



22 MAR 2019

Dear [REDACTED]

On 22 January 2019, you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *A breakdown of the type of accommodation costs that people are receiving accommodation supplements for - either rent, board, or the cost of owning a home, for the last 3 years;*
- *The amount in the last year spent on emergency housing;*
- *The total annual budget of the Maori Housing Network;*
- *The staffing levels for the Maori Housing Network, broken down by region;*
- *Whether emergency repairs for Maori Housing are funded through the network, and if so, the amount released broken down by region for 2017 and 2018.*
- *The number of clients prosecuted for fraud in the last 3 years, if possible, broken down by ethnicity;*
- *Which type of benefit is the subject of prosecution for each client, for the last 3 years.*

On 23 January 2019, part of your request which relates to the Māori Housing Network was transferred to Te Puni Kōkiri. Your questions to be answered by the Ministry are addressed in turn below:

- *A breakdown of the type of accommodation costs that people are receiving accommodation supplements for - either rent, board, or the cost of owning a home, for the last 3 years.*

The Accommodation Supplement is a non-taxable benefit which provides financial assistance towards accommodation costs. It is available for people who rent, board or own their own home. A person does not have to be receiving a benefit to be assessed to qualify for an Accommodation Supplement. It is calculated using a formula that takes into account geographical location, family size, accommodation costs, income, and accommodation type.

Please find enclosed the following two tables:

- Table one shows the number of clients receiving an Accommodation Supplement by tenure type and quarter for financial years ending June 2016 to June 2018.
- Table two shows the total amount paid for accommodation costs for financial years ending June 2016 to June 2018.

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- *The amount in the last year spent on emergency housing.*

On 1 July 2016, the Government introduced a non-recoverable Emergency Housing Special Needs Grant (EH SNG) to help people who need emergency housing. This EH SNG is payable for up to seven days to help individuals and families with emergency housing needs, while the Ministry works with the individual to investigate alternative housing options. In most cases this grant does not need to be repaid.

The Ministry has granted a total of \$52,415,833 in relation to EH SNGs in the year to December 2018.

- *The number of clients prosecuted for fraud in the last 3 years, if possible, broken down by ethnicity.*

The Ministry uses the Solicitor-General's Prosecution Guidelines as the main reference point when making a decision about prosecution. As a government agency, any criminal prosecution action brought by the Ministry must be in accordance with the 'Test for Prosecution' set out in the Guidelines.

There are two factors to the 'Test for Prosecution'; a case must meet the requirements of the 'Evidential Test' where the evidence gathered must be sufficient to provide a realistic prospect of gaining a conviction; and if the case meets the 'Evidential Test' requirements, the Ministry applies the 'Public Interest Test' to determine if it is in the public interest to prosecute.

While it will always be appropriate to prosecute some people due to the nature of their offending, the Ministry is conscious that prosecution can negatively impact clients and families who are already in a vulnerable and difficult situation. It is important that the Ministry makes considered and sound decisions on which cases should be prosecuted.

The decision to prosecute is often a complex one. The Ministry must balance considerations of a client's alleged dishonest actions against their personal circumstances and the effect a prosecution might have on their ability to attain independence and maintaining health and wellbeing.

The Fraud Prosecution Review Panel was established in May 2018 and makes the final decision on whether cases are to be prosecuted. The Panel approach to making prosecution decisions strengthens the process by making sure that responsibility for that decision is broadly shared. In addition, cases considered for prosecution by the panel are assessed blindly, without gender or ethnicity being declared to the panel.

Please find attached table three showing the number of prosecutions for fraud completed during the period 1 July 2015 to 30 June 2018, broken down by ethnic group.

You will note that the number of clients prosecuted for fraud has decreased over the time period reported. As improved data matching is picking up more cases of undeclared income earlier, far fewer of these cases are now resulting in prosecution. The Ministry is increasingly focused on only prosecuting the more serious cases of fraud that occurred over longer periods, and/or involved bigger overpayments.

The Ministry recognises the higher representation of Māori clients among those prosecuted for fraud. As outlined below, Māori are over-represented in the benefit system:

- Māori represent a higher proportion of Work and Income clients than their proportion of the total population, approximately 35 per cent of all main beneficiaries are Māori, and approximately 47 per cent of recipients of Sole Parent Support are Māori.
- Māori are also more likely to spend a longer time in receipt of a benefit. The Ministry's 2017 Benefit System Performance Report, available here: www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/evaluation/2017-benefit-system-performance-report-june-2018.pdf reported the finding that Māori clients aged 20 to 29 years who are work ready and in receipt of Jobseeker Support were predicted to spend an average of 14.2 future years on benefits, compared to 9.8 years for New Zealand Europeans (page 51).

Clients who have committed fraud, and have been in receipt of a benefit for a longer duration, are more likely to have committed this fraud over a longer period. The length of offending is a significant factor in determining which cases the Ministry investigates and prosecutes as it is correlated with both an increased number of times that the client may have lied to the Ministry and to a larger cumulative overpayment.

In recognition of the over representation of Māori and Pacific Peoples across the benefit system, the Ministry is working on a Māori and Pacific Strategy and action plan that will include training for staff to help them better understand the needs of Māori and Pacific clients.

The Ministry's 2018 to 2022 Statement of Intent available here: www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/corporate/statement-of-intent/2018/statement-of-intent-2018-2022-online-version.pdf also includes improving the equity of outcomes, particularly for Māori, as part of the impacts that the Ministry wants to achieve.

- *Which type of benefit is the subject of prosecution for each client, for the last 3 years.*

The Ministry is unable to provide you with information regarding the types of benefit that is the subject of prosecution for each client for the last three years as this information is held in notes in individual case files. In order to provide you with this information Ministry staff would have to manually review over one thousand files. As such, your request is refused under section 18(f) of the Official Information Act. The greater public interest is in the effective and efficient administration of the public service.

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

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 shortly. 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 accommodation assistance and benefit fraud statistics, 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
Group General Manager, Client Service Support

Table one: Accommodation Supplement figures by tenure type and quarter between 1 July 2015 and 30 June 2018.

Quarter ending	Tenure Type	Number of Clients	Weekly Rate	
			Total	Average
September 2015	Boarding	65,103	\$2,180,178.80	\$33
	Own Home	34,725	\$2,602,072.00	\$75
	Renting	193,742	\$16,035,185.29	\$83
	Quarterly average for weekly payment	293,570	\$20,817,436.09	\$71
December 2015	Boarding	67,855	\$2,287,121.80	\$34
	Own Home	34,478	\$2,573,842.00	\$75
	Renting	198,482	\$16,396,162.14	\$83
	Quarterly average for weekly payment	300,815	\$21,257,125.94	\$71
March 2016	Boarding	63,101	\$2,111,992.20	\$33
	Own Home	33,443	\$2,508,563.00	\$75
	Renting	189,894	\$15,779,801.90	\$83
	Quarterly average for weekly payment	286,438	\$20,400,357.10	\$71
June 2016	Boarding	63,409	\$2,146,963.50	\$34
	Own Home	33,140	\$2,473,728.00	\$75
	Renting	191,215	\$15,892,574.54	\$83
	Quarterly average for weekly payment	287,764	\$20,513,266.04	\$71
September 2016	Boarding	65,221	\$2,233,673.00	\$34
	Own Home	33,169	\$2,462,413.50	\$74
	Renting	192,962	\$16,027,860.84	\$83
	Quarterly average for weekly payment	291,352	\$20,723,947.34	\$71
December 2016	Boarding	67,323	\$2,327,114.00	\$35
	Own Home	32,994	\$2,442,279.10	\$74
	Renting	197,324	\$16,376,872.19	\$83
	Quarterly average for weekly payment	297,641	\$21,146,265.29	\$71
March 2017	Boarding	63,713	\$2,234,186.50	\$35
	Own Home	32,181	\$2,376,931.60	\$74
	Renting	189,280	\$15,744,906.00	\$83
	Quarterly average for weekly payment	285,174	\$20,356,024.10	\$71

Quarter ending	Tenure Type	Number of Clients	Weekly Rate	
			Total	Average
June 2017	Boarding	63,674	\$2,264,346.71	\$36
	Own Home	31,943	\$2,347,281.00	\$73
	Renting	188,955	\$15,712,130.90	\$83
	Quarterly average for weekly payment	284,572	\$20,323,758.61	\$71
September 2017	Boarding	64,586	\$2,329,087.01	\$36
	Not Coded	1	\$45.00	\$45
	Own Home	31,711	\$2,324,963.50	\$73
	Renting	189,187	\$15,746,317.81	\$83
	Quarterly average for weekly payment	285,485	\$20,400,413.32	\$71
December 2017	Boarding	66,556	\$2,412,519.96	\$36
	Own Home	31,625	\$2,329,982.50	\$74
	Renting	193,453	\$16,158,286.90	\$84
	Quarterly average for weekly payment	291,634	\$20,900,789.36	\$72
March 2018	Boarding	62,937	\$2,365,420.25	\$38
	Own Home	30,700	\$3,117,941.50	\$102
	Renting	185,646	\$20,839,952.75	\$112
	Quarterly average for weekly payment	279,283	\$26,323,314.50	\$94
June 2018	Boarding	63,217	\$2,422,424.00	\$38
	Own Home	31,341	\$3,181,943.80	\$102
	Renting	190,128	\$21,502,334.30	\$113
	Quarterly average for weekly payment	284,686	\$27,106,702.10	\$95

Notes:

- Clients in receipt of an Accommodation Supplement are paid weekly for rent, mortgage or board.
- The Accommodation Supplement weekly rate for each quarter is a snapshot of the payments for one week at the end of the quarter. This data also excludes ad-hoc payments.

Table two: Amount paid for accommodation costs for financial years ending June 2016 to June 2018.

Financial year ending	Amount spent
June 2016	\$1,163,674,000
June 2017	\$1,126,980,000
June 2018	\$1,203,518,000

Table three: Number of prosecutions for fraud completed during the period 1 July 2015 to 30 June 2018, broken down by ethnic group.

Ethnic group	Financial year ending		
	June 2016	June 2017	June 2018
Māori	277	190	151
Pacific Peoples	205	148	94
New Zealand European	78	65	29
Other/Unspecified	56	45	17
Total	616	448	291

Notes:

- This is a count of prosecutions, a client may have more than one prosecution in a period.
- Ethnicity is prioritised ethnicity as at the date the prosecution was completed.
- This table does not include cases that were withdrawn beyond the Ministry's control.
- This table does not include prosecutions for internal fraud.