



MEDIA FACTSHEET: Welfare Working Group

What is the Welfare Working Group about?

The Welfare Working Group is an independent review group established by the Government in April 2010 to examine long-term welfare dependence. The group has been asked to provide advice to Government on how to make the New Zealand welfare system effective and sustainable over the coming decades. The Welfare Working Group has been tasked with producing a report by the end of December 2010.

What is the scope of the group?

A particular focus of the Welfare Working Group is how to reduce the numbers of people on long-term benefits, and reduce the growth in numbers and expenditure on benefits. The Welfare Working group will look at:

- How to reduce long-term benefit receipt and improve work outcomes for sole parents;
- How to promote opportunities and independence from benefit for disabled people and people with ill health;
- How welfare should be funded, and whether there are things that can be learned from the insurance industry and ACC; and
- Whether the structure of the benefit system and hardship assistance is contributing to long-term benefit dependency.

Who is on the Welfare Working Group?

The Welfare Working Group is made up of a mix of business and community leaders, academics and employers. The members are:

- Ms Paula Rebstock (Chair)
- Professor Des Gorman
- Professor Kathryn McPherson
- Associate Professor Ann Dupuis
- Ms Catherine Isaac (formerly Judd)
- Ms Sharon Wilson-Davis
- Mr Adrian Roberts
- Ms Enid Ratahi Pryor.

You can find out more about the members of the Working Group on the Welfare Working Group website <http://ips.ac.nz/WelfareWorkingGroup/Index.html>.

Victoria University's Institute of Policy Studies is hosting the Group in Wellington.

Statistics around Welfare in New Zealand

1. There are currently 356,000 working age (18-64 years) adults on a benefit in New Zealand as at 30 April 2010. This represents 13 percent (one in eight people) of working age.
2. In 1960, approximately 2 percent (one in fifty people) of the working age population were on a benefit.
3. Of those on a benefit as at the end of April 2010, nearly 80 percent do not have a work expectation attached to the receipt of their benefit.
4. As at 30 June 2009, just over 170,000 beneficiaries had spent five or more out of the last 10 years on a benefit. (This is not necessarily a continuous spell. These numbers record the total time spent on a benefit over the ten years 1999 – 2009 for those aged 28-64 as at June 2009.)
5. As at 30 June 2009, it is estimated that just over 26 percent of Māori women (aged 28-64) had spent five or more years on a benefit in the prior decade. Almost 17 percent of all Māori men (aged 28-64) had spent five or more years on a benefit in the last decade.
6. As at 30 June 2009 there were around 222,000 dependent children (under 18) living in benefit-reliant households (around one in five children).
7. About 50 percent (one in two) of sole mothers and 68 percent (two in three) of partnered mothers with dependent children are in paid work. Most OECD countries have much higher employment rates of sole mothers.
8. It has been estimated that, on average, if a person is off work for 45 days due to illness, the chance of ever going back to work is just 50 percent, and this falls to 35 percent if the absence is longer than 70 days (ten weeks).
9. The majority (59%) of disabled people aged 15-64 are in paid work.
10. Young people who enter the benefit system on or before their 18th birthday are likely to spend a considerable proportion of the next ten years on a benefit. For example, in 1999 half of those granted a main benefit aged 16 and 17 years spent more than five of the next ten years on a benefit.
11. Nearly 60 percent of all children living in poverty are in households where no adults are in paid work. A further 10 percent of children living in poverty are in households where no adults are in full-time work.
12. Between 2004 and 2007, when 10 percent of the working age population were on benefit, 15 percent of employers found it difficult to fill labourers, production and transport vacancies.

13. A significant proportion of the people on Sickness (22%) and Invalid's Benefit (11%) are available and / or actively seeking work. However, only a few hundred participate in programmes intended to help them into work.
14. In the year ended June 2009 the government spent \$6.5 billion on benefits and \$0.4 billion on administration, employment and support services of benefits (or 11% of core government spending).
15. If current trends in Invalid's and Sickness Benefit continue 16% of the working age population could be on a benefit by 2050. This is not socially or economically sustainable.

Engaging with the Welfare Working Group

The Welfare Working Group has issued a Discussion Paper on the issues it has identified in the current benefit system.

Submissions and comments can be made on these issues until **17 September 2010**. People can get a copy of the issues paper, and provide feedback on the website <http://ips.ac.nz/WelfareWorkingGroup/Index.html>. We also welcome hard copy submissions.

In addition regular updates and Working Group papers are available online.