

13 May 2022

Tēnā koe

On 13 April 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *How much money do you spend each year chasing beneficiaries who owe money to WINZ or other government agencies?*

The Ministry has a legislative duty to undertake all reasonably practicable steps to recover debt, with discretion available only in determining the method and rate of recovery or in some cases, temporarily deferring recovery.

When managing the recovery of debt, the Ministry differentiates between current and non-current clients.

Current clients are people receiving financial help from Work and Income and debt repayments are made through agreed regular deductions from their benefit. The rate of debt recovery takes account of the client's circumstances and their ability to repay the debt without causing undue hardship. Non-current clients are people who no longer receive financial assistance from Work and Income but still have a debt to repay.

The Ministry has interpreted your request as pertaining to non-current clients.

The Ministry's Client Support Debt Management area is responsible for assisting clients who have exited the benefit system to manage their debts and access any supports or services they are entitled to.

Over the last few 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 the Ministry is increasingly using this engagement to discuss non-beneficiary and in-work support assistance.

For the last financial year of 1 July 2020 to 30 June 2021, the amount spent for Client Support Debt Management was \$8,244,145.

This amount is for direct costs only, including staff salaries and other costs such as office administration. Excluded are indirect costs such as allocated overheads costs.

Please note that since March 2020, the Ministry has supported the Government's COVID-19 response, which includes administering the Wage Subsidy Scheme and other COVID-19 economic supports. This means that Client Support Debt Management has had to reprioritise some work, affecting their ability to focus solely on non-current client debt.

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 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.

If you are not satisfied with this response about debt recovery, 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.

Ngā mihi nui



George Van Ooyen
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Client Service Support