



26 MAR 2021

On 12 February 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

1. *The number of people who have a loan with the Ministry.*
2. *The number of people who are in debt to the Ministry.*
3. *How much money is owed in total to the Ministry?*

On 24 February 2021, you refined your request to the following:

1. *The number of clients with a recoverable assistance debt, as at 31 December 2020.*
2. *The number of people who owe benefit debt to the Ministry, as at 31 December 2020.*
3. *How much benefit debt is owed in total to Ministry, as at 31 December 2020?*

I will respond to your questions in turn.

1. *The number of clients with a recoverable assistance debt, as at 31 December 2020.*

Recoverable assistance provides people with interest free loans to help them meet an immediate need for essential items or services, like paying late utility bills or rent, buying essential household appliances, or meeting other urgent needs. The Ministry grants this assistance to eligible people who are not able to meet the cost from their own resources, or other sources. Repayment arrangements are agreed with the client at the time assistance is granted, taking their individual circumstances and financial situation into account.

The Ministry aims to ensure that clients make the best decisions regarding recoverable assistance to avoid creating unnecessary debt, and considers a range of factors, including:

- 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 existing MSD debt and existing recovery rates

- 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
- the ability to gain access to further advances and recoverable assistance in the future.

Please find **Table One** in **Appendix One**, providing the total number of clients (including non-current clients) with a debt owing for recoverable assistance as at 31 December 2020.

2. *The number of people who owe benefit debt to the Ministry, as at 31 December 2020.*

There is a range of reasons people might owe the Ministry money. A debt may be established as a result of recoverable assistance, an overpayment or fraud. An overpayment is established when a person has received benefit payments to which they were not entitled. Additionally, in some cases, overpayments are established as a result of receiving new client information from other Crown agencies or following a fraud investigation. If a client has been overpaid, Ministry staff will discuss this with them on a case-by-case basis. There is no interest charged on an overpayment.

When the Ministry establishes a debt, it is checked to determine if the debt is recoverable. The matters Ministry staff take into account when making this decision are set out in regulation 208 of the Social Security Regulations 2018. You can access this information [here: www.legislation.govt.nz/regulation/public/2018/0202/latest/LMS96210.html](http://www.legislation.govt.nz/regulation/public/2018/0202/latest/LMS96210.html).

Please find **Table Two** in **Appendix One**, showing the number of clients with debts owing to the Ministry, as at 31 December 2020.

3. *How much benefit debt is owed in total to the Ministry, as at 31 December 2020?*

Please find **Table Three** in **Appendix One**, showing the total debt balance as at 31 December 2020.

The Ministry has a legislative duty to undertake all reasonably practicable steps to recover debt.

The principles and purposes of the Act 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
- 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. 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 recoverable assistance payments and benefit debt, 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

A handwritten signature in black ink, appearing to read 'George Van Ooyen', with a long horizontal flourish extending to the right.

George Van Ooyen
**Group General Manager, Client Service Support
Service Delivery**

Appendix One

Table One: The number of clients with a recoverable assistance debt as at 31 December 2020.

Number of clients with a recoverable assistance debt	377,739
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Table Two: The number of clients owing debt, as at 31 December 2020.

Number of current clients	364,500
Number of non-current clients	192,996
Total	557,496

Table Three: Total debt balance as at 31 December 2020.

Total debt balance	\$1,905,659,255
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Notes for all tables:

- Current clients are clients who are currently receiving a main benefit or pension as at 31 December 2020.
- Non-current clients are clients who are no longer entitled to a Work and Income benefit or pension as at 31 December 2020.
- Debt balances are subject to change over time. The value of debt balances between current and non-current clients has been pro-rated from the overall debt total based on the proportion of current and non-current debt.
- To protect confidentiality, the Ministry uses processes to make it difficult to identify an individual person or entity from published data. These data tables have had random rounding to base three applied to all cell counts in the table. The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals. The published counts will never differ by more than two counts.