



- 2 AUG 2016

Dear

On 26 May 2016 you emailed the Ministry requesting, under the Official Information Act 1982, information concerning loans for emergency housing.

You have requested the following information:

- *The amount of money loaned to people for emergency housing reasons by month for the past 18 months;*
- *A breakdown of the loans by number of people lent money and the area in which they live;*

Currently Work and Income provides recoverable assistance to pay for this emergency accommodation. Recoverable assistance is for beneficiaries and people on low incomes to help them meet immediate and essential needs like paying late utility bills or rent, buying essential household appliances, or meeting urgent needs for children. The Ministry grants these to people as long as they meet the income and asset test and are unable to meet the cost from any other source. Repayments are negotiated with the client based on their circumstances. Repayment of the debt is set at levels which people can afford.

It is not possible to report on the total amount of emergency housing debt. While the Ministry records what hardship assistance has been provided for accommodation, it does not separately record assistance for emergency housing. Details about the type of accommodation assistance provided are recorded on notes in client files. To provide this information Ministry staff would need to review thousands of files. As such, these parts of your request are 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.

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

The Government has recently announced funding for 3000 emergency housing places per year, allocating \$41.1 million over the next 4 years for both contracted emergency housing providers and a new emergency housing grant which will be available from July 2016. This new special needs grant for emergency housing does not need to be paid back. This can be paid for up to seven days while people work with us to identify alternative housing options.

- *The amount of money recouped, broken down by the area in which they live and the number of people to have repaid the loan*

The Ministry is unable to report the amount of money that has been paid back for loans made for emergency housing purposes, where those people live and the number of people who have repaid the loans, as this information is held on notes in individual files and Ministry staff would need to review thousands of client files. As such this part of 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.

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

The introduction of this dedicated special needs grant that does not need to be paid back will allow the Ministry to track emergency housing needs much more accurately.

- *The amount of the top 20 most expensive motel or hotel bills paid by MSD for those in need of housing, broken down by the date of payment, the number of people housed and the location they were housed.*

To identify what payments have been made to motels and hotels, the Ministry would require a definitive list of specific supplier trading names for all the hotels and motels in New Zealand. Ministry staff would also need to review every client file where that client had received hardship payments for accommodation costs which would involve the review of thousands of files. As such this part of 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.

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

- *The amount of the top 20 debts owed to MSD by anyone receiving a benefit, broken down by the reason for the debt, the length of time it has existed, the most recent lending done to the individual and the part of New Zealand in which the creditor lives;*

As well as an obligation to repay recoverable assistance, clients may owe money to the Ministry through either overpayment or as a result of being prosecuted for fraud. Overpayments may occur when clients fail to inform the Ministry of a change in their circumstances; for example, commencing paid part-time work or a change in accommodation costs.

The Ministry is continuing to conduct analysis of the highest debts owed to Work and Income, however these debts are made up of several components and further detail can only be obtained by looking into individual files. I can advise that the top twenty debtors incurred a significant portion or all of their debt as a result of changing their circumstances and not notifying the Ministry, seventeen entered into marriage type relationships and the other three worked while in receipt of a benefit.

I can also advise that as at the end of March, the average amount of debt owed by working age main beneficiaries was much lower than those listed below at \$2,545.64.

The table below shows the top twenty debt amounts for current working age (18 to 64 years) main benefit clients, as at the end of March 2016, for all reasons:

<b>Debt by ranking</b>	<b>Total debt amount</b>
1	\$298,600
2	\$247,134
3	\$246,035
4	\$235,460
5	\$234,662
6	\$234,378
7	\$225,828
8	\$224,855
9	\$223,825
10	\$202,476
11	\$199,244
12	\$197,978
13	\$195,668
14	\$184,858
15	\$181,753
16	\$181,164
17	\$179,818
18	\$178,693
19	\$175,464
20	\$175,148

Please note that main benefits exclude NZ Superannuation, Veteran's Pension, Non-Beneficiary assistance, Orphan's Benefit and Unsupported Child's Benefit.

The Ministry is unable to break these amounts down by what the debt is made up of, where the client lived at the time, and the length of time it was accrued over, as this information is held on individual files across multiple systems. To determine the source and time period of individual debts requires staff to manually check each past benefit period and determine:

- the source of the debt (overpayment, recoverable assistance, fraud); and
- the date or time period each of these relate to (either the period the fraud/overpayment occurred or the date the assistance was granted in the case of recoverable assistance); and
- any repayments made during each benefit spell; and
- any repayments received while the person wasn't on benefit.

As such, this part of 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. I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

- *Copies of all reports to Ministers about loans made for emergency housing reasons in the last 18 months;*
- *Copies of reports to the executive leadership team of MSD about loans made for emergency housing reasons in the last 18 months.*

I can confirm no reports about loans for emergency housing reasons have been received by Ministers or executive leadership team in last 18 months. As such this part of your request is refused under section 18(e) of the Official Information Act as this information does not exist.

However you might find the publicly available Cabinet paper titled, '*A new emergency housing funding model*', dated 4 November 2015 useful.

<https://www.msd.govt.nz/documents/about-msd-and-our-work/work-programmes/housing/initiatives/r-emergency-housing-cabinet-paper.pdf>

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 after ten working days. 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.

I hope you find this information loans for emergency housing helpful. You have the right to seek an investigation and review of my response by the Ombudsman, whose address for contact purposes is:

The Ombudsman  
Office of the Ombudsman  
PO Box 10-152  
WELLINGTON 6143

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Ruth Bound', written in dark ink.

Ruth Bound  
**Deputy Chief Executive, Service Delivery**