



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

Dear

On 21 June 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

1. *How many Review of Decision applications on Section 192 sanctions have been received by MSD over the past 5 years, broken down by year, ethnicity, region?*
2. *How many Section 192 sanctions have been overturned over the past 5 years broken down by year, ethnicity, region?*
3. *How many back payments have been made as a result of overturned Section 192 sanctions over the past five years, by year?*
4. *What are the top 5 highest back payments made as a result of an overturned Section 192 sanction over the past five years?*
5. *How much money has been paid to people as a result of overturned Section 192 sanctions in the past 5 years? Broken down by year, ethnicity and region.*
6. *What are the steps beneficiaries have to take to access back payments for a wrongly applied Section 192?*

On 16 July 2021, the Ministry sent you a letter to advise you that your request requires more time to respond, this was in accordance with section 15(1) and 15A of the Act and that a decision will be with you no later than 16 August 2021.

On 16 August 2021, the Ministry wrote to you again and advised that your request will be granted in part and that it will take some time to prepare the information for release and that a decision will be with you by 11 October 2021.

Until 1 April 2020, the benefit received by sole parents was reduced for each dependent child for whom they did not seek child support, subject to some exemptions. These reductions were first set out in section 70A of the Social Security Act 1964 and later in section 192 of the Social Security Act 2018 (SSA 2018). In mid-2017, the then Minister for Social Development instructed the Ministry to undertake research on section 70A, which eventually led to the repeal of this sanction on 1 April 2020.

Following a report sent to Minister Sepuloni on 26 October 2018 regarding the approach for proactively engaging with Sole Parent Support clients who have a reduction to their benefit under section 70A of the Social Security Act 1964 (SSA 1964;

now replaced with section 192 of the SSA 2018), it was identified that this group may not be receiving full and correct entitlement. As a result, on 7 November 2018, a request was made to broaden the Ministry's focus to establish full and correct entitlement with clients within this cohort.

In the appendices below I have included your questions as some of the tables answer multiple questions. For clarity I have listed the questions and tables with the information they hold below.

1. *How many Review of Decision applications on Section 192 sanctions have been received by MSD over the past 5 years, broken down by year, ethnicity, region?*

In **Table One** the Ministry has provided you with the number of Review of Decision applications lodged under the reason Section 70A/Section 192, broken down by region from the year ending June 2017 to the year ending June 2021.

Table Two shows the number of Review of Decision applications lodged under the reason Section 70A/Section 192, broken down by ethnicity from year ending June 2017 to the year ending June 2021.

2. *How many Section 192 sanctions have been overturned over the past 5 years broken down by year, ethnicity, region?*

As part of the Review of Decision process, a decision can be overturned at any stage. **Table Three** provides the year wise figures for Review of Decision applications relating to Section 70A/Section 132 which were overturned either at Internal Review stage or at the Benefit Review Committee Hearing stage.

3. *How many back payments have been made as a result of overturned Section 192 sanctions over the past five years, by year?*
5. *How much money has been paid to people as a result of overturned Section 192 sanctions in the past 5 years? Broken down by year, ethnicity and region.*

Table Four, shows arrears payments as a result of proactive, full and correct entitlement (FACE) checks of cases where Section 70A/Section 192 deductions were applied by the Ministry. These checks were completed by the Ministry under section 304 of the SSA 2018 (previously section 81 of the Social Security Act 1964). These amounts do not relate to Review of Decision reviews as information relating to amounts paid out from an overturned decision is not captured by the Review of Decision data maintained by the Ministry. The figures are, broken down by year and ethnic group.

Table Five, shows the total full and correct entitlement arrears payments made as a result of proactive, FACE checks of cases where Section 70A/Section 192 deductions were applied by the Ministry. These checks were completed by the Ministry under section 304 of the SSA 2018 and therefore do not relate to Review of Decision applications under Section 391 of the SSA 2018. The figures reported to 2021, have been broken down by year and region.

4. *What are the top 5 highest back payments made as a result of an overturned Section 192 sanction over the past five years?*

I am unable to provide you with this information 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 the file of every client who received an arrears payment as a result of a Section 70A/Section 192 review. 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.

6. *What are the steps beneficiaries have to take to access back payments for a wrongly applied Section 192?*

On 1 April 2019, the Ministry began a proactive outbound calling campaign and screened all current clients with current sanctions. The Ministry identified 11,355 clients who had been identified as having a section 192 reduction imposed. The focus of the campaign was to establish full and correct entitlement. A team of 20 experienced staff were assembled from across the country to complete engagement and reviews with these clients. The campaign was paused in early 2020 due to the redeployment of staff to support the Ministry's COVID-19 response.

The campaign has since resumed and further experienced staff who understand legislative changes and have the capability to complete complex reviews over differing years have been seconded from the Ministry's regional offices to assist with this work. The Ministry's first priority was resolving the cases of young parents. The remaining cases were more likely to involve longer periods of time and multiple children, making case reviews more time consuming.

New requests are to be treated as requests under Section 304 of the Social Security Act 2018 review, formerly known as a Section 81 of the Social Security Act 1964.

Manager Regional Services and Benefit Review Committee coordinators have been reminded that:

- Every enquiry should be looked at, on a case by case basis.
- These do not need to be treated as Review of Decision.
- Instead, the client's enquiry can be reviewed as per Section 304 of the Social Security Act 2018 (formerly Section 81 of the Social Security Act 1964), this decision will have new review rights.

The Ministry publishes information released under the provision of the Official Information Act 1982. In the spirit of being helpful please find a link to the published OIA's on the Ministry's website; www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2020/october/20201022-number-of-sect-70a-192-reduction-cases-reviewed-reviews-to-be-completed-review-of-decisions-lodged-and-outcomes-from-the-face-taskforce.pdf

The principles and purposes of the Act 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
- 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 the tables 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 regarding questions related to Section 192 sanctions over the last five years, 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.

Yours sincerely

Bridget Saunders

Bridget Saunders
**Manager, Issue Resolution
Service Delivery**

1. *How many Review of Decision applications on Section 192 sanctions have been received by MSD over the past 5 years, broken down by year, ethnicity, region?*

Table One: The number of Review of Decision applications lodged, broken down by the regions for the year ending June 2017 through to the year ending June 2021.

Region	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Auckland Services	14	58	58	39	40
Bay of Plenty	S	8	S	S	S
Canterbury	S	8	9	8	15
Central	0	S	S	S	8
Central Processing Unit	S	0	0	0	S
East Coast	0	12	9	7	S
National Office	0	S	0	0	0
Nelson	S	0	0	0	S
Northland	S	S	S	S	S
Southern	S	S	S	S	S
Taranaki	0	S	S	S	S
Waikato	S	22	11	S	7
Wellington	0	S	S	0	S
TOTAL	24	131	105	68	91

Notes for Table One:

- The data in the table above are as per monthly figures provided by Planning and Analysis Team.
- The figures are the reasons in the Review of Decision system application, which are shown as "Section 70A reduction" or "Section 192 reduction".
- To protect confidentiality, the Ministry uses processes to make it difficult to identify an individual person or entity from published data. These data tables have had random rounding to base three applied to all cell counts in the table. A value of one or two may be rounded to zero or three. The impact of applying random rounding is that columns and rows may not add exactly to the given column or totals. The published counts will never differ by more than two count.
- In circumstances low numbers may potentially lead to individuals being identified. Due to these privacy concerns, numbers for some categories of clients have been suppressed or aggregated.
- Secondary suppression rules have also been applied when required. Suppressed numbers have been replaced by an 'S'.

Table Two: The number of Review of Decision applications lodged under the reason Section 70A and then Section 192, broken down by year and ethnicity.

Ethnic group	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Māori	16	97	77	40	54
NZ European	S	23	12	15	21
Other	S	S	S	S	7
Pacific Peoples	S	S	13	7	7
Unspecified	S	S	0	S	S
TOTAL	24	131	105	68	91

Notes for Table Two:

- The figure in the table above are from Review of Decision applications that have been lodged with the reason codes 'Section 70A' or 'Section 192 reduction'
- To protect confidentiality, the Ministry uses processes to make it difficult to identify an individual person or entity from published data. These data tables have had random rounding to base three applied to all cell counts in the table. A value of one or two may be rounded to zero or three. The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals. The published counts will never differ by more than two count.
- In certain circumstances low numbers may potentially lead to individuals being identified.
- Due to these privacy concerns, numbers for some categories of clients have been suppressed or aggregated.
- Secondary suppression rules have also been applied when required. Suppressed numbers have been replaced by an 'S'.

2. How many Section 192 sanctions have been overturned over the past 5 years broken down by year, ethnicity, region?

Table Three: All Review of Decision applications lodged by reason Section 70A and Section 192 that have been overturned, broken down by year and region.

Region	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Auckland Services	S	19	8	37	24
Bay of Plenty	0	0	S	S	S
Canterbury	0	S	S	8	0
Central	0	S	0	S	5
Central Processing Unit	0	0	0	0	S
East Coast	S	S	S	6	S
National Office	0	S	0	0	0
Nelson	0	S	0	0	S
Northland	0	S	0	S	S
Southern	0	0	S	S	0
Taranaki	0	0	S	0	0
Waikato	0	0	S	S	S
Wellington	0	0	S	S	0
Total Overturned at IR	S	29	20	63	41

Notes for Table Three:

- The data in the table above are as per monthly figure provided by Planning and Analysis Team.
- The figures shown in this table comprise of Review of Decisions which have been overturned either at the Internal Review stage or by a Benefits Review Committee. A substantial majority of cases have been overturned at the Internal Review stage.
- To protect confidentiality, the Ministry uses processes to make it difficult to identify an individual person or entity from published data. These data tables have had random rounding to base three applied to all cell counts in the table. A value of one or two may be rounded to zero or three. The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals. The published counts will never differ by more than two count.
- In certain circumstances low numbers may potentially lead to individuals being identified.
- Due to these privacy concerns, numbers for some categories of clients have been suppressed or aggregated.
- Secondary suppression rules have also been applied when required. Suppressed numbers have been replaced by an 'S'.

3. How many back payments have been made as a result of overturned Section 192 sanctions over the past five years, by year?
5. How much money has been paid to people as a result of overturned Section 192 sanctions in the past 5 years? Broken down by year, ethnicity and region.

The Ministry will respond to questions 3 and 5 with the following two tables.

Table Four: Full and correct entitlement arrears payments as a result of a Section 70A and Section 192 review reported to February 2021, broken down by ethnicity.

Ethnic Group	2019/2020		2020/2021		Total	
	Reviews	Arrears Paid	Reviews	Arrears Paid	Reviews	Arrears Paid
Māori	1,050	\$2,595,622.36	357	\$1,610,903.84	1,407	\$4,206,526.20
Pacific Peoples	291	\$505,378.07	48	\$235,931.74	339	\$741,309.81
NZ European	513	\$1,086,493.54	138	\$434,910.08	654	\$1,521,403.62
Other	171	\$352,497.85	33	\$93,227.38	204	\$445,725.23
Unspecified	72	\$153,545.79	5	\$8,422.53	75	\$161,968.32
Total	2,097	\$4,693,537.61	576	\$2,383,395.57	2,673	\$7,076,933.18

Notes for Table Four:

- The number of reviews and arrears paid in this table do not relate to overturns of Review of Decision cases under section 391 of the SSA 2018 as this information is not captured by the ROD data maintained by the Ministry. However, the reviews and arrears paid figures relating to full and correct entitlement (FACE) checks done under section 304 of the SSA 2018 is being provided by way of full disclosure in the spirit of the OI Act.
- February 2021 was when the BI full and correct entitlement (FACE) batch jobs were stopped but the actual FACE surveying stopped around the time COVID hit (1 April 2020) some clients in flight would have been processed/sorted out after this date.
- This only reports reviews where arrears were paid out.
- Total arrears paid during the review includes arrears not just from reviewing Section 192 but also other entitlement reviewed at the same time.
- To protect confidentiality the Ministry uses processes to make it difficult to identify an individual person or entity from published data.
- These data tables have had random rounding to base three applied to all cell counts in the table.
- A value of one or two may be rounded to zero or three.
- The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals.
- The published counts will never differ by more than 2 counts.
- Ethnicity data is self-identified and multiple ethnicities may be chosen by an individual as fits their preference or self-concept.
- Multiple selected ethnicities are then prioritised into a hierarchy.
- The Māori ethnicity has the highest priority in this hierarchy, followed by Pacific peoples.
- NZ European has the lowest priority.
- This is to ensure that smaller and politically significant ethnic groups do not get overwhelmed by the larger ethnic groups.
- A single ethnicity is assigned to an individual based on this hierarchy.
- Ethnic groups do not currently align with Statistics New Zealand ethnicity groupings.

- The year reported is the year the review was started.
- The 'Other' region includes clients managed from non-regional service centres such as the Centralised Unit Housing service centre, StudyLink Processing Centre, National Office and NZ Super service centres.
- Section 192 is related to deductions due to not naming the other parent for child support reasons

Table Five: Full and correct entitlement arrears payments made as a result of a Section 70A and Section 192 review reported to February 2021, broken down by region.

Region	2019/2020		2020/2021		Total	
	Reviews	Arrears Paid	Reviews	Arrears Paid	Reviews	Arrears Paid
Bay of Plenty	204	\$443,777.91	129	\$380,839.81	327	\$824,617.72
Central	102	\$245,946.89	27	\$142,499.35	129	\$388,446.24
Waikato	192	\$658,618.59	81	\$468,024.27	273	\$1,126,642.86
Auckland Metro	750	\$1,409,984.71	126	\$464,201.96	876	\$1,874,186.67
Wellington	75	\$194,281.34	S	\$35,024.33	84	\$229,305.67
Canterbury	195	\$494,634.79	54	\$250,622.48	246	\$745,257.27
Taranaki	156	\$332,860.00	54	\$117,231.15	207	\$450,091.15
Northland	78	\$117,487.31	18	\$78,963.02	93	\$196,450.33
Nelson	69	\$88,995.06	18	\$32,362.08	84	\$121,357.14
East Coast	186	\$530,510.47	54	\$350,359.36	240	\$880,869.83
Southern	87	\$168,680.60	15	\$59,399.47	105	\$228,080.07
Unknown/Other	S	\$7,759.94	S	\$3,868.29	S	\$11,628.23
Total	2,097	\$4,693,537.61	576	\$2,383,395.57	2,673	\$7,076,933.18

Notes for Table Five:

- The number of reviews and arrears paid in this table do not relate to overturns of Review of Decision cases under section 391 of the SSA 2018 as this information is not captured by the ROD data maintained by the Ministry. However, the reviews and arrears paid figures relating to full and correct entitlement (FACE) checks done under section 304 of the SSA 2018 is being provided by way of full disclosure in the spirit of the OI Act.
- February 2021 was when the BI full and correct entitlement (FACE) batch jobs were stopped but the actual FACE surveying stopped around the time COVID hit (1 April 2020) some clients in flight would have been processed/sorted out after this date.
- This only reports reviews where arrears were paid out.
- Total arrears paid during the review includes arrears not just from reviewing Section 192 but also other entitlement reviewed at the same time.
- To protect confidentiality the Ministry uses processes to make it difficult to identify an individual person or entity from published data.
- These data tables have had random rounding to base three applied to all cell counts in the table.
- A value of one or two may be rounded to zero or three.
- The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals.
- The published counts will never differ by more than 2 counts.

- Region is based on the service centre the person's benefit was at on the date the review started.
- A small number of people were not receiving a benefit on this date and show in region Unknown.
- The 'Other' region includes clients managed from non-regional service centres such as the Centralised Unit Housing service centre, StudyLink Processing Centre, National Office and NZ Super service centres.
- The year reported is the year the review was started.
- Section 192 is related to deductions due to not naming the other parent for child support reasons.