

Welfare Working Group Fact Sheet for media

Reducing Long-term Benefit Dependency: The Options

Context

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 develop practical options for a more effective and sustainable welfare system.

The Welfare Working Group canvassed views at a Forum in June and released a paper in August setting out the issues for feedback. It is now setting out options for addressing those issues and asking for public discussion and feedback. The Welfare Working Group does not have any preferred options and will consider feedback and submissions on the options before making its recommendations in a report to the Government in February 2011.

Welfare Working Group membership

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
- 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/WelfareIndex.html>.

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

Statistics

1. There are 356,000 working age (18-64 years) adults on a benefit in New Zealand (as at 30 April 2010). This represents one in eight people of working age.
2. 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.
3. Just over 170,000 beneficiaries had spent five or more out of the last 10 years on a benefit (not necessarily a continuous spell).
4. Over 27 percent of working-age Maori were on a benefit at the time of the last census (2006) compared to just over 12 percent of the total population.
5. About one in five children (around 222,000 dependent children aged under 18) were living in benefit-reliant households (as at 30 June 2009).
6. 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.
7. The proportion of the working-age population receiving a Sickness or Invalid's Benefit has risen steadily from about 1 percent in the 1970's to 5 percent in 2008.
8. If current trends in benefit receipt continue 16% of the working age population could be on a benefit by 2050.
9. About half of the people who entered the benefit system before their 18th birthday spent five or more of the next 10 years on a benefit, based on a cohort who entered in 1999.
10. Between 2004 and 2007, when 10 percent of the working age population were on benefit, 15 percent of employers found it difficult to fill labouring, production and transport vacancies.