



30 NOV 2017

Ms Lisa Marriott  
[fyi-request-6787-96beab73@requests.fyi.org.nz](mailto:fyi-request-6787-96beab73@requests.fyi.org.nz)

Dear Ms Marriott

On 2 November 2017, you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *How much welfare debt was written off in the 2015-16 year. If possible, can you please provide a breakdown of how much debt written off was from each of the following: debts from loans, debt from overpayments and debt from fraud? If you hold the information, can you please also advise the reasons why the debt was written off?*

The Ministry is committed to minimising debt by removing barriers and creating greater incentives for clients to comply. When managing debt recovery from clients, the Ministry will consider their financial situation before establishing a repayment plan. The Ministry uses guidelines to negotiate repayment rates that strike a balance between the need for collection and avoiding contributing to financial hardship.

Where all reasonable and practicable avenues of recovery have been exhausted the Ministry may consider writing off the debt. For example, where the debtor has died and either the estate is insolvent or the estate has been distributed prior to the Crown notifying its claim. Debt write-off will also be considered in other cases, for example where the debtor is insolvent and has been adjudicated bankrupt, or the Official Assignee has recognised under the No Asset Procedure the debtor is insolvent with no realisable assets. Debt can also be written off where an overpayment was made as a result of Ministry error.

Additional reasons that can be considered for debt write off are outlined below:

- An agent in charge of funds for the purpose of repaying the debt has become insolvent before the funds were remitted,
- the debt or the identity of the debtor cannot be proven,
- the debt cannot be proved to the Court's satisfaction,
- the debt has become statute barred
- debt cannot be recovered due to estoppel in accordance with s74(b) of the Property Law Act 2007,
- the debtor is a participant in a witness protection or relocation programme,
- as directed by the Social Security Appeal Authority or Court not to recover, or
- the debtor's assets have been seized by Police, to the extent realised by sale of such assets.

Please note that there may be additional criteria for each reason that needs to be met to be able to consider debt write off.

The table below shows the amount of debt written off in the 2015/16 financial year, broken down by debt type.

<b>Debt type</b>	<b>2015/16</b>
Recoverable Assistance	\$3,512,935
Fraud	\$1,057,137
Overpayment	\$8,698,572
<b>Total</b>	<b>\$13,268,644</b>

**Note:**

- This data includes both current client debt and non-current client debt.

I am unable to provide you with the reasons why each debt was written off for the 2015/16 financial year as it 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. As such I refuse this portion of 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.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

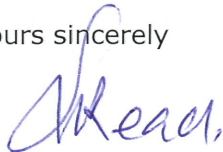
- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter available to the wider public shortly. 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 concerning debt that was written off by the Ministry 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, 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.

Yours sincerely



 Ruth Bound  
**Deputy Chief Executive, Service Delivery**