



26 April 2023

Tēnā koe

On 11 March 2023, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

*I would like to request information from MSD regarding the MSD Christchurch branches by each individual branch re:*

- *how much each branch managers' total discretionary spend was by year from 2020-present*
- *over 2020-present what the policy/rules are re discretionary spending, branch limits, and steps to take where the limit is exceeded;*
- *in the 12 months, how much they each spent on beneficiaries;*
- *a summary of what the spend was for;*
- *how many spends on (and how much per spend per time per beneficiary), including:*
  - *repeated fitting out housing with furniture for the same beneficiary(ies) at the same property;*
  - *repeated cell phone replacement purchases for the same beneficiaries;*
  - *repeated replacement purchases for the same beneficiaries;*
  - *with respect to each of the above categories, were the beneficiaries known gang members or convicted criminals, and please give their age or approx. age at the time of the spend;*
- *any situations where beneficiaries were found to have likely committed fraud in the way mentioned above and actions taken vis-a-vis the beneficiaries (benefit sanctions, benefit standdowns, prosecution, etc).*
- *situations where branch managers were found to have breached policy re discretionary spends and what happened (employment wise, etc)*
- *the results of any auditing done on branch manager discretionary spending.*

On 22 March 2023, the Ministry contacted you to seek refinement and clarification of your request. You responded to the Ministry on 24 March 2023, and refined the following aspects of your request as below.

You defined discretionary spend as reimbursement made to clients for purchases made or funds advanced for future purchases that are over and above an individual beneficiary's legal entitlement. i.e. funds expended with respect to beneficiaries that require sign-off by managers prior to disbursement.

You refined your date-range of interest from 2020-to-present to instead between 1 January 2022 and 28 February 2023. This refined date-range also applied to the instance where you have referred to "in the 12 months".

You also added three additional questions to your request:

- *Is there no monitoring of the spending of branch manager's granting additional funds to beneficiaries?*
- *Do they not report on the quantity of their spending from time to time?*
- *Is there no auditing of each manager's spending?*

To aid clarity, your questions have been grouped together thematically with the Ministry's response provided below.

*I would like to request information from MSD regarding the MSD Christchurch branches by each individual branch re:*

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- *over 2020-present what the policy/rules are re discretionary spending, branch limits, and steps to take where the limit is exceeded;*
- *in the 12 months, how much they each spent on beneficiaries;*
- *a summary of what the spend was for;*
- *Is there no monitoring of the spending of branch manager's granting additional funds to beneficiaries?*
- *Do they not report on the quantity of their spending from time to time?*
- *Is there no auditing of each manager's spending?*

Responding to the above group of questions, it is important to point out that the Ministry is unable to approve funding that is over-and-above a client's legal entitlement. The Ministry operates within the legislative provisions as set out in the Social Security Act 2018. Taking this into account, we are treating discretionary spending as synonymous with hardship assistance. Any ad hoc expenditure for a client requiring sign-off by a manager sits under hardship assistance.

The Ministry provides hardship assistance to help clients pay for essential items or services that they need urgently. Hardship assistance types include Advance

Payment of Benefit (ADV), Special Needs Grant (SNG), and Recoverable Assistance Payment (RAP).

To be eligible for an Advance Payment of Benefit, a client must be receiving a main benefit, Orphans Benefit, Unsupported Childs Benefit, New Zealand Superannuation or Veteran's Pension and require assistance to meet a particular immediate and essential need. If the eligibility qualifications are met, the client may be eligible for an advance of up to six weeks of their benefit. More information about Advance Payment of Benefits is available on Work and Income's website at: [www.workandincome.govt.nz/map/income-support/extra-help/advance-payment-of-benefit/qualifications.html](http://www.workandincome.govt.nz/map/income-support/extra-help/advance-payment-of-benefit/qualifications.html).

Special Needs Grants are a form of non-taxable, one-off recoverable or non-recoverable financial assistance to assist clients to meet an immediate essential or emergency need, such as food. Unlike Advance Payment of Benefits, a client does not have to be receiving a benefit to qualify for an SNG, but they still must meet an income and asset test. More information about SNGs is available on Work and Income's website at: [www.workandincome.govt.nz/map/income-support/extra-help/special-needs-grant/qualifications.html](http://www.workandincome.govt.nz/map/income-support/extra-help/special-needs-grant/qualifications.html).

The other relevant type of hardship assistance is Recoverable Assistance Payments. RAPs can provide non-taxable, interest free and recoverable financial assistance to non-beneficiaries to meet immediate and essential needs for specific items or services. Non-beneficiaries who meet the income and cash asset tests may have access to Recoverable Assistance Payments of up to a maximum amount of six weeks of the rate of the Supported Living Payment<sup>1</sup> or relevant payment category maximum. More information about Recoverable Assistance Payments is available on Work and Income's website at: [www.workandincome.govt.nz/map/income-support/extra-help/recoverable-assistance-payment/qualifications.html](http://www.workandincome.govt.nz/map/income-support/extra-help/recoverable-assistance-payment/qualifications.html).

In order for a manager to approve funding for an applicant in need of hardship assistance, the manager must be satisfied that the person applying for the hardship assistance has met eligibility qualifications. The eligibility qualifications required of an applicant include (but are not limited to):

- Meeting an income and cash asset test
- Having an immediate and essential need
- Ensuring that the applicant is not able to meet the need from their own resources or through other sources
- Ensuring that the applicant has met any hardship obligations that have been applied to them
- Ensuring that the applicant is a New Zealand citizen or Permanent resident, and
- Ensuring that the applicant is ordinarily a resident in New Zealand.

Hardship assistance is assessed on the basis of need and necessity rather than a fixed financial limit. As such, there is no routine hardship assistance expenditure monitoring or reporting of (or by) managers.

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<sup>1</sup> More information about the Supported Living Payment can be found here: [www.workandincome.govt.nz/map/income-support/main-benefits/supported-living-payment/introduction.html](http://www.workandincome.govt.nz/map/income-support/main-benefits/supported-living-payment/introduction.html)

In terms of providing hardship assistance expenditure for each of the Ministry's Service Centres in Christchurch, this information is held in notes on individual case files. In order to provide you with this information, Ministry staff would have to manually review a substantial number of files. As such, we refuse your request under section 18(f) of the Act. 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

The Ministry regularly publishes quarterly data about assistance granted. More information about hardship assistance granted can be found here: [www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html](http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html). The worksheet is titled Work and Income regions supplementary assistance data tables.

- *how many spends on (and how much per spend per time per beneficiary), including:*
  - *repeated fitting out housing with furniture for the same beneficiary(ies) at the same property;*
  - *repeated cell phone replacement purchases for the same beneficiaries;*
  - *repeated replacement purchases for the same beneficiaries;*
  - *with respect to each of the above categories, were the beneficiaries known gang members or convicted criminals, and please give their age or approx. age at the time of the spend;*

Responding to the above group of questions, please see the **Attachment** which provides the number of repeated grants in the Canterbury region for furniture between 1 January 2022 to 28 February 2023, broken down by age-group.

In order to protect client privacy, some values are suppressed and are represented by 'S'. The Ministry is unable to provide you with the exact number as releasing this information is likely to risk identifying the individuals concerned. As such, this information is withheld under section 9(2)(a) of the Act. The need to protect the privacy of these individuals outweighs and public interest in the information.

Under the Advance Payment of Benefit (need type: furniture), a client on a benefit can apply for assistance with the cost of furniture that is deemed essential. Please note, multiple grants under the need type 'furniture' may represent different types of furniture, rather than repeated grants for the same type of furniture. Assistance towards the cost of beds, chairs and tables deemed essential can be applied for under the Advance Payment of Benefit (as need types: beds, chairs or tables respectively).

Assistance for furniture may be available under either a Recoverable Assistance Payment or a SNG. The need types that this assistance would fall under are too broad (for example, need type: other) and contain too many potential costs to

report on specific item costs and cannot be isolated without substantial manual collation.

Accordingly, any expenditure on repeated cell phone purchases for the same clients, repeated replacement purchases for the same clients, and also whether the clients were known gang members or convicted criminals; this information is all held in notes on individual case files. In order to provide you with this information, Ministry staff would have to manually review a substantial number of files. As such, I refuse your request under section 18(f) of the Act. 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.

- *situations where branch managers were found to have breached policy re discretionary spends and what happened (employment wise, etc)*

We have been unable to locate any instances of a manager in the South Island being accused of approving a hardship assistance payment without ensuring that the eligibility qualifications are met.

- *the results of any auditing done on branch manager discretionary spending.*

We have been unable to locate any audits conducted on manager approvals of hardship assistance payments. Therefore, we are refusing your request under section 18(g) of the Act as the information you had requested is not held by the Ministry and we have no grounds to believe that the information is either held by or closely connected to the functions of another department, Minister of the Crown or organisation.

- *any situations where beneficiaries were found to have likely committed fraud in the way mentioned above and actions taken vis-a-vis the beneficiaries (benefit sanctions, benefit standdowns, prosecution, etc).*

As detailed previously, mandated eligibility qualifications are assessed by Ministry staff whenever an applicant applies for hardship assistance. Ministry staff will cross-reference any relevant information provided in a hardship assistance application as a matter of course to ensure that the integrity of hardship assistance is maintained. To provide you with information about any situations where clients have committed fraud in relation to hardship assistance Ministry staff would have to manually review a substantial number of individual case file records. As such, we refuse your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

We 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. We have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

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 and attachments 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](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response about discretionary spending by Managers in the Christchurch region, 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.

Ngā mihi nui

*Bridget Saunders*

Bridget Saunders  
Manager Issue Resolution  
**Service Delivery**