



4 September 2023

Tēnā koe

On 7 August 2023, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *I would like to know the total number of clients (as of 6 August 2023) who owe debt to MSD, broken down by ethnicity.*
- *I want to know the current number (as of 6 August 2023) of clients who are actively having debt deductions made to their MSD payments.*
- *Separately, I want to know the current number (as of 6 August 2023) of clients who have dependent children and are actively having debt deductions made to their MSD payments. If possible, I would like that broken down into those having deductions of \$0-\$5, \$5-\$20 and \$20+.*
- *Finally, I wish to know the total number of clients with dependent children who have had sanctions imposed on their MSD payments within the past 12 months up until 6 August 2023, broken down by ethnicity.*

A person might owe money to the Ministry for a range of reasons. A debt may be established as a result of an overpayment, where 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. Clients may also have a debt with the Ministry due to accessing recoverable assistance.

If a client has been overpaid, Ministry staff will discuss this with them on a case-by-case basis. There is no interest charge on an overpayment. When the Ministry establishes a benefit overpayment, it is reviewed to determine whether the debt should be recovered or written off due to an office error.

Recoverable assistance provides clients with interest free loans to help clients meet an immediate need for essential items or services, such as household appliances, paying late utility bills or rent, or meeting other urgent needs.

The Ministry grants recoverable 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 clients at the time assistance is granted, taking their individual circumstances and financial situation into account.

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 find a copy of this legislation at the following link: [www.legislation.govt.nz/regulation/public/2018/0202/latest/LMS96210.html](http://www.legislation.govt.nz/regulation/public/2018/0202/latest/LMS96210.html).

People who receive payments from us agree to meet a range of obligations, which are made clear to everyone who applies for a benefit. The obligations people need to meet depend on which type of benefit payment they receive.

For Jobseekers, many are connected to finding or preparing for work, including meeting with us to discuss next steps in their job search. If a Ministry client does not meet these obligations, without a good and sufficient reason, their benefit payments could reduce or stop until they re-comply.

Any decision to reduce or pause benefit payments is never made quickly or taken lightly, and clients should be offered numerous opportunities to re-comply before their payments are reduced. It's important to note that when any steps are taken to reduce a client's benefit payments, the Ministry works with the client to resolve the situation as quickly as possible.

The Ministry has some discretion around Work Obligation sanctions that means we consider the wider impact on any whānau, particularly the welfare of tamariki, before deciding whether to apply them.

Sanctions are a tool to get people to engage with the Ministry so they can work with them. The vast majority of people who are sanctioned get in touch with the Ministry shortly after they see they haven't received their full benefit. Anecdotally, I am informed most sanctions are in place for less than two weeks.

The data provided in this response does not include Warrant to Arrest sanctions as these are triggered by the Ministry of Justice and requires clients to clear their Warrants before the sanction can be removed.

Please see the following tables in the **attached Excel spreadsheet**:

- **Table One:** The number of current clients with debt as at 31 July 2023, broken down by total response ethnicity.
- **Table Two:** The number of current clients with a debt offset as at 31 July 2023, broken down by total response ethnicity.

- **Table Three:** The number of current clients with dependent children and a debt offset as at 31 July 2023, broken down by debt offset amount.
- **Table Four:** The number of clients with dependent children who have had work test sanctions imposed during the period 1 August 2022 to 31 July 2023, broken down by total response ethnicity.

I have provided you with data for the most recent complete month. If you would like to receive data for the month of August, I invite you to submit a fresh request.

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 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](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response regarding the number of current clients with a debt to the Ministry, 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](http://www.ombudsman.parliament.nz) or 0800 802 602.

Ngā mihi nui

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