



17 MAY 2021

Dear

On 13 April 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- We base the rents / board we charge for the accommodation we provide on benefit levels to ensure it is affordable for the whānau we support. In the past we used the CPI data from Stats NZ, as benefits were indexed to the CPI. I have been in touch with Stats NZ and they are unable to provide the data you use to calculate the changes you make to benefits and superannuation (the net average wage). Can someone in your team direct me to where I can find this data so that we can make our biennial changes to rent/ board accordingly?*

The Ministry uses the Net Average Ordinary Time Weekly Earnings figures to index main benefit payments. The Net Average Ordinary Time Weekly Earnings (AOTWE) figure is derived from Statistics New Zealand's Gross AOTWE data. The Ministry does this by calculating tax on the gross figure to produce the net figure, using standard M tax code rates and Accident Compensation Corporation earners levy as they apply on 1 April of each year.

Gross, net and percentage growth in AOTWE figures are in **Table One** below.

Table One: Gross, net and percentage growth in AOTWE figures, broken down by year

	2019	2020	2021
Gross AOTWE (previous December quarter)	\$1,200.82	\$1,244.21	\$1,288.60
Net AOTWE	\$958.38	\$987.95	\$1,018.53
Percentage change in Net AOTWE		3.09%	3.10%

Please note that the gross AOTWE data comes from the Quarterly Employment Survey that Statistics NZ publishes as part of the quarterly Labour Market Statistics (HLFS) – see for example the December 2020 publication under Table 7 of the Quarterly Employment Survey spreadsheet at this link: <https://www.stats.govt.nz/information-releases/labour-market-statistics-december-2020-quarter>.

The principles and purposes of the Act under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government
- to increase the ability of the public to participate in the making and administration of our laws and policies
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response regarding gross, net and percentage growth in AOTWE figures, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Fleur McLaren', with a stylized, flowing script.

Fleur McLaren
**General Manager, System Performance
Insights MSD**