



30 August 2022

Tēnā koe

On 8 August 2022, the Office of Carmel Sepuloni transferred your request under the Official Information Act 1982 (the Act), to the Ministry of Social Development (the Ministry), asking for the following:

- *Can I have breakdown of money value of taxpayer money paid to tenants who pay it to accommodation rental house owners. This is a direct subsidy from those who pay tax, to those who own capital property.*
- *What is the individual value of subsidy in various places in NZ?*
- *What is total cost of the subsidy?*
- *Does the current government think that subsidising capital ownership should have a value for tax purposes, a negative for those receiving and an allowance for those who aren't?*
- *So, for owners such as national leader Luxon with 7 rental houses owned, he would pay extra tax on this subsidy, as would H Clark who also owned 7 houses (2007) may still. So, when a taxpayer owning a rental shows rental income, say in Auckland with 40% ?? paid by taxpayer, then that 40% incurs flat tax of 5? times the annual % increase in Auckland property value increase. (suggested idea). And those taxpayers who don't own a rental home, an extra emolument.*

For the sake of clarity, I have grouped your questions as follows.

- *Can I have breakdown of money value of taxpayer money paid to tenants who pay it to accommodation rental house owners. This is a direct subsidy from those who pay tax, to those who own capital property.*
- *What is the individual value of subsidy in various places in NZ?*
- *What is total cost of the subsidy?*

Please find **Table One** in the attached **Appendix** in response to your request. **Table One** shows the amount of weekly Accommodation Supplement paid to clients for rent as at the end of June 2022, broken down by Territorial Local Authority. You will note that the data in this table is for a point in time, not a sum of Accommodation Supplement paid out for a period of time.

You may find the information available on the Ministry's website regarding Accommodation Supplement made to those who are paying rent at the following link: www.workandincome.govt.nz/map/income-support/extra-help/accommodation-supplement/rent-01.html

- *Does the current government think that subsidising capital ownership should have a value for tax purposes, a negative for those receiving and an allowance for those who aren't?*
- *So, for owners such as national leader Luxon with 7 rental houses owned, he would pay extra tax on this subsidy, as would H Clark who also owned 7 houses (2007) may still. So, when a taxpayer owning a rental shows rental income, say in Auckland with 40% ?? paid by taxpayer, then that 40% incurs flat tax of 5? times the annual % increase in Auckland property value increase. (suggested idea). And those taxpayers who don't own a rental home, an extra emolument.*

You are asking the Ministry to form an opinion. The Act applies to information that the Ministry already holds. The Ministry is unable to provide answers to these two questions.¹

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. The Ministry will do this by publishing this letter and attachments on the Ministry's website. Your personal

¹ See guidance from the Ombudsman on when the Act applies, at page 7: [Making official information requests - A guide for requesters.pdf \(ombudsman.parliament.nz\)](https://www.ombudsman.parliament.nz/making-official-information-requests-a-guide-for-requesters.pdf)

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 the amount of Accommodation Supplement paid to clients for rent, 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.

Ngā mihi nui



Bridget Saunders
**Manager Issue Resolution
Service Delivery**