Table 8: Number of carers receiving an Orphan's Benefit or an Unsupported Child's Benefit, as at the end of June, last five years.**

	End of June 2017	End of June 2018	End of June 2019	End of June 2020	End of June 2021
Orphan’s Benefit	276	271	280	268	264
Unsupported Child’s Benefit	10,001	10,631	11,490	12,374	12,927

Figure 30 shows that the number of carers receiving an Orphan’s Benefit has been flat or gradually declining over time. The number of carers receiving an Unsupported Child’s Benefit has been increasing, particularly since 2016. There are no obvious impacts of the Families Package, COVID-19, or changes made as part of the COVID-19 response on trends in numbers.

**Figure 30: Number of carers receiving an Orphan's Benefit or an Unsupported Child's Benefit, monthly since June 2004.**



## Number of children included in payments

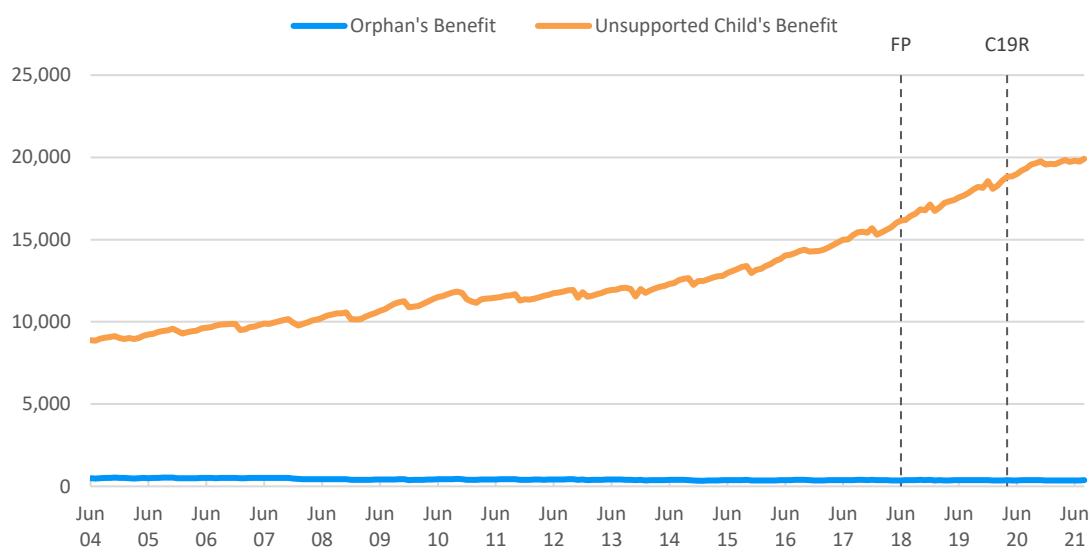
Table 9 shows the number of children who are directly included within the Orphan's Benefit and Unsupported Child's Benefit.

**Table 9: Number of children whose carers receive an Orphan's Benefit or an Unsupported Child's Benefit payment, as at the end of June, last five years.**

	End of June 2017	End of June 2018	End of June 2019	End of June 2020	End of June 2021
Orphan's Benefit	373	365	372	364	359
Unsupported Child's Benefit	14,993	16,157	17,553	18,985	19,794

The number of children covered directly by these payments has followed a similar trend to the number of carers (Figure 31). The seasonal dips happen every January and February during the summer school holidays. This mainly reflects end of year cancellations for children aged 16 to 18 who may cease to be dependent. The number of children supported by an Unsupported Child's Benefit has generally increased over time. However, the growth has flattened off from December 2020.

**Figure 31: Number of children whose carers receive an Orphan's Benefit or an Unsupported Child's Benefit payment, monthly since June 2004.**



## Expenditure on Orphan's Benefit and Unsupported Child's Benefit

Expenditure on Orphan's Benefit and Unsupported Child's Benefit has been increasing due to increases in Unsupported Child's Benefit recipients and payment rates over time (Figure 32).

Because of the Families Package, a large increase in monthly expenditure can also be observed, jumping from \$13.7 million in June 2018 to \$17.1 million in July 2018. This was due to the increased rate of the core Orphan's Benefit and Unsupported Child's Benefit payments, as well as the introduction of the Clothing Allowance.

Because of the COVID-19 response, a second increase in monthly expenditure can be observed, jumping from \$20.6 million in June 2020 to \$23.4 million in July 2020. This was due to the increased rate of the core Orphan's Benefit and Unsupported Child's Benefit payments.

**Figure 32: Monthly expenditure on Orphan's Benefit and Unsupported Child's Benefit, since 2004.**



Every January since January 2014, we see an upwards spike in expenditure. This was due to the introduction of the 'School and Year Start-up Payment', which initially provided between \$250 and \$400 to eligible Orphan's Benefit and Unsupported Child's Benefit carers and was increased to \$400 to \$550 from January 2015.

Also starting from January 2014 is a \$350 per child one-off establishment grant, which has raised the overall level of spending on Orphan's Benefit and Unsupported Child's Benefit each month.

There are slight dips in expenditure during February compared to other months. This is due to February being a shorter month, and not due to any known policy impacts.

## Foster Care Allowance

The Foster Care Allowance (also known as a care allowance) is a payment to help cover the costs of caring for a child. This payment is provided to carers by Oranga Tamariki, and currently the base payment has the same rates as the Orphan's Benefit and Unsupported Child's Benefit.

Foster Care Allowance also includes birthday and Christmas gift allowances per child as well as nappy and 'small cost payment' allowances. The birthday and Christmas gift allowances became available to Orphan's Benefit/Unsupported Child's Benefit recipients from December 2021 for Christmas allowances, and the birthday gift allowance becomes available from January 2022.<sup>33,34,35</sup>

### What changed?

As part of the Families Package, the rates for the Foster Care Allowance were increased on 1 July 2018. The increase of \$20.31 per week from 1 July 2018 was equivalent to the Families Package increase to Family Tax Credit from 1 July 2018 for first child aged under 16.

From 6 July 2020, the rates for the Foster Care Allowance were increased by \$25 per week as part of the COVID-19 response.

Table 10 displays the Families Package and COVID-19 response increases as well as the impacts of regular rate adjustment.

**Table 10: Change in Foster Care Allowance rates between 1 April 2018 and 1 April 2021.**

Age of child	1 April 2018	1 July 2018	1 April 2019	1 April 2020	6 July 2020	1 April 2021
Under 5 years	\$149.66	\$169.97	\$172.84	\$175.71	\$200.71	\$203.03
5 to 9 years	\$173.68	\$193.99	\$197.27	\$200.55	\$225.55	\$228.15
10 to 13 years	\$191.64	\$211.95	\$215.53	\$219.11	\$244.11	\$246.93
14 years and older	\$209.52	\$229.83	\$233.71	\$237.59	\$262.59	\$265.62
Family home	\$195.36	\$215.67	\$219.31	\$222.95	\$247.95	\$250.81

Carers receiving the Foster Care Allowance also receive a clothing allowance, at the same weekly rate as that for Orphan's Benefit and Unsupported Child's Benefit recipients. The difference is that they receive the payment every four weeks instead of weekly.

<sup>33</sup> Major boost in support for caregivers and children. <https://www.beehive.govt.nz/release/major-boost-support-caregivers-and-children>

<sup>34</sup> Social Security Act 2018. [https://www.legislation.govt.nz/act/public/2018/0032/latest/DLM6784865.html?search=sw\\_096be8ed81b7a8f4\\_orphan\\_25\\_se&p=1](https://www.legislation.govt.nz/act/public/2018/0032/latest/DLM6784865.html?search=sw_096be8ed81b7a8f4_orphan_25_se&p=1)

<sup>35</sup> The birthday gift allowance became available to Orphan's Benefit and Unsupported Child's Benefit recipients from 1 December 2021 for birthdays in 2022.

## Receipt of Foster Care Allowance

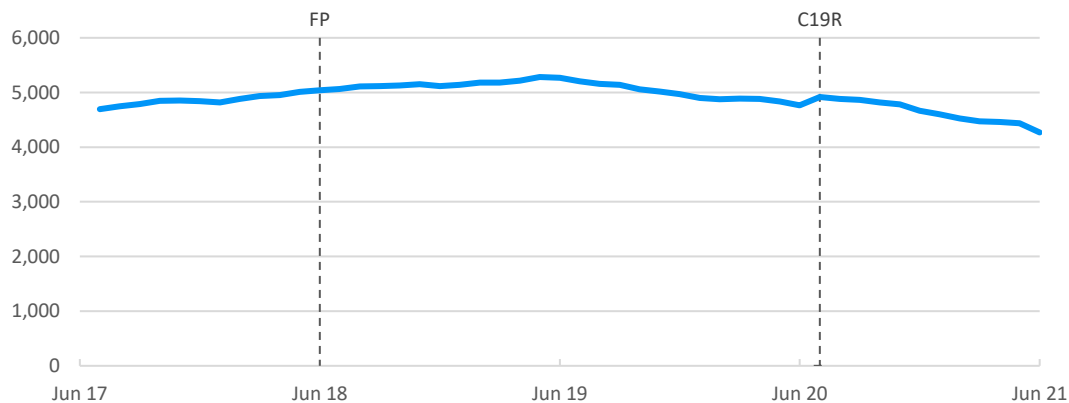
Figure 33 shows the number of children and young people that a carer received a Foster Care Allowance on behalf of, as at the end of June for the last four years.

**Figure 33: Number of children and young people that a carer received a Foster Care Allowance on behalf of, as at the end of June, last four years.**



Figure 34 shows that the number of children and young people that a carer received a Foster Care Allowance on behalf of was gradually increasing until the end of May 2019. Since then, the number has gradually fallen to levels below those in late 2017.

**Figure 34: Number of children and young people that a carer received a Foster Care Allowance on behalf of, monthly since July 2017.**



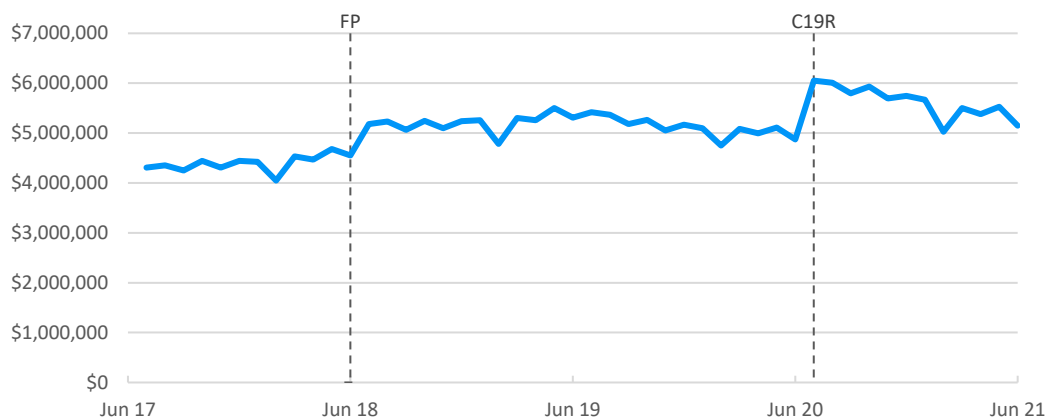


## Expenditure on Foster Care Allowance

Because of the Families Package, an increase in monthly expenditure on Foster Care Allowance can be observed, jumping from \$4.6 million in June 2018 to \$5.2 million in July 2018 (Figure 35). Additionally, because of the COVID-19 response, a second increase in monthly expenditure can be observed, jumping from \$4.9 million in June 2020 to \$6.1 million in July 2020.

These shifts were mostly due to the increased rate of the Foster Care Allowance introduced through these changes, though a small part of the increase was due to July being a longer month.

**Figure 35: Monthly expenditure on Foster Care Allowance, since July 2017.**



There are slight dips in expenditure during February. This is due to February being a shorter month, and not due to any known policy impacts.

# Helping older New Zealanders and people receiving a main benefit heat their homes

## Summary

The Winter Energy Payment was first introduced in 2018. At the end of June that year, 775,498 recipients received the payment.

At the end of June 2019, the number of recipients increased to 796,050. The number of recipients has continued to increase each year, with 885,193 people receiving the payment as at the end of June 2020 and 903,771 as at the end of June 2021. This is mainly due to increased numbers of people on Jobseeker Support and New Zealand Superannuation.

Including the partners of recipients, the Winter Energy Payment helped just over 1.2 million people as at the end of June 2021.

Very few recipients have chosen to opt out of receiving the Winter Energy Payment.

The doubling of the Winter Energy Payment for 2020 as part of the initial income support response to COVID-19 saw the average monthly expenditure increase from approximately \$90.4 million during 2019 to approximately \$198.8 million during 2020.

In 2021, the payment was reduced to its original rate and monthly expenditure reduced to approximately \$101.6 million.

## Winter Energy Payment

The Winter Energy Payment is a non-taxable and non-income tested supplementary payment available to all people receiving a main benefit, New Zealand Superannuation, or Veteran's Pension.

In 2018, payments were made from 1 July until 29 September.<sup>36</sup> From 2019 onwards, payments have been made from 1 May until 1 October (inclusive).

Further breakdowns of receipt of the Winter Energy Payment are contained in a companion supplementary report.

## What changed?

The Winter Energy Payment was introduced as part of the Families Package.

During the first two years of the Winter Energy Payment, single people without dependent children eligible for the Winter Energy Payment were paid \$20.46 a week. People who were married, in a civil union or a de facto relationship (with or without dependent children), and sole parents received \$31.82 a week. As part of the initial response to COVID-19, Winter Energy Payment rates were doubled for 2020. In 2021 the payment was reduced back to its original rate.

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<sup>36</sup> Due to the way MSD administers payments and sets its reporting periods, the first payment in 2018 is registered as taking place in the final reporting week of June 2018, which includes 1 July.

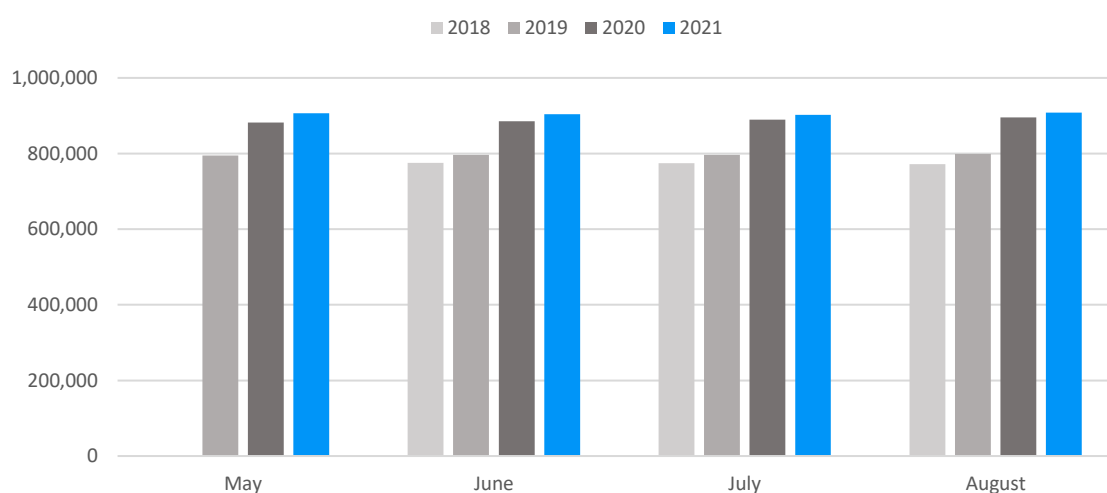
## Receipt of the Winter Energy Payment

### Overall

Nearly everyone on a main benefit or receiving a superannuation payment that meets the criteria for the Winter Energy Payment receives it. There were approximately 774,000 recipients during the 2018 year, approximately 797,000 recipients during the 2019 year, approximately 888,000 recipients during the 2020 year, and approximately 905,000 recipients during the 2021 year.<sup>37</sup>

Figure 36 shows the number of recipients during winter from 2018 to 2021.

**Figure 36: Winter Energy Payment receipt, 2018 to 2021.**



Including the partners of recipients, the Winter Energy Payment helped just over 1.2 million people as at the end of June 2021.<sup>38</sup>

The Winter Energy Payment is paid automatically, but recipients can opt-out if they do not wish to receive it. Table 11 shows that the number of people opting out of the Winter Energy Payment has decreased each year since the introduction of the payment. In 2021, only 582 eligible people chose not to receive the payment.

**Table 11: Number of people who opted out of the Winter Energy Payment and did not opt back in or be regranted it during that year, since 2018.<sup>39</sup>**

Year	Number
2018	1,770
2019	687
2020	813
2021	582

<sup>37</sup> This figure counts primary benefit recipients and does not count partners included in a benefit (consistent with MSD's standard reporting).

<sup>38</sup> This calculation is based on the partnership status of recipients and rounded to the nearest 100,000.

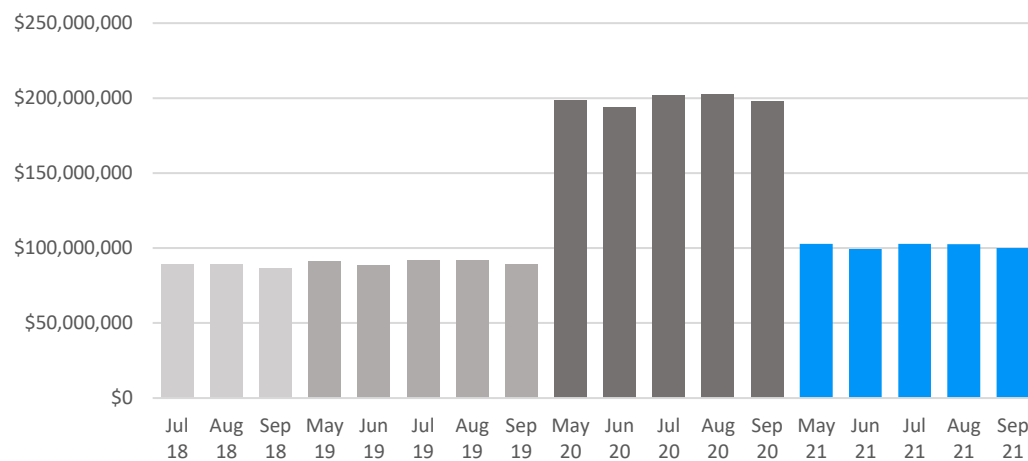
<sup>39</sup> A recipient can 'opt out' of the payment at any time during the payment period for various reasons. This table shows the number of people who have 'opted out' and not been regranted the payment (or opted back in). 2018 comprises all the opt outs from 25 June 2018 to the end of December 2018. 2019 and 2020 comprises all the opt outs from 01 January to the end of December. 2021 comprises all the opt outs from 01 January 2021 to the end of September 2021.

## Expenditure on the Winter Energy Payment

Normalising expenditure to consider the number of days in each month, there was a large increase in expenditure (of approximately \$100 to \$110 million per month) during the 2020 payment period, primarily due to the payment rate being doubled. A small part of the increase was due to the increased number of people receiving either a main benefit or a superannuation payment.

In 2021, due to an increased number of people receiving either a main benefit or a superannuation payment, expenditure was higher than in 2018 and 2019.

**Figure 37: Expenditure on the Winter Energy Payment since its inception, normalised to account for length of months.<sup>40</sup>**



<sup>40</sup> Months are adjusted to be thirty days long for the purpose of this comparison.

# Increasing assistance for accommodation costs

## Summary

At the end of June 2017, there were 284,572 recipients of the Accommodation Supplement. This number has increased each year, with 315,912 people receiving Accommodation Supplement as at the end of June 2021.

This growth in receipt of an Accommodation Supplement mostly reflects an increase in main benefit numbers, particularly so during 2020 due to the impacts of COVID-19.

The proportion of Accommodation Supplement recipients receiving the maximum Accommodation Supplement amount fell from around 56 percent immediately prior to the Families Package, to just under 26 percent in April 2018. This proportion has since increased to 38 percent in June 2021.

The average weekly Accommodation Supplement payment increased from \$71 at the end of June 2017 to \$104 at the end of June 2021.

Expenditure on Accommodation Supplement has increased from \$151.3 million in June 2020 to \$163.4 million in June 2021.

The number of students receiving an Accommodation Benefit increased from 33,684 in the period 1 January to 30 June 2020, to 37,089 in the period 1 January to 30 June 2021. This was the first increase since 2017.

Expenditure on Accommodation Benefit has increased from \$8.4 million in June 2020 to \$9.7 million in June 2021.

## Accommodation Supplement

The Accommodation Supplement is a weekly or fortnightly<sup>41</sup> payment paid by MSD to assist people with low incomes with their rent, board, or the cost of owning a home. It is not available to people in emergency housing, public housing and/or receiving an income-related rental subsidy. The number of people receiving an Accommodation Supplement tends to follow trends in broader benefit numbers.

The Accommodation Supplement is income- and asset-tested, and non-taxable. The rate depends on where the recipient lives, their accommodation costs, and family type.

Further breakdowns of receipt of the Accommodation Supplement are contained in a companion supplementary report.

### What changed?

Effective from 1 April 2018, two changes were made to the Accommodation Supplement as part of the Families Package.

The first change was to the boundaries of the Accommodation Supplement areas. Several places were re-classified into different Accommodation Supplement areas depending on the state of the rental market in those localities.

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<sup>41</sup> For people also receiving New Zealand Superannuation or the Veteran's Pension.

Figures 38 and 39 show the Accommodation Supplement area boundaries before and after the Families Package changes. More areas were zoned as qualifying for the highest possible maximum rates.<sup>42</sup>

This was the first adjustment of Accommodation Supplement areas since changes implemented in April 2005 as part of the Working for Families reform.<sup>43</sup>

The second Families Package change was that the maximum rates of Accommodation Supplement were increased for the first time since rate increases introduced in April 2005 (Table 12).

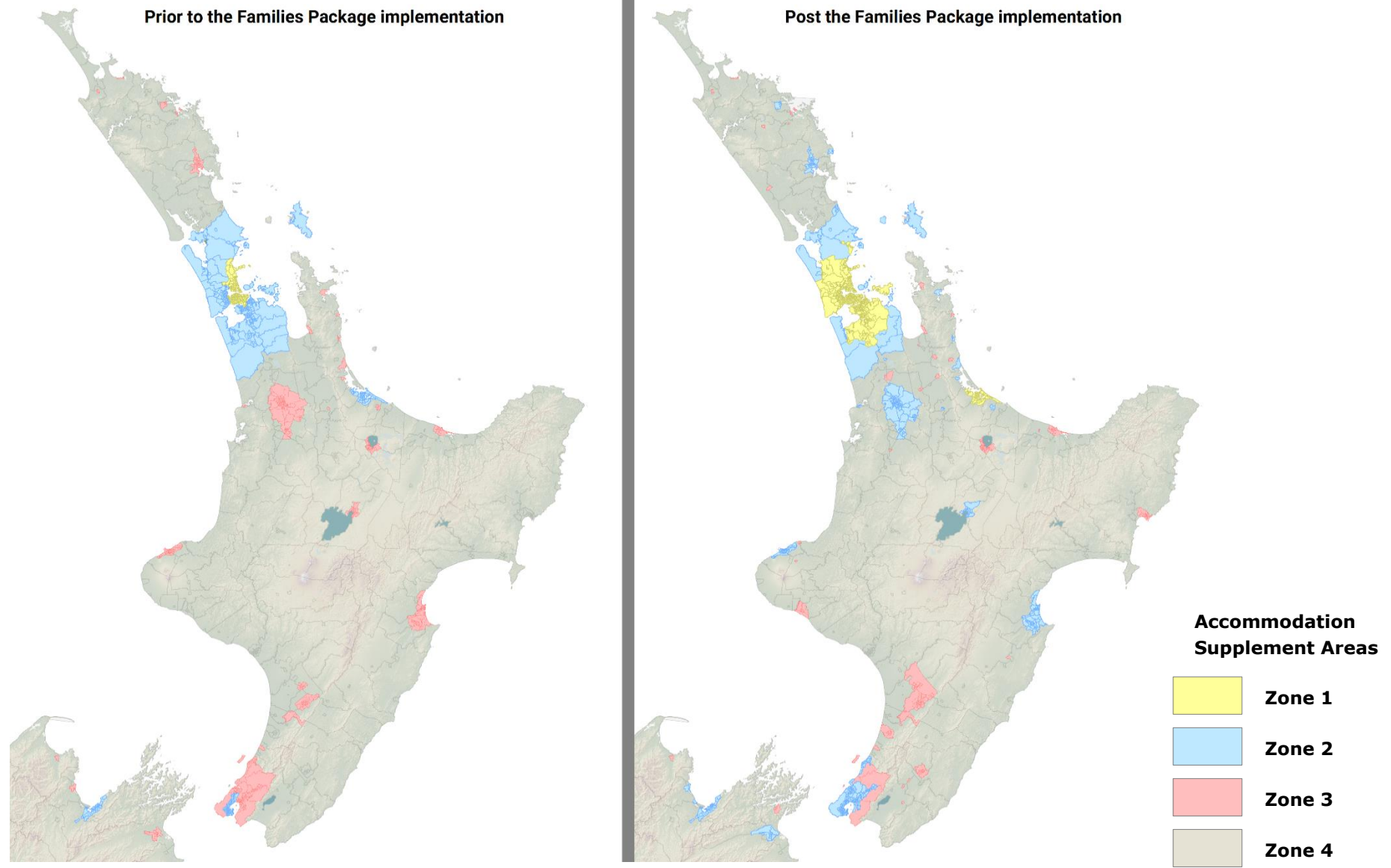
**Table 12: Accommodation Supplement maximum rates (increase from previous maximum rate).**

	Area 1	Area 2	Area 3	Area 4
<b>Single</b>	\$165 (+\$20)	\$105 (+\$5)	\$80 (+\$15)	\$70 (+\$25)
<b>Married without children, Sole parent with 1 child</b>	\$235 (+\$75)	\$155 (+\$30)	\$105 (+\$30)	\$80 (+\$25)
<b>Married with children, Sole parent with two or more children</b>	\$305 (+\$80)	\$220 (+\$55)	\$160 (+\$40)	\$120 (+\$45)

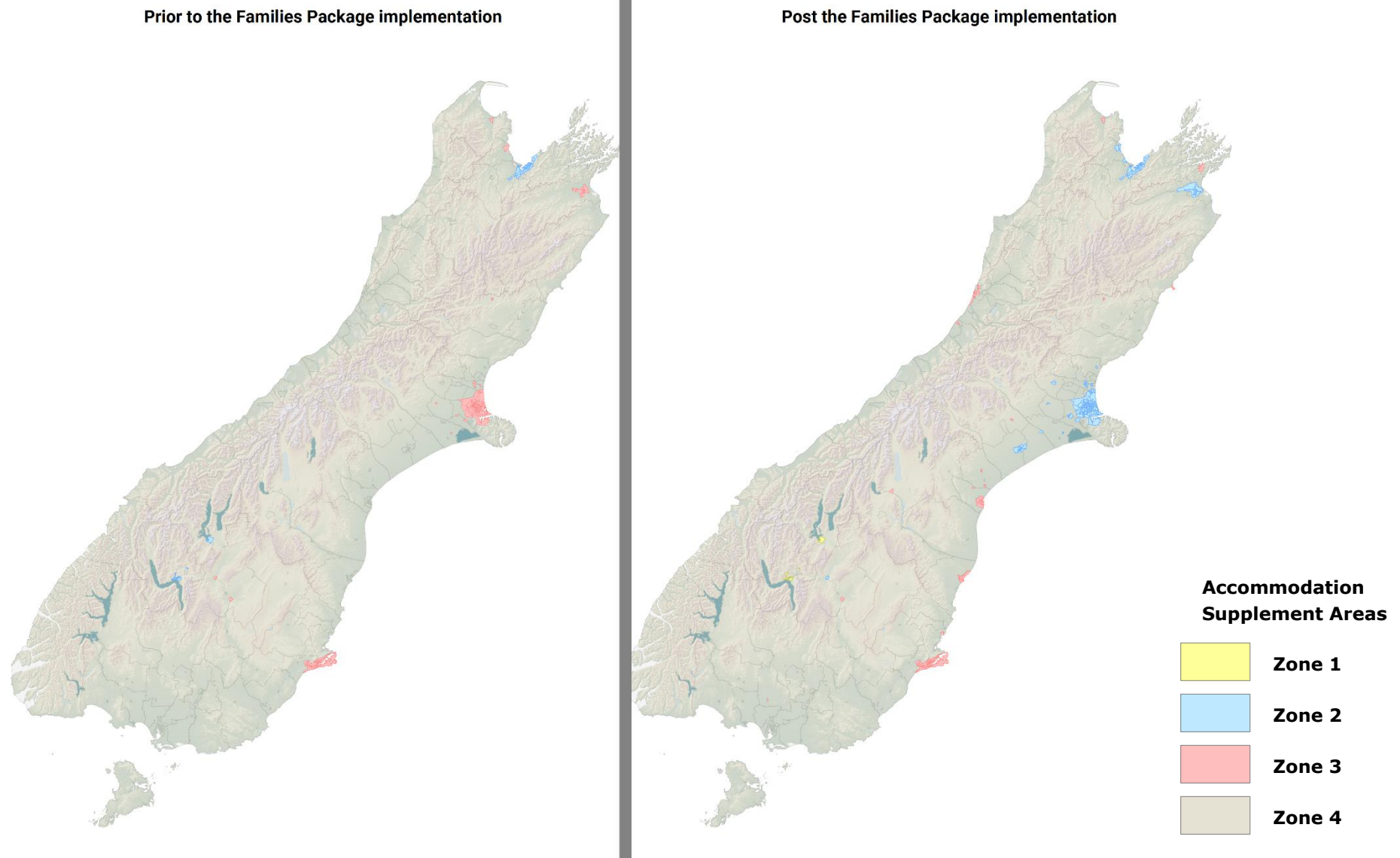
<sup>42</sup> For detailed tables showing the new Accommodation Supplement areas, which include area changes difficult to see in the maps on the following pages (e.g. changes for Queenstown), please refer to: <https://www.msd.govt.nz/about-msd-and-our-work/newsroom/2017/budget-2017.html>

<sup>43</sup> Other changes introduced as part of Working for Families were removal of abatement of Accommodation Supplement for people receiving a main benefit, and an increase in Accommodation Supplement entry and abatement thresholds for people not receiving a main benefit or superannuation, effective from October 2004.

**Figure 38: North Island Accommodation Supplement boundaries before and after the Families Package changes.**



**Figure 39: South Island Accommodation Supplement boundaries before and after the Families Package changes.**





## Receipt of Accommodation Supplement

### Overall

Figure 40 shows that there was an increase in the number of Accommodation Supplement recipients from June 2017 to June 2021. This increase can be linked to the increase in main benefit recipients across this time period.

**Figure 40: Number of Accommodation Supplement recipients as at the end of June over the last five years**



Figure 41 shows that the number of Accommodation Supplement recipients rose slightly between 2004 and mid-2008, before increasing sharply during late 2008 and through 2009 during the Global Financial Crisis, peaking in late 2010.<sup>44</sup> From there, the number of recipients gradually declined until June 2018. The number of recipients has since begun to increase, particularly so between March 2020 and January 2021, corresponding with the impacts of COVID-19.

**Figure 41: Number of Accommodation Supplement recipients, monthly since June 2004.**

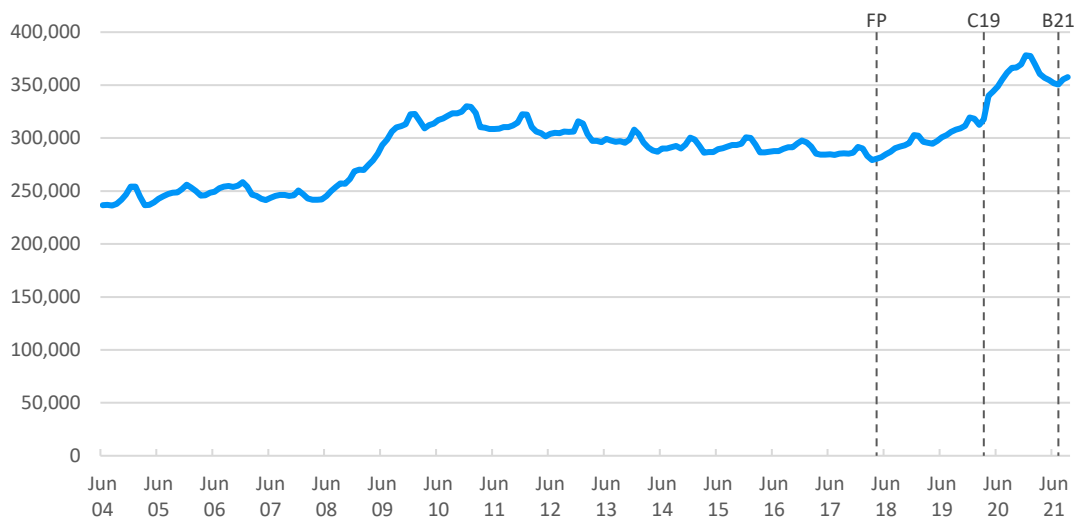
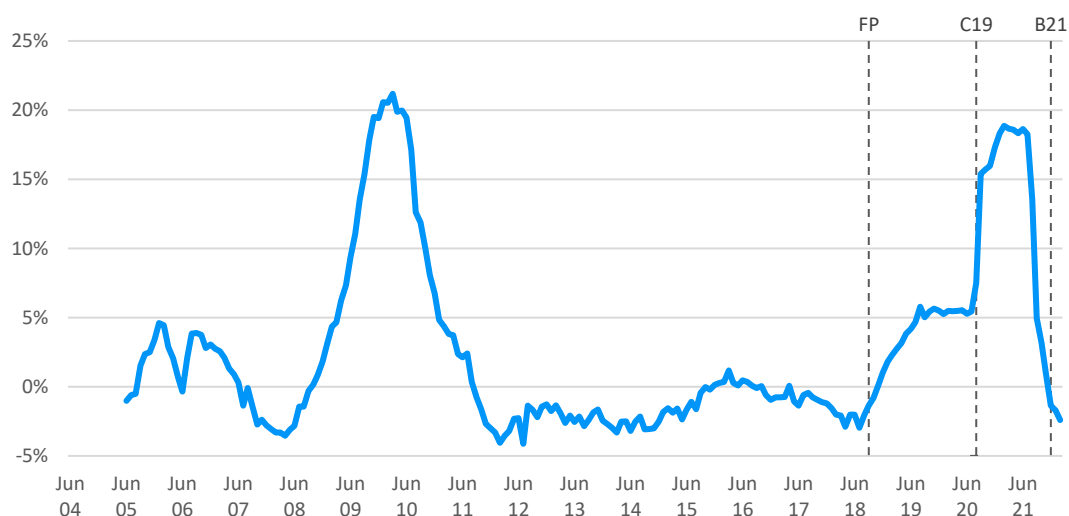


Figure 42 shows an initial increase in the year-on-year percentage change in Accommodation Supplement recipients after the implementation of the Families Package in 2018. This was followed by another increase in 2020. From February 2021, the year-on-year percentage change dropped back to a level comparable with 2018.

<sup>44</sup> Policy changes under Working for Families resulted in the non-beneficiary count rising from about 20,000 to over 50,000 between October 2004 and mid-2008. This was mostly offset by a downward trend in the number of people receiving a main benefit overall (and so on AS) as the economy grew in that period.

**Figure 42: Year-on-year percentage change in Accommodation Supplement numbers.**

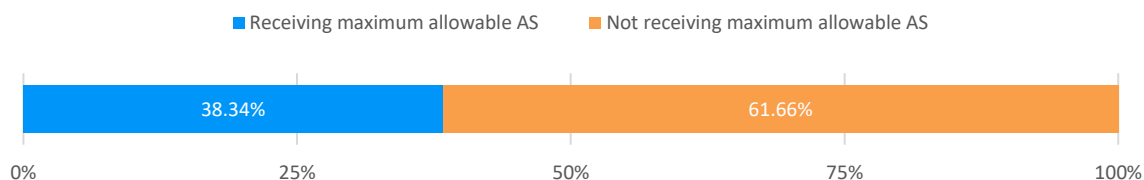


Receipt by whether a recipient is receiving the maximum allowable amount<sup>45</sup>

Depending on a recipient’s housing costs, they may or may not be able to claim the maximum amount of Accommodation Supplement based on their household composition, as outlined in Table 12.

Figure 43 shows that at the end of June 2021, the majority of Accommodation Supplement recipients did not receive the maximum allowable amount.

**Figure 43: Percentage of Accommodation Supplement recipients receiving the maximum allowable amount, as at the end of June 2021.**



Note: Totals may not add to 100 percent due to rounding.

Figure 44 shows that the percentage of Accommodation Supplement recipients receiving the maximum allowable amount dropped substantially following the introduction of the Families Package. There were also smaller drops associated with the 2020 income support packages and Budget 2021 main benefit increase.

<sup>45</sup> The methodology for producing the figures in this section has changed since last year’s report. In the past, if Accommodation Supplement was abated, the recipient was not considered to be at the maximum allowable amount for their circumstances. This year’s data considers a recipient to be at the maximum allowable amount if they are receiving the maximum rate they are eligible for, before abatement is taken into account. This change makes little change to the main benefit and superannuation population, but is quite significant for the non-benefit population as they are more likely to have their Accommodation Supplement abated.

**Figure 44: Percentage of Accommodation Supplement recipients receiving the maximum allowable amount, monthly since June 2011.**

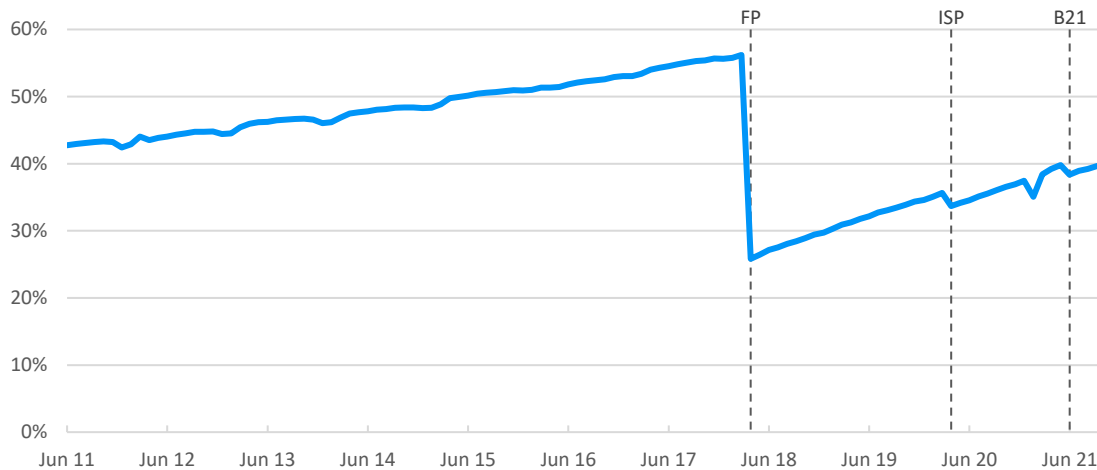
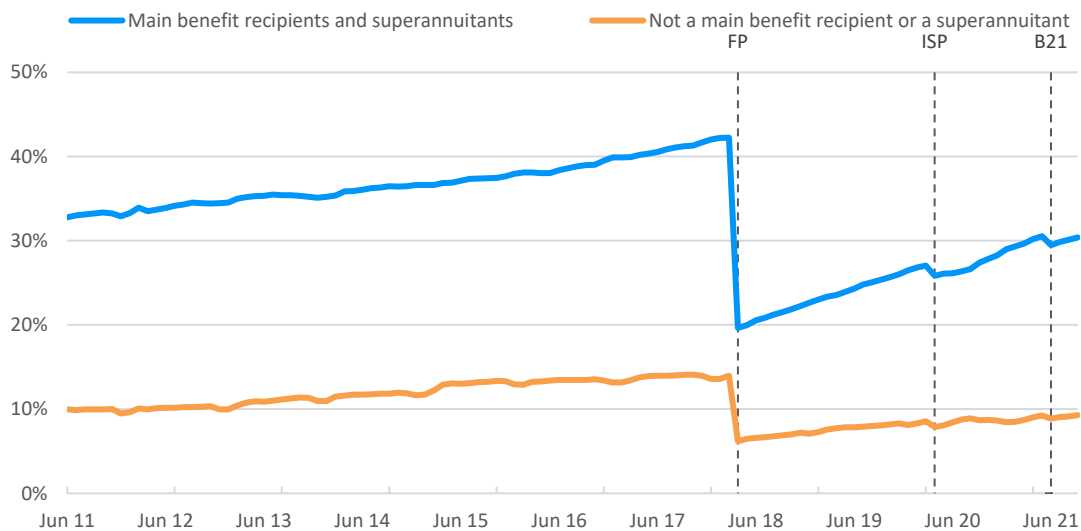


Figure 45 breaks down Figure 44 by whether the Accommodation Supplement recipient is receiving a main benefit or New Zealand Superannuation/Veteran’s Pension or is a non-beneficiary. Both groups saw a fall in the percentage of recipients receiving the maximum allowable amount following the introduction of the Families Package and subsequent changes to main benefit rates. However, the drops were much smaller for people not receiving income from a benefit or superannuation.

**Figure 45: Percentage of Accommodation Supplement recipients receiving the maximum allowable amount by beneficiary status, monthly since June 2011.**



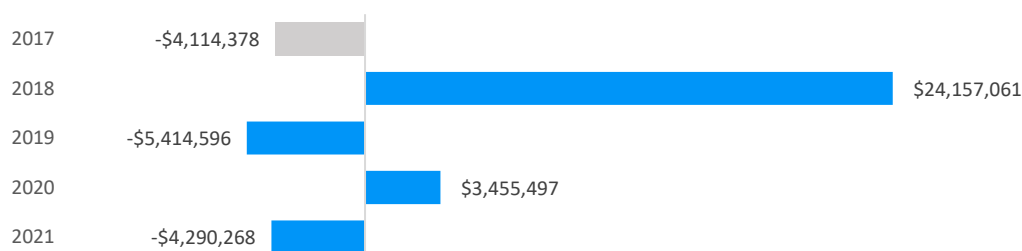
Since the Families Package, the percentage of recipients receiving the maximum allowable amount of Accommodation Supplement has rebounded more strongly for people receiving main benefits or superannuation than for people not receiving a main benefit or superannuation.

## Expenditure on Accommodation Supplement

### Overall

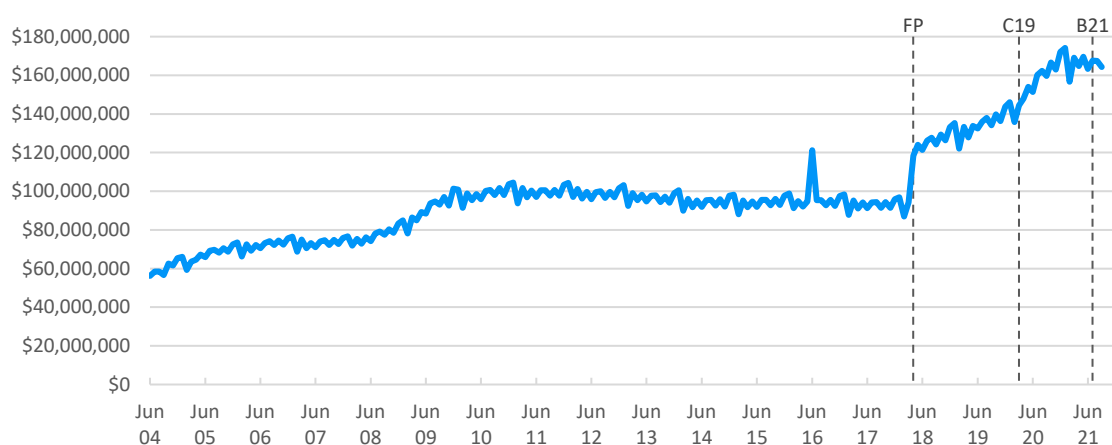
Figure 46 below shows that the immediate impact on monthly expenditure of the Families Package in 2018 was large, especially when compared to typical March to April changes.<sup>46</sup>

**Figure 46: Change in Accommodation Supplement expenditure between March and April over the last five years.**



Because of the Families Package, the average amount received by a recipient increased from \$71 per week at the end of June 2017 to \$95 per week by the end of June 2018. This had increased further to \$104 per week by the end of June 2021. This had a noticeable impact on overall expenditure, as shown in Figure 47.

**Figure 47: Expenditure on Accommodation Supplement, monthly since June 2004.<sup>47</sup>**



### Expenditure by beneficiary/non-beneficiary status

People not receiving a main benefit or superannuation had the largest rise in average payment due to the Families Package, with the average weekly payment increasing from \$85 at the end of June 2017, to \$121 by the end of June 2018. This compares to a smaller rise from \$68 per week to \$89 per week for people receiving a main benefit and

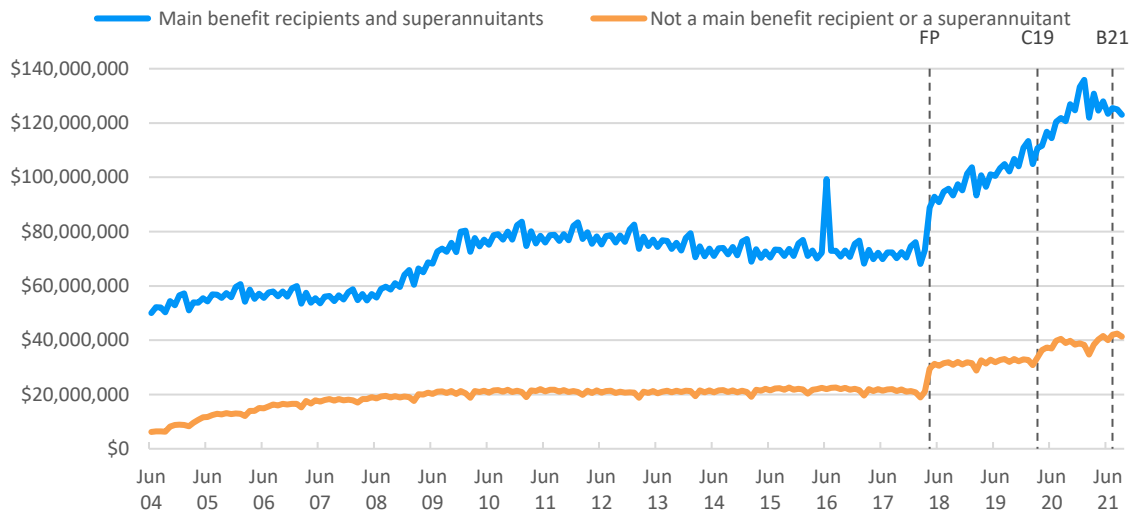
<sup>46</sup> There is typically a small reduction in expenditure March to April because of the Annual General Adjustment to parent benefit rates which also increases the initial 'entry threshold' from where Accommodation Supplement payments start. This slightly reduces the average rate paid for each given Accommodation Supplement cost (more than covered by the increase in benefit rates).

<sup>47</sup> The one-off spike in expenditure in June 2016 came from expenditure to address the historical Accommodation Supplement alignment issues. For more information: <https://www.msd.govt.nz/about-msd-and-our-work/newsroom/2016/accommodation-supplement-error.html>

superannuitants over the same period. This has since increased to \$132 for people not receiving a main benefit or superannuation and \$97 for people receiving a main benefit and superannuitants as at the end of June 2021 respectively.

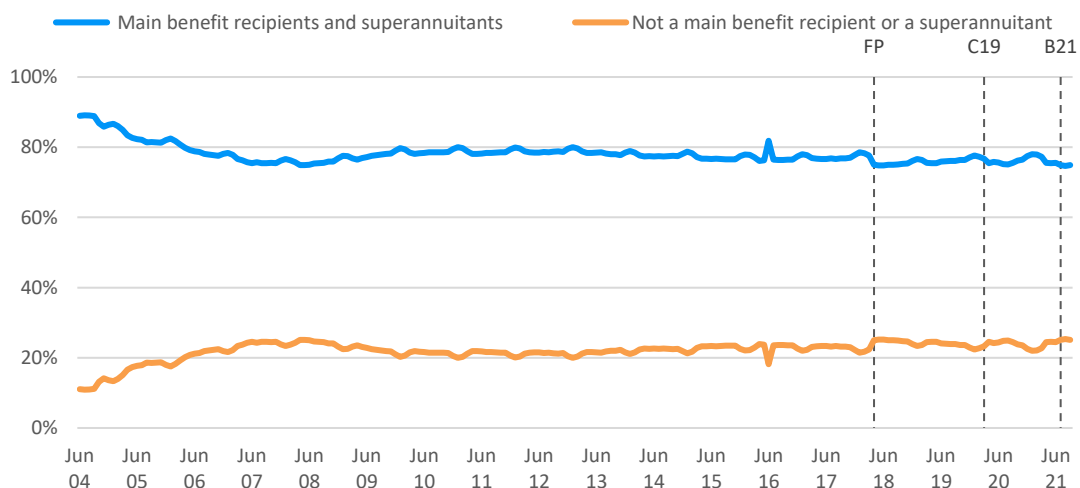
Figure 48 shows that most of the Accommodation Supplement expenditure is received by people who receive either a main benefit, or New Zealand Superannuation/Veteran’s Pension.

**Figure 48: Expenditure on Accommodation Supplement, monthly since June 2004, by benefit/superannuation receipt.**



Prior to the start of the Working for Families reform, recipients who were not on a main benefit or were not a superannuitant accounted for 10 percent of Accommodation Supplement expenditure. This increased to 25 percent in June 2007. Since then, the proportion has fluctuated between 20 and 25 percent. The proportion lifted slightly with the introduction of the Families Package and remained relatively stable since. This was due to this group having the largest rise in average payment (Figure 49).

**Figure 49: Share of Accommodation Supplement expenditure, monthly since June 2004, by benefit/superannuation receipt.**



## Interactions with Temporary Additional Support/Special Benefit

When a client has living expenses that are sufficiently high (e.g. high outgoings for rent), Temporary Additional Support can be used to assist recipients of the Accommodation Supplement.

Temporary Additional Support is a weekly (or fortnightly for people also receiving New Zealand Superannuation) payment that helps people cover essential living costs that cannot be met from their income and through other resources. A person does not need to be receiving a main benefit to qualify for Temporary Additional Support.

The Special Benefit existed for a similar purpose before being replaced by Temporary Additional Support from April 2006. Some clients are still able to receive a Special Benefit, depending on their circumstances prior to April 2006. A client may only receive one of the payments: Temporary Additional Support or Special Benefit.

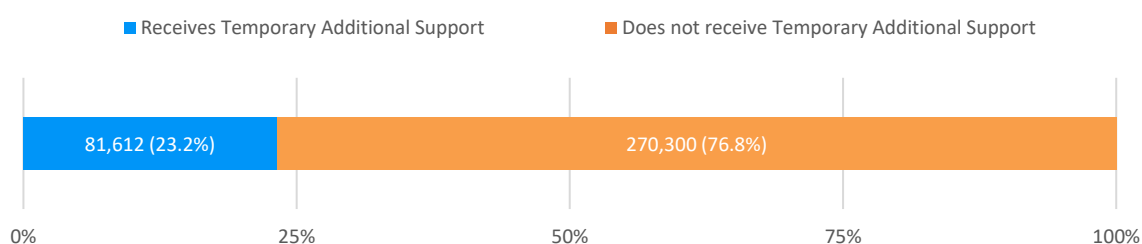
In this section these benefits are counted together and referred to as 'Temporary Additional Support' unless otherwise stated.

Due to the increase in Accommodation Supplement maximum rates, an expected outcome of the Families Package was that the number and proportion of Accommodation Supplement recipients who also received Temporary Additional Support would decrease.

### Impacts on receipt

Typically, Accommodation Supplement recipients do not require Temporary Additional Support. As of the end of June 2021, 23.2 percent of Accommodation Supplement recipients also received Temporary Additional Support (Figure 50).

**Figure 50: Number of Accommodation Supplement recipients as at the end of June 2021, by receipt of Temporary Additional Support.**



Note: Totals may not add to 100 percent due to rounding.

Figure 51 shows that after the introduction of the Families Package, the number of Accommodation Supplement recipients receiving Temporary Additional Support decreased.

Since then, the number of Accommodation Supplement recipients also receiving Temporary Additional Support has increased, following the trends in Accommodation Supplement receipt and trends in the proportion of Accommodation Supplement recipients receiving the maximum allowable amount.

**Figure 51: Number of Accommodation Supplement recipients, monthly since June 2004, by if they receive Temporary Additional Support or not.**

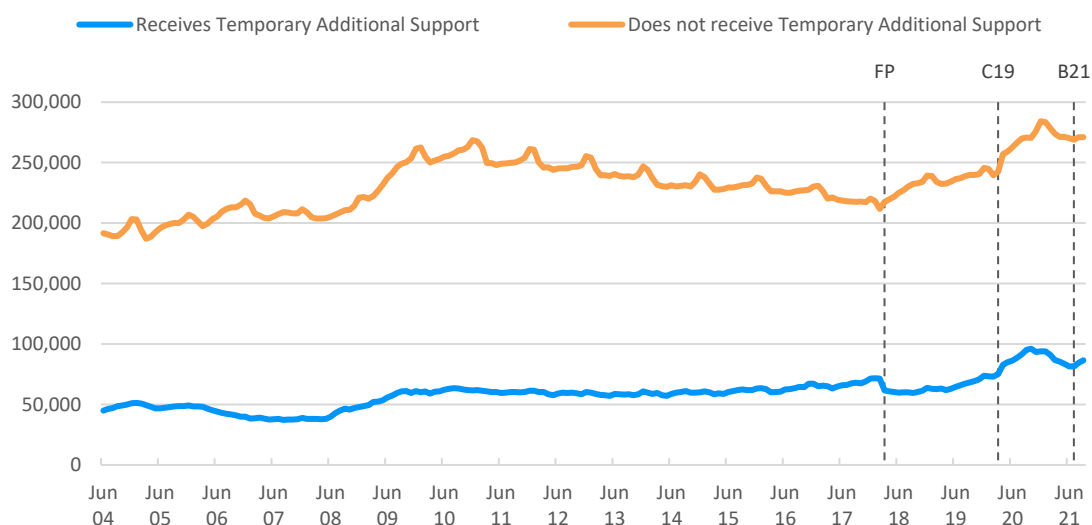


Table 13 shows the number of Temporary Additional Support recipients, and the number of those that were on an Accommodation Supplement, immediately before and after the Families Package changes, as well as at the end of June 2021. Virtually all recipients of Temporary Additional Support also receive the Accommodation Supplement.

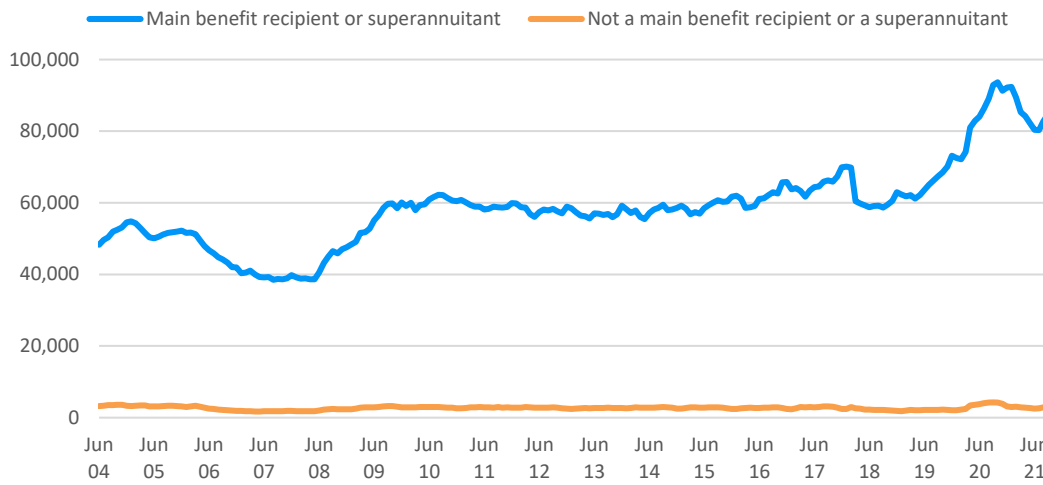
**Table 13: Temporary Additional Support recipients as at selected dates.**

	Receiving Temporary Additional Support	Receiving Temporary Additional Support and an Accommodation Supplement
End of February 2018	72,749	71,427
End of March 2018	63,067	61,632
End of June 2021	82,905	81,613

Note: While the changes took place from 1 April, administratively the systems captured this change in the March 2018 end of month snapshot.

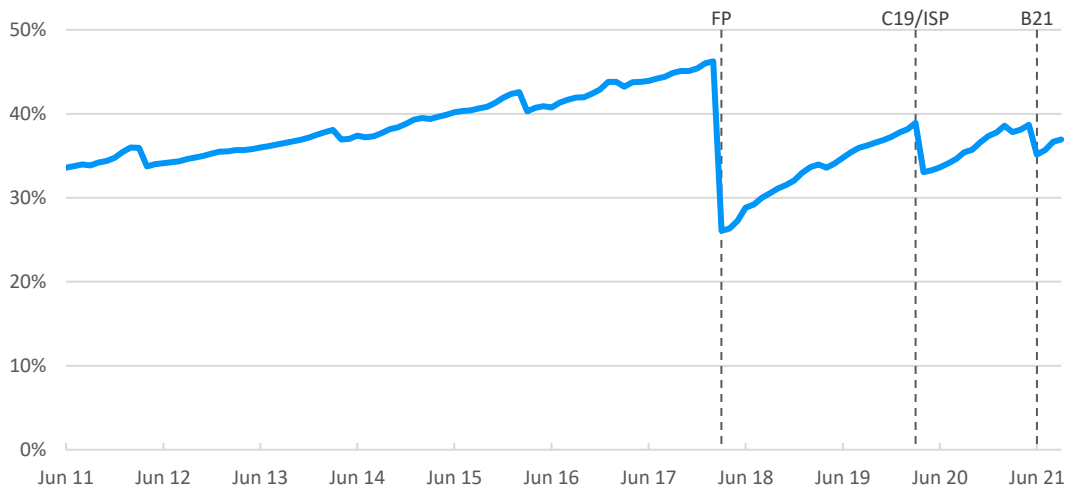
Most recipients of Temporary Additional Support were in receipt of a main benefit or were a superannuitant (Figure 52). Consequently, the impact of the Families Package changes to Accommodation Supplement had a larger numerical impact on this group, compared to people not receiving a main benefit or superannuation.

**Figure 52: Temporary Additional Support recipients, monthly since 2004, by benefit/superannuation receipt.**



Finally, after the introduction of the Families Package the proportion of recipients receiving the maximum rate of Temporary Additional Support dropped. There was also a fall following the 2020 income support changes, and the Budget 2021 changes (Figure 53).

**Figure 53: Proportion of Temporary Additional Support recipients being paid the maximum allowable amount, monthly since June 2011.<sup>48</sup>**



<sup>48</sup> Special Benefit not included in this measure

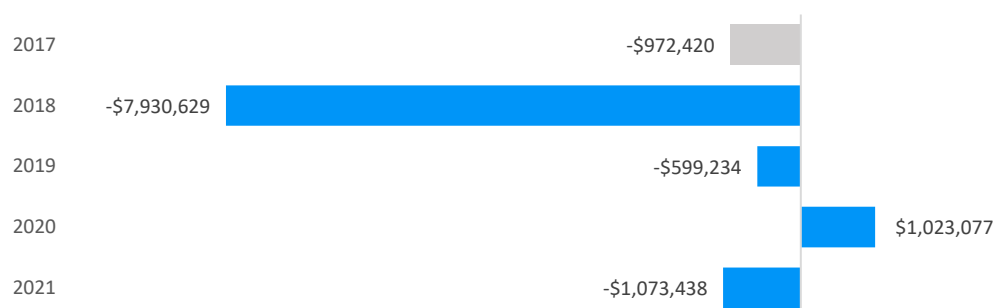


## Expenditure on Temporary Additional Support

Due to the increase of Accommodation Supplement payments, and the reduction in Temporary Additional Support recipients, there was a fall in the expenditure on Temporary Additional Support following the introduction of the Families Package.

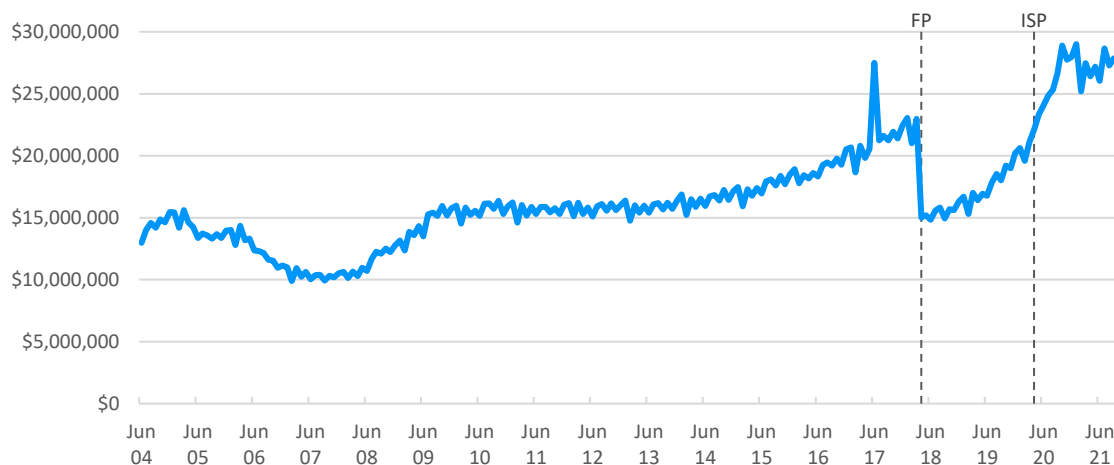
Figure 54 shows that the direct impact was noticeable, especially when compared to typical March to April changes. The increase between months in 2020 was due to a large increase in the number of recipients between months.

**Figure 54: Change in Temporary Additional Support expenditure between March and April over the last four years.**



In 2018, expenditure on Temporary Additional Support fell to levels last consistently seen between 2010 and 2014 (Figure 55). Expenditure increased steeply between March 2020 and October 2020, in line with the sharp increase in the number of recipients.

**Figure 55: Expenditure on Temporary Additional Support, monthly since June 2004.**



The spike in Temporary Additional Support expenditure in June 2017 can be attributed to the “Better off on TAS” findings, which found that many Special Benefit clients would have been better off receiving Temporary Additional Support in the past.<sup>49</sup>

<sup>49</sup> For more information: <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/alignment/treatment-of-special-benefit-clients-who-may-be-better-off-on-temporary-additional-support-15-february-2017-.pdf> (Report REP/17/2/115)

## Accommodation Benefit

The Accommodation Benefit is a payment to assist students who are receiving a Student Allowance with their accommodation costs. The number of people receiving the Accommodation Benefit follows the same trends as the number of people receiving the Student Allowance.

Further breakdowns of receipt of the Accommodation Benefit are contained in a companion supplementary report.

### What changed?

The Families Package increased the maximum rate of Accommodation Benefit from \$40 to \$60 for everyone who was not a sole parent, effective from 1 April 2018.<sup>50</sup> The actual amount of Accommodation Benefit someone would receive depends on their location, and the residential bond rate for that location based on data from the Ministry of Business, Innovation and Employment.

### Receipt of Accommodation Benefit

Figure 56 shows that the number of people receiving an Accommodation Benefit at any point during 1 January to 30 June decreased from 2017 to 2020. In 2021 the number of recipients increased to a level similar to that seen in 2017.

**Figure 56: Total number of people receiving an Accommodation Benefit at any point during 1 January to 30 June, last five years.**



As shown in Figure 57, the number of people receiving an Accommodation Benefit at any point during 1 January to 30 June began to increase steeply in 2008, reaching a peak in 2011. This increase corresponded with the Global Financial Crisis, as student numbers rose substantially due to a lack of jobs and the availability of financial assistance to study at a postgraduate level.

From 2012 to 2020 there was a steady decrease in recipients. As part of Budget 2012<sup>51</sup>, Budget 2013<sup>52</sup>, and Budget 2015 new limitations were introduced that restricted the amount of lifetime Student Allowance a student could receive, and what programmes of study a Student Allowance could be granted for. Additionally, the parental income

<sup>50</sup> Since 2015 sole parents on Student Allowance have been able to receive the Accommodation Benefit at the Accommodation Supplement rate.

<sup>51</sup> <https://www.studylink.govt.nz/about-studylink/news/2012/budget-2012-changes-to-student-loans-and-allowances.html>

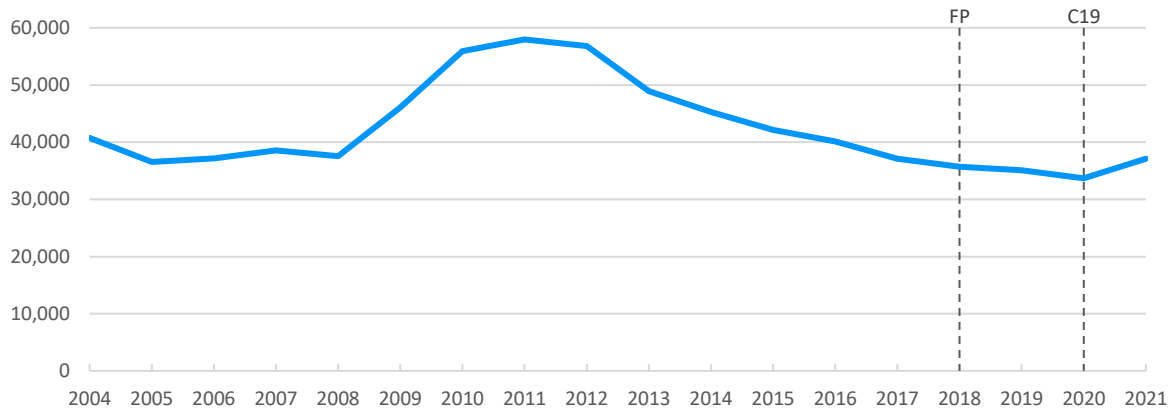
<sup>52</sup> <https://www.studylink.govt.nz/about-studylink/news/2013/budget-2013-changes-to-student-allowances-and-loans.html>

thresholds were frozen from 2012 until 2019. Over time, these changes reduced the number of students eligible for Student Allowance and Accommodation Benefit.

From 2020 to 2021 the number of people receiving Accommodation Benefit began to increase again (Figure 57). This change may reflect more people choosing to study because of COVID-19.

There is no obvious impact of the Families Package increase in Accommodation Benefit rate on the number of recipients.

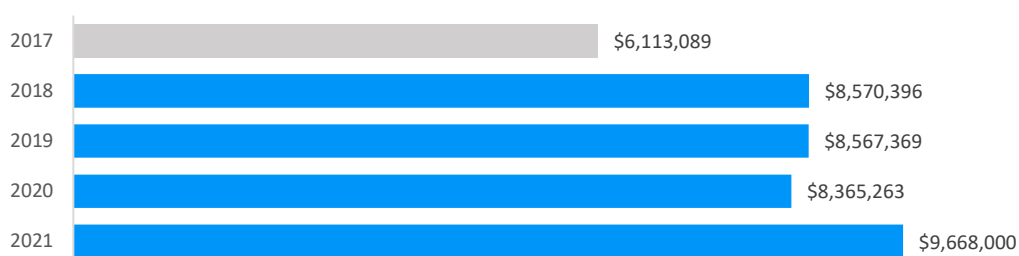
**Figure 57: Total number of people receiving an Accommodation Benefit at any point during 1 January to 30 June, since 2004.**



## Expenditure on Accommodation Benefit<sup>53</sup>

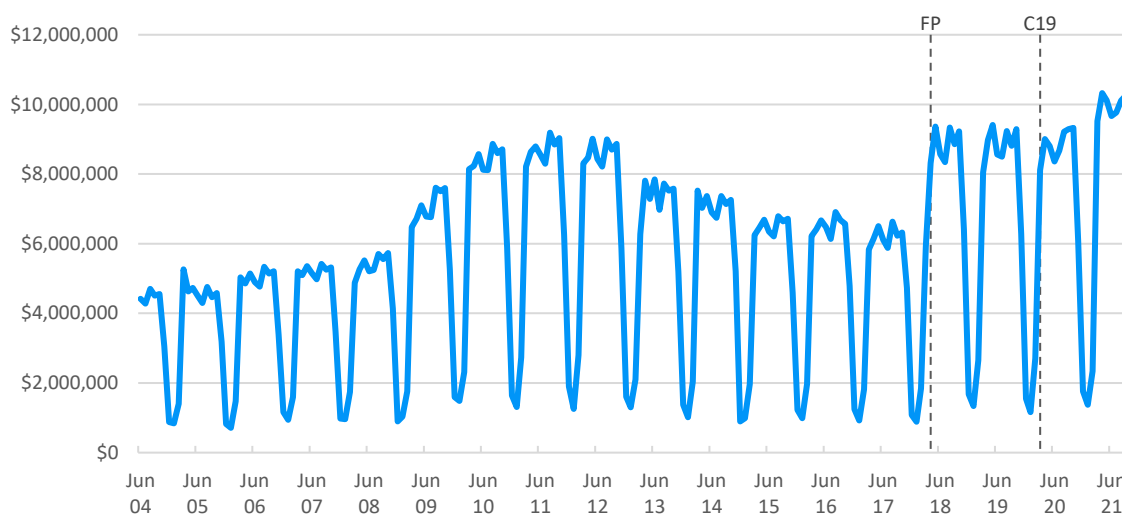
Figure 58 looks at expenditure in the last five June months. It shows that there was a substantial increase in expenditure following the Families Package changes. It also shows a substantial increase from June 2020 to June 2021, in line with the increased number of recipients following COVID-19.

**Figure 58: Expenditure on the Accommodation Benefit during the month of June, last five years.**



The increase in expenditure on Accommodation Benefit as a result of the Families Package changes returned expenditure to levels last seen in 2014. There was no immediate change in expenditure following the COVID-19 lockdown. However, there was an increase in expenditure by March 2021, when the next academic year started (Figure 59).

**Figure 59: Expenditure on the Accommodation Benefit, monthly since June 2004.**



<sup>53</sup> The data in this section has been revised since last year's report. Errors in how the Ministry of Education was reporting these figures have been corrected. The revisions apply from the start of 2015.