



22 OCT 2020

Dear ,

On 24 September 2020, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

1. *Could I please get the amount owing on whiteware that is being paid off by clients?*
 - *Could I please get this broken down into regions?*
 - *Could I please get the largest debt an individual owes?*
 - *And what is that amount?*
 - *And what is it for?*

2. *Could I also please get how much is owed for appliance repairs and inspections which is being paid back through Work and Income?*
 - *What repairs are for?*

Hardship assistance is available for people with insufficient income and assets, and who have immediate and specific needs that cannot be met by their own resources. Where eligible, clients can apply for a hardship grant to cover the costs of purchasing or repairing whiteware.

There are two primary methods in which hardship assistance for whiteware costs can be granted: an Advance Payment of benefit (ADV) or a Recoverable Assistance Payment (RAP). Both ADVs and RAPs are non-taxable, interest-free, recoverable financial assistance to meet essential immediate needs. The type of assistance a client can receive is dependent on their personal circumstances and repayment arrangements are agreed at the outset, taking their individual circumstances and financial situation into account.

The Ministry has a preferred supplier arrangement in place with Fisher & Paykel for whiteware – fridges, fridge-freezers, stand-alone freezers, and washing machines. When a preferred supplier arrangement is in place, a client must purchase the specified goods and services from the contracted preferred supplier.

This arrangement includes delivery and installation of the product, removal of old goods, if required, disposal of any packaging, and the provision of loaned products if the purchased product needs to be repaired or assessed for repairs.

In order for Fisher & Paykel to complete the delivery, the client must be able to be contacted and available for delivery. This ensures all possible issues such as steep or narrow stairways, or animals can be discussed and the time for delivery can be confirmed. If the client cannot be contacted, the application is closed, and the money is refunded to the Ministry.

All products purchased under the preferred supplier arrangement include a two-year warranty. Where there is a fault with the appliance and it is no longer covered under warranty and/or the fault is due to user error, the costs for repair (plus any call-out or service fees) can be met by a RAP or an advance, provided the client is eligible under all other criteria.

More information regarding the whiteware process and eligibility criteria can be found here: www.workandincome.govt.nz/eligibility/urgent-costs/whiteware.html#null

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 which contains client demographics, when a client changes the benefit that they are receiving, or exits the benefit system, any debt they have is rolled into one total debt amount 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 but does not contain demographic information about clients.

Consequently, neither system can be used to address your request for the amount owing on whiteware that is being paid off by a client and the largest whiteware debt an individual owes. Nor is the Ministry able to determine the amount owed for whiteware repair debt, as the system does not differentiate between whiteware products and whiteware repairs. Your request for the information contained in questions one and two are therefore 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.

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.

In an effort to assist, please find **Table One** overleaf which outlines the number and amount of ADVs and RAPs approved for whiteware from 1 October 2019 to 30 September 2020, broken down by region.

Table One: Number and amount of Advance payments of benefit and Recoverable Assistance Payments approved for whiteware during the period 1 October 2019 to 30 September 2020, by region.

Region	Number of grants	Total amount approved
Northland	1,449	\$799,069.65
Auckland Metro	9,664	\$5,349,527.72
Waikato	2,282	\$1,260,005.10
Taranaki	1,483	\$810,056.10
Bay of Plenty	2,151	\$1,178,695.08
East Coast	1,371	\$741,745.15
Central	1,449	\$771,173.15
Wellington	1,692	\$915,789.35
Nelson	760	\$404,792.35
Canterbury	2,061	\$1,057,314.48
Southern	959	\$505,554.85
Other	13,428	\$7,289,560.84
Total	38,749	\$21,083,283.82

Furthermore, please find **Table Two and Three** below and overleaf which provide you with a list of the 10 clients with the highest amounts approved for whiteware from 1 October 2019 to 30 September 2020, broken down number of grants approved and region as well as the number and amount of ADVs and RAPs approved for whiteware during the period 1 October 2019 to 30 September 2020, broken down by reason.

Table Two: List of the 10 clients with highest amounts approved for whiteware during the period 1 October 2019 to 30 September 2020, by region and number of grants

Last recommending region	Number of grants approved per client	Amount approved
Auckland Metro	5	\$3,010.00
Other	6	\$2,745.00
Auckland Metro	4	\$2,739.00
Other	4	\$2,695.00
East Coast	4	\$2,600.00
Auckland Metro	4	\$2,480.00
Bay of Plenty	3	\$2,380.00
Auckland Metro	4	\$2,380.00
Taranaki	4	\$2,380.00
Other	4	\$2,380.00

Table Three: Number and amount of Advance payments of benefit and Recoverable Assistance Payments approved for whiteware during the period 01 October 2019 to 30 September 2020, by reason

Reason	Number of grants	Total amount approved
Fridge/Freezer	19,819	\$11,149,419.52
Washing Machine	18,930	\$9,933,864.30
Total	38,749	\$21,083,283.82

Notes for tables one, two and three:

- This is the amounts approved, not the amount spent.
- A client may have multiple grants approved during the reported period.
- A client may also have grants approved in different regions.
- The region 'Other' includes clients managed from non-regional service centres, such as the Contact Centres and Processing Centres.
- Table One provides the total amount paid for each client during the reported period e.g. a client may have two payments for washing machines and three payments for fridge freezer.
- Whiteware includes washing machines, fridge freezers.

You will note in **Table Two** that many people have had multiple counts of whiteware assistance over the period provided. Many of these are cases where the client was not able to be contacted so the application was cancelled, refunded, and resubmitted once contact could be made. In some cases, this happened more than once.

Please also note that grants are counted for each individual product, i.e. where a client submits one whiteware application for a fridge/freezer and a washing machine, the one application would be counted as two grants. Were this application to be cancelled and resubmitted, the number of grants would be four and the amount approved would be double the amount actually spent.

If a client purchases whiteware from a preferred supplier and then subsequently applies for further assistance for the same item Ministry staff are required to consider what has happened to cause the need, as well as for other options available (for example, assistance from the preferred supplier in accordance with the warranty period). If a client applies for the same item within a five-year period, a decision to grant assistance must also be approved by a Service Centre Manager.

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. 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 payments made by the Ministry to clients for the purpose of purchasing whiteware, 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

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