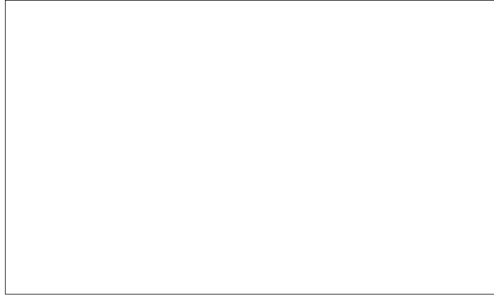




9 AUG 2016



On 21 June 2016, you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *Under which circumstances has the CEO of the Ministry of Social Development forgiven debt owed to the Ministry through recoverable assistance or benefit advances? Please anonymise the results to protect people's identity.*

On 19 July 2016 it was communicated to you that the Ministry had identified some information in scope of your request however, is unable to provide you with the specific circumstances under which debt has been written off, as this information is held in notes on individual case files. In order to provide you with this information Ministry staff would have to manually review thousands of files. As such this part of your request is refused under section 18(f) of the Official Information Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

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 they 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 nonrecoverable 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 taking their circumstances and financial situation into consideration. Repayment plans can start at a few dollars a week, and 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.

The Ministry of Social Development does not forgive debt and has a legislative duty under the Social Security Act 1964 to take all practicable steps to recover debt with exceptions to this duty only where the debts are either;

- caused by administrative error
  - as defined in s.86(9A) and (9B)
- remitted or suspended under regulations
  - as defined under s.132G of the SSA
- uneconomic to recover
- written-off for public finance purposes.

In order for recoverable assistance debt to be written off under s86(9A), the Ministry would have to decide that any recoverable debt made for a particular reason, was incorrectly assigned as recoverable assistance when non-recoverable assistance should have been used. All criteria for debt write off under this section are still required to be met.

You may be interested in viewing the following sections of the Social Security Act 1964:

- Section 85A. Payments that are debts due to the crown: general, available at: [www.workandincome.govt.nz/map/legislation/acts/social-security-act-1964/section-86-recovery-of-payments-made-in-excess-of.html](http://www.workandincome.govt.nz/map/legislation/acts/social-security-act-1964/section-86-recovery-of-payments-made-in-excess-of.html)
- Section 86. Recovery of payments made in excess of authorised rates, available at: [www.workandincome.govt.nz/map/legislation/acts/social-security-act-1964/section-86-recovery-of-payments-made-in-excess-of.html](http://www.workandincome.govt.nz/map/legislation/acts/social-security-act-1964/section-86-recovery-of-payments-made-in-excess-of.html)

The authority to write-off debt (Crown assets) is delegated by joint Ministers (Minister of Finance and Minister of Social Development) to the Chief Executive. The debt write-off delegations fall broadly into two categories; cannot be recovered (all avenues of recovery have been exhausted); and uneconomic to recover (the expected cost of recovery outweighs the expected return). The categories are outlined in more detail in the enclosed list. Beyond these categories, the Chief Executive has no discretion to write off debt.

The Ministry can reinstate enforcement action if new information becomes available that indicates a debt is recoverable.

The Minister has also responded to two Written Parliamentary Questions which may be of interest to you relating to debt owed to the Ministry from recoverable assistance or benefit advances (Parliamentary Question 8523(2016)) and debt written-off by the Ministry (Parliamentary Question 8524(2016)). These responses are publically available on the Parliamentary website at: [www.parliament.nz/en/pb/order-paper-questions/written-questions/](http://www.parliament.nz/en/pb/order-paper-questions/written-questions/)

I hope you find this information relating to debt write-off by the Ministry helpful. You have the right to seek an investigation and review of my response by the Ombudsman, whose address for contact purposes is:

The Ombudsman  
Office of the Ombudsman  
PO Box 10-152  
WELLINGTON 6143

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ruth Bound', with a stylized flourish at the end.

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