



24 DEC 2019

[Redacted]

Dear [Redacted]

On 27 September 2019, you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *The average debt owed from Special Needs Grants for recoverable assistance payments, broken down by age, gender, and ethnic group*
- *The total number of people that owe debt from SNGs for recoverable assistance payments, broken down by age, gender, and ethnic group*
- *Provide a breakdown of all data by quarter, from the quarter ending December 2018 until the most recently available quarter.*

Recoverable assistance provides beneficiaries and people on low incomes with interest free loans to help them meet an immediate need for essential items, like paying late utility bills or rent, buying essential household appliances, or meeting urgent needs for children. Repayment arrangements are agreed at the outset, taking their circumstances and financial situation into account. The Ministry aims to ensure that clients make the best decisions regarding recoverable assistance to avoid creating debt.

The Ministry has a variety of reporting tools available to look at debt. Each reporting method has its own strengths and limitations and serves different purposes for the Ministry.

In the Ministry's record system that contains client demographics, when a client changes the benefit that they are receiving, or exits the benefit system, any debt they had is rolled into one total debt and this debt cannot then be disaggregated. As such, this system cannot be used to break debt down by debt type.

The Ministry's record system that can be used to break down the debt that current and former clients have by debt type, does not contain demographic information about clients.

Consequently, neither system can be used to address your request for the number of people who owe debt from recoverable assistance grants, broken down by the current and former clients' demographics. Your request for this information is refused under section 18(f) of the Act as in order to provide you with this information Ministry staff would have to manually review hundreds of thousands of client files. The greater public interest is in the effective and efficient administration of the public service.

Page 1 of 3

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

Special Needs Grants provides non-taxable, one-off recoverable or non-recoverable financial assistance to clients to meet immediate needs. A client does not have to be getting a benefit to qualify for Special Needs Grants.

Advance Payment of Benefits (Advances) provides non-taxable, interest free, recoverable assistance for clients who require assistance to meet a particular immediate need for an essential item.

While we are not able to respond to your specific requests we have enclosed three tables which provide the following information:

- Table One shows the Advances debt and Special Needs Grant debt balances owed on current clients relating to their current period on benefit as at the end of each quarter from December 2018 to September 2019 broken down by gender.
- Table Two shows the Advances debt and Special Needs Grant debt balances owed on current clients relating to their current period on benefit as at the end of each quarter from December 2018 to September 2019 broken down by age group.
- Table Three shows the Advances debt and Special Needs Grant Debt balances owed on current clients relating to their current period on benefit as at the end of each quarter from December 2018 to September 2019 broken down by ethnic group.

Please note the figures provided in the tables only represent Advances and Special Needs Grants granted to current clients relating to their current period on benefit. Clients may have Advance and Special Needs Grant debt relating to previous periods on benefit that is not reflected in these tables.

Please note that from December 2019, forms and online applications have also been updated with three gender options for people to choose from: male, female, and gender diverse.

You will note that the figures show that Maori and Pasifika women are over-represented as they are often in short term seasonal employment which can mean they are more likely to get debt through working. They are also over-represented in benefits like Sole Parent Support and may be more likely to receive non recoverable Special Needs Grants and Advances.

The Ministry takes into account clients' circumstances when determining the amount to be repaid and the following factors are considered:

- the circumstances of the client and their dependents
- the ability of the client to meet their needs and the needs of their dependents
- the amount of the debt
- the effect the rate of recovery will have on the client's ability to support themselves
- whether the rate of recovery would cause undue hardship to the client or their dependents
- the effect the rate of recovery would have on the client's ability to fulfil their work and social obligations – for example ensuring their child is enrolled with a Health Practitioner or enrolled with a medical practice that is part of a Primary Health Organisation if required to do so and
- the ability of the debtor to gain access to further advances and recoverable assistance.

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 at the earliest available opportunity. 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 regarding data on Special Needs Grants and Advances debts owed on current clients relating to their current period on benefit from December 2018 to September 2019, 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



George Van Ooyen
General Manager, Client Service Support

Advances Debt and Special Needs Grant Debt balances owed on current clients relating to their current period on benefit as at the end of each quarter from December 2018 to September 2019
 broken down by Gender, Ethnic Group, Age Group and Quarter

Notes:
 The report includes working age only (18 to 64 years)

Table 1: Advances Debt and Special Needs Grant Debt balances owed on current clients relating to their current period on benefit as at the end of each quarter from December 2018 to September 2019
 broken down by Gender, Quarter

Gender	As at the end of											
	DEC2018			MAR2019			JUN2019			SEP2019		
	Number of Clients	Total Debt Amount	Average Debt	Number of Clients	Total Debt Amount	Average Debt	Number of Clients	Total Debt Amount	Average Debt	Number of Clients	Total Debt Amount	Average Debt
Female	106,454	\$138,795,981.62	\$1,303.81	107,902	\$153,003,768.00	\$1,417.99	111,373	\$168,831,270.27	\$1,515.91	115,011	\$188,581,819.81	\$1,639.69
Male	59,516	\$51,193,023.17	\$850.16	60,337	\$55,631,986.76	\$922.02	63,157	\$61,336,937.87	\$971.18	67,423	\$70,187,742.06	\$1,041.01
Total	165,970	\$189,989,004.79	\$1,144.72	168,239	\$208,635,754.76	\$1,240.12	174,530	\$230,168,208.14	\$1,318.79	182,434	\$258,769,561.87	\$1,418.43

Table 2: Advances Debt and Special Needs Grant Debt balances owed on current clients relating to their current period on benefit as at the end of each quarter from December 2018 to September 2019
 broken down by Age Group, Quarter

Age Group	As at the end of											
	DEC2018			MAR2019			JUN2019			SEP2019		
	Number of Clients	Total Debt Amount	Average Debt	Number of Clients	Total Debt Amount	Average Debt	Number of Clients	Total Debt Amount	Average Debt	Number of Clients	Total Debt Amount	Average Debt
18-24 years	17,608	\$15,560,351.72	\$883.71	18,331	\$17,401,576.74	\$949.30	20,301	\$20,834,451.26	\$1,026.28	22,642	\$25,499,447.72	\$1,126.20
25-34 years	45,134	\$58,833,078.16	\$1,303.52	45,452	\$65,012,232.32	\$1,430.35	47,342	\$72,820,828.64	\$1,538.19	49,525	\$83,099,167.12	\$1,677.92
35-44 years	35,553	\$47,466,112.35	\$1,335.08	36,047	\$52,814,724.86	\$1,465.16	37,087	\$57,600,390.18	\$1,553.12	38,371	\$64,118,571.00	\$1,671.02
45-54 years	35,722	\$39,195,897.41	\$1,097.25	36,122	\$42,614,409.14	\$1,179.74	36,887	\$45,914,597.72	\$1,244.74	37,990	\$50,435,904.04	\$1,327.61
55-64 years	31,953	\$28,933,565.15	\$905.50	32,287	\$30,792,811.70	\$953.72	32,943	\$32,997,940.34	\$1,002.58	33,906	\$35,616,471.99	\$1,050.45
Total	165,970	\$189,989,004.79	\$1,144.72	168,239	\$208,635,754.76	\$1,240.12	174,530	\$230,168,208.14	\$1,318.79	182,434	\$258,769,561.87	\$1,418.43

Table 3: Advances Debt and Special Needs Grant Debt balances owed on current clients relating to their current period on benefit as at the end of each quarter from December 2018 to September 2019
 broken down by Ethnic Group, Quarter

Ethnic Group	As at the end of											
	DEC2018			MAR2019			JUN2019			SEP2019		
	Number of Clients	Total Debt Amount	Average Debt	Number of Clients	Total Debt Amount	Average Debt	Number of Clients	Total Debt Amount	Average Debt	Number of Clients	Total Debt Amount	Average Debt
Māori	73,999	\$93,634,668.95	\$1,265.35	74,411	\$103,239,889.67	\$1,387.43	77,206	\$114,296,516.20	\$1,480.41	81,297	\$130,149,779.72	\$1,600.92
Pacific People	15,673	\$21,957,538.59	\$1,400.98	16,418	\$25,341,368.30	\$1,543.51	17,134	\$28,078,984.78	\$1,638.79	18,041	\$31,972,484.30	\$1,772.21
NZ European	54,976	\$53,517,400.54	\$973.47	55,468	\$57,802,829.88	\$1,041.78	57,363	\$62,738,307.03	\$1,093.71	59,444	\$69,186,562.86	\$1,163.89
Unspecified	3,666	\$3,394,890.27	\$926.05	3,878	\$3,823,749.24	\$986.01	4,219	\$4,442,167.22	\$1,052.90	4,663	\$5,275,680.76	\$1,131.39
Other	17,656	\$17,484,506.44	\$990.29	18,064	\$19,027,967.67	\$1,053.96	18,608	\$20,612,232.91	\$1,107.71	18,989	\$22,185,054.23	\$1,168.31
Total	165,970	\$189,989,004.79	\$1,144.72	168,239	\$208,635,754.76	\$1,240.12	174,530	\$230,168,208.14	\$1,318.79	182,434	\$258,769,561.87	\$1,418.43

Notes:
 The debts in this report are Advances and SNGs granted on current clients relating to their current period on benefit.
 Please note the ethnicity classification that is used to construct this table does not necessarily align with the current Statistics New Zealand classification of ethnicity. Ethnicity details recorded by the Ministry have been gathered under a varied of classification methods as clients come into contact with the Ministry.
 The ethnicity data may be self-identified based on an individual's preference or self-construct.
 While the Ministry collects multiple ethnicities from clients, we only report a unique form of 'prioritised' ethnicity for core benefit data (one ethnic group per person with Māori coming first, Pacific groups second followed by other groups ending with NZ European).
 For Student Loans and Allowance data ethnicity is reported as sole and combination where a person is reported in the ethnic combination that applies to them, for example Māori and Pacific Island where they have both ethnicities or just Māori where this is their only reported ethnicity.