



12 APR 2017

Mr Brendon Mills  
[Fyi-request-5365-f98801b5@requests.fyi.org.nz](mailto:Fyi-request-5365-f98801b5@requests.fyi.org.nz)

Dear Mr Mills

On 11 February 2017 you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *I would like to know how many MSD benefit recipients, either present or historical have a debt of \$10,000 or more due to advances. I wish the number to exclude those with debts due to fraud or overpayment.*
- *I would like a list of the 10 highest debts that are currently held by work and income clients due to advance payments (ie recoverable assistance payments).*

The Ministry of Social Development, through Work and Income, provides hardship assistance to help people meet an immediate need for essential items such as food, health costs, power, and other costs. Hardship assistance is available to any person as long as they meet the income and asset test and are unable to meet the cost for an essential need from any other source. Hardship assistance includes Advances, Recoverable Assistance Payments and Special Needs Grants:

- Advances are recoverable payments available to people receiving a main benefit that require assistance to meet a particular immediate need for an essential item.
- Recoverable Assistance Payments are recoverable financial assistance to non-beneficiaries to meet essential immediate needs for specific items or services.
- Special Needs Grants provide non-taxable, one-off recoverable or non-recoverable financial assistance to people to meet immediate needs.

At the time of application for hardship assistance, the client is advised of their repayment obligations and realistic repayment amounts are arranged with the client. Repayment plans take into consideration client circumstances and their financial situation and can start at a few dollars a week. The Ministry does not charge interest. The Ministry aims to ensure that clients make the best decisions regarding recoverable assistance to avoid creating additional debt. Further information about Recoverable Assistance Payments and Grants can be found on the Work and Income website at: <https://www.workandincome.govt.nz/products/a-z-benefits/recoverable-assistance-payment-grant.html>

As at 31 December 2016, the Ministry can advise that there are twenty-nine working-age Main Benefit clients with current advance debts over \$10,000. These are exceptional cases. All clients have different family supports, housing needs and personal dynamics such as health issues that they must manage. Work and Income's role is ensuring a client is able to meet their own basic needs through support and financial assistance. The "need" is the biggest consideration for case managers and ensuring the client has food and shelter is the main priority rather than their debt balance.

The table below provides the ten highest advance debts for working-age (18 to 64 years) Main Benefit clients, as at 31 December 2016.

<b>Debt ranking</b>	<b>Total debt amount (dollar value)</b>
1	\$66,715.61
2	\$26,876.16
3	\$22,207.54
4	\$18,527.49
5	\$16,360.27
6	\$14,445.07
7	\$13,517.29
8	\$13,414.13
9	\$13,303.32
10	\$12,038.08

**Note:**

- All clients receiving a main benefit and who require assistance to meet a particular immediate need for an essential item have access to an advance of up to 6 weeks of their net benefit entitlement.
- Advance debts shown in this table are debts incurred against a client's current benefit record. Debts such as overpayments and advances granted on previous benefits to a client are not included in this table.
- Main Benefits exclude NZ Superannuation, Veteran's Pension, Non-Beneficiary assistance, Orphan's Benefit and Unsupported Child's Benefit.

The principles and purposes of the Official Information Act 1982 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 and
- 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 available to the wider public shortly. The Ministry will do this by publishing this letter on 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](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response regarding Recoverable Assistance Payments Grants, 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](http://www.ombudsman.parliament.nz) or 0800 802 602.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Ruth Bound', written in a cursive style.

Ruth Bound  
**Deputy Chief Executive, Service Delivery**