

[2016] NZSSAA 037

Reference No. SSA 161/15

IN THE MATTER

of the Social Security Act 1964

AND

IN THE MATTER

of an appeal by **XXXX** of
Wellington against a decision of
a Benefits Review Committee

BEFORE THE SOCIAL SECURITY APPEAL AUTHORITY

Ms M Wallace - Chairperson
Mr K Williams - Member

HEARING at WELLINGTON on 13 April 2016

APPEARANCES

Mr N Ellis for the appellant
Mr R Signal for the Chief Executive of the Ministry of Social Development

DECISION

Introduction

[1] The appellant appeals against a decision of the Chief Executive upheld by a Benefits Review Committee declining to provide the appellant with an advance to assist with the purchase of a bed.

Background

[2] The appellant is aged 35 years. He is single. He suffers from a number of medical conditions including a skin condition.

[3] The appellant had been homeless and sleeping rough for a period when he was offered a Housing New Zealand property in New Plymouth on 28 May 2015.

[4] He quickly moved to New Plymouth to take up this accommodation and was granted advance assistance for bond and rent in advance and for a fridge/freezer to assist him in the move into his new accommodation.

[5] On 9 June 2015 he made application for an advance to assist with the purchase of a bed. He provided two quotes in support of his application. One quote was from Big Save Furniture for a superking-sized mattress and base costing \$1,499 plus a delivery charge of \$59. The second quote was from Farmers which included a range of prices. The price for a superking-sized mattress and base was \$4,539.40.

[6] The case manager handling the application apparently contacted the local Salvation Army Family Store and was advised that a second-hand double bed mattress was available for approximately \$40. Store staff advised that a base was likely to be available in the near future at a similar price.

[7] The appellant's application was declined on the basis that the amount of the advance he sought was not reasonable and it would not be viable for him to make the required repayments.

[8] The appellant sought a review of decision. The matter was reviewed internally and by a Benefits Review Committee. The Benefits Review Committee upheld the decision of the Chief Executive. The appellant then appealed to this Authority.

[9] The appellant told the Authority that because of his skin condition he required a new bed. It was not appropriate for him to get a second-hand bed. He considered that a second-hand bed would be a hygiene risk and referred to reports of the explosion in problems with bed bugs and fleas. The appellant also noted that his height meant he had particular requirements in respect of a bed. He said that as a result of the Ministry's failure to assist him with a bed he has been sleeping on the floor. This has had a negative impact on his joints.

[10] The appellant said that he has always been conscientious about repaying advances and, in effect, all he was asking for was a low-interest loan.

[11] Mr Ellis submitted on behalf of the appellant that:

- (i) the Ministry has in place a 'preferred supplier' arrangement in relation to whiteware. The appellant was therefore obliged to purchase the fridge/freezer he sought assistance for at a particular rate;

- (ii) had the application for assistance with the bed been granted before the assistance with the fridge/freezer, the outcome of the appellant's application may have been different;
- (iii) ideally, a similar 'preferred supplier' arrangement should cover beds.

Decision

[12] Section 82(6) of the Social Security Act 1964 gives the Chief Executive a discretion to make an advance payment of benefit if he or she is satisfied that such a payment would best meet the particular immediate needs of the beneficiary for an essential item or service. In exercising this discretion, the Chief Executive is required to have regard to the Ministerial Direction relating to the advance payment of benefit.

[13] Clause 2.2 of the Ministerial Direction requires that the Chief Executive have regard to a number of matters in determining whether or not there is an immediate need for an essential item or service. This includes: the effect on the beneficiary if the need is not met, when that effect is likely to have an impact, and the beneficiary's ability to meet the need from his or her own resources.

[14] Clause 4 of the Ministerial Direction provides that the amount of an advance should be the least amount required to meet the beneficiary's particular immediate need. In addition, in no case is the amount of an advance to exceed the instalments of benefit payable to the beneficiary and his or her spouse in any six-week period.

[15] Clause 5 provides that every advance is to be recovered from the beneficiary at a rate that will ensure the advance is repaid within 24 months after making the advance.

[16] We are in no doubt that the appellant needed a bed and mattress for his new accommodation. He had a particular immediate need for an essential item or service. The issue is whether or not the amount the appellant sought was essential and not reasonably avoidable.

[17] In this case the appellant presented two quotes, the cheapest of which was for \$1,499. The Ministry say that a bed and mattress could have been purchased from the Salvation Army for \$80.

[18] We accept that if a second-hand bed were purchased, care would need to be taken to ensure that it was clean and free of bugs, but the possibility of a second-hand option should not be dismissed out-of-hand. Many people buy second-hand beds

without encountering problems. If a suitable second-hand option was not available then it may be necessary to look at a new bed, but we are not persuaded that a new bed could not be found for less than \$1,500.

[19] We are not therefore satisfied that the amount sought by the appellant (\$1,500 if the Big Save option was taken) was the least amount required to meet his particular immediate need.

[20] In addition, at the time of the appellant's application the maximum amount of advances that could be made was \$1,575.84 unless there were exceptional circumstances in the appellant's case. The Ministry say that at the time of his application, the appellant had an advance entitlement of \$140.94 and was already making repayments in respect of his existing advances at less than the amount required by clause 5 of the Direction, suggesting that the appellant would not be able to repay an advance within 24 months.

[21] Because we are not satisfied that the advanced sought was the least amount required to meet the appellant's particular immediate need, we do not need to consider whether there were exceptional circumstances in the appellant's case.

[22] For the same reason, it is not necessary to consider whether the decision was affected by the fact that the whiteware advance was made first.

[23] The appeal is dismissed.

DATED at WELLINGTON this 16th day of May 2016

Ms M Wallace
Chairperson

Mr K Williams
Member