

## 9 FEB 2015

Mr Brendon Mills fyi-request-2384-7d51013b@requests.fyi.org.nz

Dear Mr Mills

On 11 January 2015 you emailed the Ministry requesting, under the Official Information Act 1982, how many of those on benefits (and not in paid work) pay more than two thirds of their income in rent.

When a person is receiving a main benefit and has relatively high rental costs, their case manager will hold a discussion with that person to identify the assistance that may be available to enable them to meet their accommodation costs. During the discussion, Ministry staff will take into account the beneficiary's circumstances such as the:

- length of time they have lived at the address
- reason for the change in costs e.g. rent increase by the landlord
- number of boarders to assist with the cost
- reason for moving into the area e.g. to be close to family members.

In some cases, beneficiaries may request an advance of their benefit payment to assist them to meet costs of bond and rent when they move into a rental property. In these circumstances, their case manager will discuss how the beneficiary will manage to pay the rent and whether they can take in boarders to help with the rent.

Beneficiaries paying high rental costs may also be entitled to receive an Accommodation Supplement and be considered for Temporary Additional Support.

The Accommodation Supplement is a non-taxable supplementary benefit that provides assistance towards accommodation costs. It is available for people who rent, board or own their own home and a person does not have to be receiving a main benefit to qualify for this assistance. It is calculated using a formula that takes into account the geographical location, family size, accommodation costs, income and tenure type (renting, boarding or home ownership).

Further information about Accommodation Supplement, including the entry thresholds and maximum payable rates, is publicly available on Work and Income's website at: <a href="https://www.workandincome.govt.nz">www.workandincome.govt.nz</a>.

Temporary Additional Support is last resort financial assistance for clients who have regular essential living costs that cannot be met from their chargeable income and other resources. Temporary Additional Support is paid for a maximum of 13 weeks. There will be some situations where people may not be able to improve their financial circumstances during this time. In these cases, a person may still qualify for Temporary Additional Support. During the period a person is in receipt of Temporary Additional Support, case managers assist them to take reasonable steps to reduce their costs or increase their income.

Reasonable steps can include but are not limited to, the client:

- no longer purchasing non-essential items
- seeking budgeting advice for help to reduce expenses
- re-negotiating debt repayments to a lesser repayment amount
- reducing costs by negotiating or applying for reduced payments of court fines
- requesting debt repayments to be temporarily stopped
- refinancing debt, for example a mortgage
- consolidating debt to reduce interest and repayment amounts
- seeking part-time or full-time paid employment, or increasing hours to increase income
- stopping contributions to KiwiSaver and/or other retirement schemes.

Recipients may submit subsequent applications to renew Temporary Additional Support due to a change in their circumstances and costs, or if there has been no change in their circumstances and they continue to require this assistance.

Further information about Temporary Additional Support is available on Work and Income's website:

<u>www.workandincome.govt.nz/manuals-and-procedures/income support/extra help/temporary additional support/temporary additional support.htm.</u>

The Ministry is unable to provide you with how many beneficiaries pay more than two thirds of their income in rent as this is not standard reporting for the Ministry. In order to provide you with this information Ministry staff would have to manually review thousands of files. As such I refuse your request under section 18(f) of the Official Information 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.

I hope you find this information helpful. 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

Debbie Power

Deputy Chief Executive, Work and Income