



22 February 2022

Tēnā koe

On 21 September 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information relating to Te Hiku whānau and debt:

- *Te Hiku whānau receiving a benefit/pension (Kaitaia/Territory Authority Far North District Council)*
  1. *The total amount of debt owing by Te Hiku whānau receiving a benefit/pension*
  2. *The number of people owing this debt*
  3. *The age breakdown of the debtors*
  4. *The benefit/pension they receive*
  5. *Overpayment amount and the recoverable assistance amounts*
  6. *Weekly repayments being made for this debt*
- *Te Hiku whānau not currently receiving a benefit/pension*
  7. *The total debt amount owing by Te Hiku whānau not currently receiving a benefit*
  8. *The number of people owing this debt*
  9. *The age breakdown of the debtors*
  10. *Amount of debts under a repayment arrangement*
  11. *Amount of debt not under a repayment arrangement*
- *Debt information for Northland and other regions in New Zealand*
  12. *Total amount of debt owing*
  13. *The number of people owing this debt*
  14. *The age breakdown of the debtors*
  15. *The benefit/pension they receive*
  16. *What is the historical trend for Te Hiku total debt over the past five years i.e is it increasing/decreasing or remaining stable?*

I would like to extend my apologies for the delay in responding to your request for information.

By the way of background, please note that there are a range of reasons people might owe money to the Ministry. A debt may be established as a result of:

- an overpayment,
- the outcome of a fraud investigation,
- or by accessing recoverable assistance.

For clarity, an overpayment is established when 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. 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 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).

Please note that overpayment and fraud debts are established at the net amount, and recoverable assistance is non-taxable.

Recoverable assistance provides clients with interest free loans to help them meet an immediate need for essential items or services, like paying late utility bills or rent, buying essential household appliances, or meeting other urgent needs. The Ministry grants this 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.

The Ministry aims to ensure that clients make the best decisions regarding recoverable assistance to avoid creating unnecessary debt, and considers a range of factors, including:

- the circumstances of the clients and their dependents
- the ability of the client to meet their needs and the needs of their dependents
- the amount of existing MSD debts and existing recovery rates
- the effect the rate of recovery will have on the client's ability to support themselves
- whether the rate of recovery would cause undue hardship to the client or their dependents
- the effect the rate of recovery would have on the client's ability to fulfil their work and social obligations

- the ability to gain access to further advances and recoverable assistance in the future.

Over the last three years the Ministry's approach to recovering debt from non-current clients has moved away from a limited focus on getting people repaying their debt as quickly as possible once they leave benefit, towards a broader focus on measures which enable a client to sustain repayment. This may mean encouraging clients to repay a bit less if they appear to be overextending themselves. For some clients, this may mean placing recovery of their debt on hold until they are able to sustainably afford repayments. At the same time MSD is increasingly using this engagement to discuss non-beneficiary and in-work support assistance.

For the sake of clarity, I will answer your questions in turn.

- *Te Hiku whānau receiving a benefit/pension (Kaitaia/Territory Authority Far North District Council)*
  1. *The total amount of debt owing by Te Hiku whānau receiving a benefit/pension*
  2. *The number of people owing this debt*

Please find **Table One** in **Appendix A**, showing the total number of clients and total debt amount for clients that are currently on a benefit from the Te Hiku area of interest, as at the end of September 2021.

3. *The age breakdown of the debtors*

Please find **Table Two** in **Appendix A**, showing the total number of clients that are currently on a benefit from the Te Hiku area of interest, broken down by age, as at the end of September 2021.

4. *The benefit/pension they receive*

Please find **Table Three** in **Appendix A**, showing the total number of clients that are currently on a benefit from the Te Hiku area of interest, broken down by type of main benefit they are receiving, as at the end of September 2021.

5. *Overpayment amount and the recoverable assistance amounts*

Please find **Table Four** in **Appendix A**, showing the total amount of overpayment and recoverable assistance debt amount for clients that are currently on a benefit from the Te Hiku area of interest, as at the end of September 2021.

6. *Weekly repayments being made for this debt*

I can advise that as at the end of September 2021, the weekly repayment total from current clients in Te Hiku was \$33,418 per week. The average individual weekly repayment was \$13.00.

- *Te Hiku whānau not currently receiving a benefit/pension*

7. *The total debt amount owing by Te Hiku whānau not currently receiving a benefit*

8. *The number of people owing this debt*

Please find **Table Five** in **Appendix A**, showing the total number of client debtors and total debt amount for clients that are currently not on a benefit from the Te Hiku area of interest, as at the end of September 2021.

9. *The age breakdown of the debtors*

Please find **Table Six** in **Appendix A**, showing the total number of client debtors that are currently not on a benefit from the Te Hiku area of interest, broken down by age, as at the end of September 2021.

10. *Amount of debts under a repayment arrangement*

11. *Amount of debt not under a repayment arrangement*

Please find **Table Seven** in **Appendix A** showing the amount of debt owed by clients from the Te Hiku area of interest, that are currently not on a benefit, broken down by whether they have a repayment arrangement with the Ministry as at the end of September 2021.

- *Debt information for Northland and other regions in New Zealand*

12. *Total amount of debt owing*

13. *The number of people owing this debt*

Please find **Table Eight** in **Appendix A** which shows the total number of current clients with a debt and the total amount owing to the Ministry, broken down by region, as at end of September 2021.

14. *The age breakdown of the debtors*

Please find **Table Nine** in **Appendix A** which shows the total number of current clients with a debt and the total amount owing to the Ministry, broken down by region and age, as at end of September 2021.

15. *The benefit/pension they receive*

Please find **Table Ten** in **Appendix A** which shows the total number of current clients with a debt and the total amount owing to the Ministry, broken down by region and main benefit they are receiving, as at end of September 2021.

16. *What is the historical trend for Te Hiku total debt over the past five years i.e is it increasing/decreasing or remaining stable?*

Please find **Table Eleven** in **Appendix A**, showing the number of clients and the total amount of debt owing for clients from the Te Hiku area of interest, that are currently not on a benefit, as at the end of June 2017 to June 2021.

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

If you are not satisfied with this response regarding Te Hiku whānau and debt, 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.

Yours sincerely

*Bridget Saunders*

Bridget Saunders  
**Manager, Issue Resolution  
Service Delivery**