



12 MAR 2021

On 22 January 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982, the following information:

1. *Has your office received complaints about the cashless welfare cards used as part of the Money Management program?*
2. *If so, how many complaints have there been? Knowing how they are resolved would also be useful.*
3. *Is there an exemption or exit process that people on these cards can pursue?*
4. *If so, how many have tried to exit the scheme and how many succeeded?*
5. *Is the program operating under legislation? If so, which legislation? Or is it just operating as a policy? Any assistance you could give would be much appreciated.*

On 3 February 2021 and 10 February 2021, the Ministry contacted you as your email address is Australian and the Ministry needed to confirm your eligibility under section 12 of the Act. The Ministry received confirmation of your eligibility to submit a request under the Act in New Zealand on 16 February 2021.

Money Management is used for redirecting a client's main payments and some supplementary assistance directly to suppliers to cover the client's basic living costs and lawful debts. Money Management provides clients with an in-hand allowance of up to \$50.00 per week which is paid directly into their bank account. The Ministry loads any remaining money onto a Payment Card for the client to purchase food and other approved essential costs.

Some payments are excluded from the Money Management scheme and will be paid directly to the client's bank account. The payments that are excluded are as follows:

- Disability Allowance (for clients and/or their child/children)
- Child Disability Allowance
- Training Incentive Allowance (weekly ongoing), and
- Unsupported Child's Benefit and Orphans Benefit.

Money Management is only used for clients that are in Youth Service.. More information can be found on the Ministry's website at the following links:

- Money Management: www.youthservice.govt.nz/payments/money-management/
- Youth Payment Money Management: workandincome.govt.nz/map/youth-service/youth-payment/in-hand-allowance-01.html.
- Young Parent Payment Money Management: workandincome.govt.nz/map/youth-service/young-parent-payment/in-hand-allowance-01.html

- Young partner Money Management:
<https://www.workandincome.govt.nz/map/income-support/main-benefits/jobseeker-support/money-management.html>

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

1. *Has your office received complaints about the cashless welfare cards used as part of the Money Management program?*

Yes, the Ministry has received complaints from clients that are using the cashless welfare cards. The Ministry has a report that was published in February 2021 around the experiences of Money Management in the Youth Services. In order to be helpful, you can find the Young People's Experience of Money Management report at the following link: www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/experiences-of-money-management/index.html. In regard to the Young People's Experience of Money Management, this information can be found on page 36 of the report.

2. *If so, how many complaints have there been? Knowing how they are resolved would also be useful.*

Complaints regarding Money Management are stored on individual client files. As such, the Ministry cannot provide you with the number of complaints that have been received. In order to provide you with the complaints around Money Management, the Ministry would need to divert personnel from their core duties and allocate extra time to complete this task. The diversion of these resources would impair the Ministry's ability to continue standard operations and would be an inefficient use of the Ministry's resources. As such, this part of your request is refused under section 18(f) of the Act, requires substantial collation. 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 this part of 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.

3. *Is there an exemption or exit process that people on these cards can pursue?*

Yes, there are exemption and exit processes that clients can pursue. There are three different methods of leaving the scheme, exemption, opting out and exiting/completing the scheme.

Information relating to exemptions from Money Management can be found on the Ministry's website at the following links:

- Youth Payment: workandincome.govt.nz/map/youth-service/youth-payment/full-or-partial-exemptions-01.html.
- Young Parent Payment: workandincome.govt.nz/map/youth-service/young-parent-payment/full-or-partial-exemptions-01.html.

- Young partner: <https://www.workandincome.govt.nz/map/income-support/main-benefits/jobseeker-support/money-management.html>

Clients may also opt out of the Money Management scheme if they are eligible. For young people (with no sanctions in place) to opt out and receive payments directly they must have:

- turned 18 years (Youth Payment or young partner) or turned 20 years (Young Parent Payment or young parent partner), and
- chosen to stay on in Youth Service to complete their education, training or work-based learning and provided written notice to their service provider in MSD in house service that they would like to opt out of Money Management.

More information on opting out of the Money Management scheme can be found on the Ministry's website at the following links

- Youth Payments: workandincome.govt.nz/map/youth-service/youth-payment/opting-out-of-money-management-01.html.
- Young Parent Payment: workandincome.govt.nz/map/youth-service/young-parent-payment/opting-out-of-money-management-01.html.
- Young partner: <https://www.workandincome.govt.nz/map/income-support/main-benefits/emergency-benefit/opting-out-of-money-management.html>

Clients subject to Money Management can also earn the right to have their payments made directly to them. They are eligible to be paid directly if:

- They have demonstrated continued compliance with their obligations and
- They are considered financially competent by their service provider or Work and Income 'inhouse' service.

More information regarding clients exiting the scheme can be found at the following links:

- Youth Payments: workandincome.govt.nz/map/youth-service/youth-payment/earning-the-right-to-receive-payment-directly-01.html.
- Young Parent Payment: workandincome.govt.nz/map/youth-service/young-parent-payment/earning-the-right-to-receive-payment-directly-01.html.
- Young partner: <https://www.workandincome.govt.nz/map/income-support/main-benefits/emergency-benefit/earning-the-right-to-receive-payment-directly.html>

4. If so, how many have tried to exit the scheme and how many succeeded?

The Ministry cannot confirm how many clients have requested to exit the scheme and how many completed this successfully. This is due to the reporting system that the Ministry has for the Money Management scheme. Therefore, this part of your request has been refused under section 18(f) of the Act, as the information is held in notes on individual case files. In order to provide you with this information Ministry staff would have to manually review thousands of files. 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.

However, the Ministry can confirm that there have been 5,609 tasks lodged into the system for clients that have applied to leave the scheme. The Ministry cannot confirm how many of these have been approved or declined.

5. Is the program operating under legislation? If so, which legislation? Or is it just operating as a policy? Any assistance you could give would be much appreciated.

Yes, the scheme is operating under legislation. The Money Management scheme is legislated under section 341 of the Social Security Act 2018 and regulated under section 193 of the Social Security Regulations 2018. More information regarding the legislation and the regulation can be found at the following links:

- Social Security Act 2018:
www.legislation.govt.nz/act/public/2018/0032/latest/DLM6783826.html.
- Social Security Regulations 2018:
www.legislation.govt.nz/regulation/public/2018/0202/latest/LMS96736.html#LMS96736

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 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 in regard to the Money Management scheme, 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



Mel Harrington
**National Director
Youth Service**