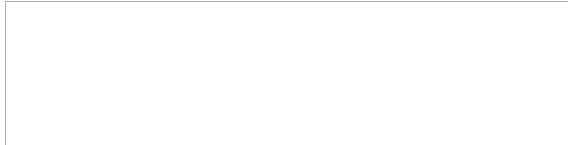




-7 JUL 2016



Dear 

On 31 May 2016 you emailed the Ministry requesting, under the Official Information Act 1982, information regarding the recent Accommodation Supplement payment error.

You will have seen the recent media statement released by the Ministry of Social Development on 31 May, which said the Ministry had identified and subsequently fixed an error in its automated payment system which resulted in incorrect Accommodation Supplement payments being made to certain clients. The error dates back to 1993 and the Ministry is currently reviewing the scope and scale of the impact on people who received the Accommodation Supplement from this date.

I can confirm that people who have been granted the Accommodation Supplement since December 2014 are receiving the correct rate of payment. Our initial modelling estimates that of the people who received the Accommodation Supplement historically over the 21 year period, around 87,000 people had discrepancies that affect their payment.

Of these, it is estimated that just over 41,000 people have been underpaid with total underpayments of around \$23 million and fewer than 46,000 people have had overpayments of around \$32 million.

Documentation including e-mails, advice and reports regarding the incorrect payment error is withheld at this point, until such time that decisions related to this issue have been finalised. As such, your request is refused under section 9(2)(f)(iv) of the Official Information Act. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

In October 2015, the Ministry undertook a review to identify areas of the benefit system where there is potential misalignment between operational policy and practice and authorising legislation. This followed alignment work related to benefit stand-down periods.

As a result of the review, the Ministry identified 36 areas where its practice is not aligned with legislation. These issues were already included within existing programmes of work, with varying degrees of visibility and priority.

The 36 areas include issues that have arisen as the result of Social Security Appeal Authority or High Court decisions that have drawn different interpretations of legislation. The Ministry is currently determining how the different issues can be addressed, and will be providing advice to Ministers in coming months.

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



Ruth Bound
Deputy Chief Executive, Service Delivery