



29 MAR 2019



Dear 

Thank you for your email of 8 February 2019 to Hon Carmel Sepuloni, Minister for Social Development, which was transferred to the Ministry of Social Development for response. Specifically you have asked whether there:

has been an increase at all since the beginning of the current government's term (in comparison to the previous government's terms) in the number of MSD benefit recipients who are being determined, per s 232 SSA18, to fulfil the 'good and sufficient reason' exemption criteria from sanctions for failure to comply with s 233 SSA18 requirements?

When a client is in receipt of a benefit from Work and Income, there are obligations they must meet, for example attending suitable job interviews. Where a client fails to meet these obligations the Ministry will consider whether the client had a good and sufficient reason for doing so. That is, having considered the circumstances was it reasonable for the client not to have met their obligations. If the Ministry accepts this, then the client is exempt from having to meet the obligations and their financial assistance will not be adversely impacted.

Good and sufficient reasons may include (but are not limited to), that the client:

- was temporarily medically unfit and they have a medical certificate that shows this
- had a death or illness in the immediate family
- could not realistically transport themselves on the day, due to unforeseen circumstances
- had childcare arrangements that fell through on the day, due to unforeseen circumstances
- was dependent on the provision of assistance by Work and Income to complete the activity, and that assistance was not supplied
- had an unexpected event occur on that day, such as providing care for a sick relative.

The graduated sanctions regime imposes differing levels of financial sanction depending on how many times a client has failed to meet their obligations in a 12 month period. The number of sanctions in force at any given time is small compared to the total number of beneficiaries.

People who fail to meet their obligations may have a sanction imposed. However, Work and Income works closely with beneficiaries and many obligation failures are subsequently overturned in favour of the person if they have a good and sufficient reason for not meeting their obligations. You will note the number of sanctions overturned is quite high. This is because the sanctions regime was designed to get

clients to engage with Work and Income and to actively work with Case Managers to secure long term sustainable employment. It is not meant to be punitive.

Further information about the obligations beneficiaries are required to meet is available on Work and Income's website: www.workandincome.govt.nz/on-a-benefit/work-obligations/

The Ministry has looked at the number of obligation failures disputed for the period July 2016 to June 2018. This is indicative of the number of clients who had an obligation and then applied for an exemption. Between the 2016/17 financial year and the 2017/18 financial year, the number of obligation failures that were disputed increased from 36,659 to 37,518. Of these the number where the failure was overturned/exempted increased from 35,811 to 36,610. This is not a materially significant change given the overall volume of obligation failures over the timeframe specified in the 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 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 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



Cassandra Wise
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