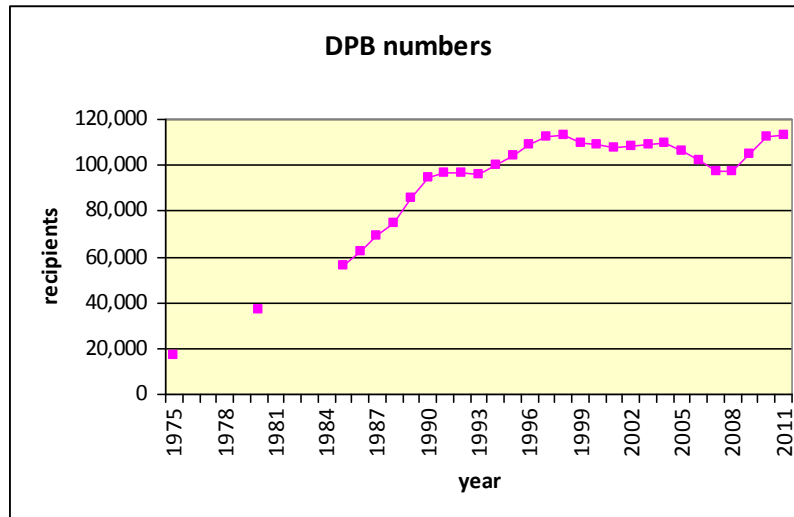


Domestic Purposes Benefit

Dependence in numbers and length of stay



The domestic purposes benefit was created in 1973 as a statutory entitlement for single parents *regardless* of the reason for their single parenthood. Prior to this single parents (other than widows) with no other form of financial support could qualify for an emergency benefit but it was granted on a discretionary basis.

There are three categories of DPB; single parent, carer and women alone. The large majority of recipients are single parents.

Not all single parents receive the DPB. Many rely on other benefits. The following table shows the number of working age single parents reliant on a main benefit at the end of March 2009;

Benefit type	Single					Total
	Maori	NZ European	Pacific Island	Other	Unspecified	
DPB related	40,365	35,112	9,496	8,155	1,637	94,765
SB related	868	629	294	423	30	2,244
IB	1,982	2,523	361	487	65	5,418
UB related	414	142	162	152	15	885
Other	644	461	463	503	65	2136
Total	44,273	38,867	10,776	9,720	1,812	105,448

To provide context, at the last census (2006) there were 145,032 one-parent families, 83 percent were female.

Domestic Purposes Benefit – dependence over time

Although the Ministry of Social Development publishes some information about the length of time people rely on the DPB for, an in-depth analysis is not available. In the past it has supplied an average continuous duration of spell, but now is unable or refusing to calculate even that. The following is excerpted from an Official Information Request of February 2007;

“Average” values based on current recipients are misleading because the majority of people on benefit at any time are only part way through their time on benefit. Any “average” underestimates the actual length of time that “on average” they will stay on benefit. Calculation of “average” time on benefit can only be reliably based on research data that spans completed histories of benefit receipt.

For this reason, the Ministry does not generate information to calculate average duration for recipients of a current benefit.

Many recipients of the DPB have multiple spells on it. Therefore there are completed spells available to measure. Unfortunately the Ministry refuses to “generate new reports” at my request. If they have generated new reports for their own interest and information, and it seems negligent not to, they are not publishing the data.

Back in 2002, when they *were* providing an average duration of current spell, by combining this with the number of stays per individual I was able to calculate the average cumulative stay of the DPB was around 6.5 – 7 years. I presented my calculations to the social services select committee and they were published in the media but the ministry refused to comment.

■ WELFARE

Petitioner disputes benefit figures used by Maharey

Domestic purposes benefit recipients spend an average of at least 6½ years on the benefit, a petitioner for a parliamentary review of the benefit says.

Lindsay Mitchell, speaking to the Social Services committee that is considering the Social Security (Working Towards Employment) Bill, said Social Services Minister Steve Maharey had consistently said the average length of time spent on the benefit was 3½ years.

But figures she had obtained from the Ministry of Social Development showed the minimum average time spent on the benefit was actually 6½ years, because recipients tended to be on it more than once.

Mrs Mitchell said she believed such information was kept from

voters because they would question the wisdom of the benefit.

“The passage of this bill would be made more difficult should this information be more widely known,” she said.

The bill abolishes the work test, introduces a case management concept and combines the domestic purposes and widows’ benefits.

Mrs Mitchell said she believed the bill would soften eligibility.

“The bill specifically states ‘allowing parents to return to the workforce as and when their family responsibilities allow’.

“Now I think that’s an invitation to regard parenting as a valid occupation to be indefinitely funded by the taxpayer and it’s a meal ticket for many.

“The unambiguous message

the Government should be sending is ‘your children are your responsibility’.

She said children would find it hard to develop a work ethic if they grew up without the example of a working parent.

They would also lose respect for their parents, she said.

“And then there is the matter of living in conditions that are affected by economic deprivation and all the associated learning difficulties and social problems that occur down the track.”

A spokesman for Mr Maharey said there had been no attempt to misrepresent the time people had spent on the benefit.

He said the Ministry of Social Development had been unable to verify the figure Mrs Mitchell had referred to.

— NZPA

US research found women relying on Aid to Families with Dependent Children stayed there for an average of 8 years. Australian research by Professor Bob Gregory found;

The accumulated history of multiple spells, and movements to other programs, indicates that the average period of income support for lone parents is long. It is difficult at this stage to be precise, but the average cumulative use of income support over the period for which parents have dependent children may be as much as twelve years. Total time on income support including time without dependent children will be considerably more.

I now believe that the original average continuous duration spell I used – 3.5 years – included time spent on the emergency maintenance allowance (EMA) which is available to 16 and 17 year-old single parents. The maximum time a teenager could spend on the EMA is two years. Therefore the average was skewed down. The NZ figure is most probably somewhere close to the Australian figure.

More recently MSD has published a paper, *Understanding sub-groups of sole parents receiving main benefits*. It says:

On average, sole parents receiving main benefits had more disadvantaged backgrounds than might have been expected:

- just over half had spent at least 80% of the history period observed (the previous 10 years in most cases) supported by main benefits
- a third appeared to have become parents in their teenage years.

The research is based on data at the end of 2005.