



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

- 7 JUL 2017

Dear

On 13 June 2017 you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *Does MSD also have a contingent liability for its claims?*
- *If so, can you tell me what it is? If not, can you explain why you don't?*

The table below details the budget for the Claims Resolution team, broken down by year since 2006/07. These amounts include provision for operational costs, as well as the costs for settlements and the Ministry's contribution to the claimants' legal aid debt. For the 2006/07 and 2007/08 financial years, the historic claims team was funded from the Ministry's baseline budget. From 2008/09, \$4 million per annum has been appropriated for the resolution of historic claims.

Budget 2013 provided on-going funding of \$4 million per annum for the continued resolution of historic claims. In December 2014 the Government approved bringing forward \$26 million of that funding into the 2014/15, 2015/16 and 2016/17 financial years to enable a larger number of claims to be settled within that timeframe.

Year	Historic claims budget
2006/07	\$2,473,000 (actual spend)
2007/08	\$2,500,000 (actual spend)
2008/09	\$4,000,000
2009/10	\$4,000,000
2010/11	\$4,000,000
2011/12	\$4,000,000
2012/13	\$4,000,000
2013/14	\$4,000,000
2014/15	\$16,000,000
2015/16	\$17,000,000

At this stage the outcomes of unresolved claims are uncertain, and the Ministry may be negotiating a resolution with the claimant. The disclosure of an amount of contingent liability for these claims may prejudice the legal proceedings. As such, your request for this information is refused under sections 9(2)(h) and 9(2)(b)(ii) of the Act, in order to maintain legal professional privilege and to enable the Ministry to carry on, without prejudice or disadvantage, negotiations. The greater public interest is in ensuring that government agencies can continue to obtain confidential legal advice and negotiate without prejudice.

For the latest update regarding reporting of contingent liabilities see the 2015/16 Annual Report: www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/corporate/annual-report/2015-2016/financial-statements-2015-2016.pdf.

There will be an update on this in the 2016/17 Annual Report.

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 and any attached documents 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.

If you are not satisfied with this response, 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 or 0800 802 602.

Yours sincerely



Merv Dacre
Deputy Chief Executive, Corporate Solutions