



28 FEB 2020

Dear [REDACTED]

On 10 September 2019, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982, the following information relating to the use of the Otago food study in food grants since October 2017:

- *All updates, reports, correspondences, briefings, aides-memoire, etc, provided to a senior official, e.g. a general manager or to the Minister of Social Development. Specifically:*
 - *When did the trial as noted in the media begin?*
 - *When did the use of the Otago food study in relation to food grants begin?*
 - *How many offices are included in the trial of the Otago food study in relation to food grants?*
 - *How many offices are included in the use of the Otago food study in relation to food grants?*
 - *What are the objectives, goals, and timeline of the trial?*

I would like to extend my apologies for the delay in responding to your request for information.

The Otago Food Survey (OFS) is an annual food cost survey that identifies the cost of a basket of food designed to meet dietary needs of different people. In 2016 South Auckland Work and Income sites began using the calculator that drew on the OFS as a guide for staff to understand the starting cost of a healthy nutritious diet.

Various versions were used by individual sites as a guide between 2016 and 2019 with the most prominent use being from 11 sites in South Auckland. From 31 July 2019, the Ministry began testing the use of the OFS calculator across the 31 sites in the Auckland region to provide greater consistency across food grant applications.

The OFS calculator was used for guidance and insight only as part of the test. It is important to note that information from the OFS calculator was only one aspect that staff considered – staff also looked at each person's all-round needs including dietary requirements. The OFS calculator was not utilised by the Contact Centre nor outside of the Auckland Region.

The tool provided little utility to staff, as in practice decisions are driven by an assessment of individual need and circumstances to ensure clients are well supported and receive their full and correct entitlement. The Ministry discontinued the use of the tool on 8 October 2019.

The Ministry published its manuals and procedures on the Work and Income website and information specific to food grant applications are available at: www.workandincome.govt.nz/map/income-support/extra-help/special-needs-grant/food-01.html

Please find enclosed the following documents that contain information regarding the use of the OFS and address your questions:

- 9 September 2019: Report, '*The Otago Food Survey and MSD Calculator*'
- 27 September 2019: Report, '*Interim Report on MSD's use of a Food Calculator*'
- 5 September 2019: Email to Liz Jones, Assistant Deputy Chief Executive Service Delivery
- August 2019: Email attachment, Draft '*Auckland Region Approach to Food Grants*'
- 5 August 2019: Email attachment, '*Otago Food Cost Calculator (Moderate)*'
- Email attachment, '*Social Security Appeal Authority (SSAA) Food Cases*'.

You will note that the names of some individuals are withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

You will note that the contact details of some individuals have been withheld under section 9(2)(k) of the Act in order to reduce the possibility of staff being exposed to phishing and other scams. This is because information released under the Act may end up in the public domain, for example, on websites including the Ministry's own website.

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 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 the OFS trial conducted by the Ministry, 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

A handwritten signature in black ink, enclosed within a hand-drawn oval. The signature is stylized and appears to be 'Liz Jones'.

Liz Jones

Associate Deputy Chief Executive, Service Delivery



The Otago Food Survey and MSD Calculator

Date: 9 September 2019

Report no.: REP/19/09/REP/19/
9/883

Security level: IN CONFIDENCE

Priority: Medium

Action Sought

Hon Carmel Sepuloni
Minister for Social Development

note the contents of this report

13 September 2018

forward this report to the Prime Minister's Office

Contact for telephone discussion

Name	Position	Telephone	1st Contact
9(2)(a)	DCE Advisor, Service Delivery, Service Delivery	9(2)(k)	<input checked="" type="checkbox"/>
Dr Simone Bull	Director DCE's Office, Service Delivery	029 201 3952 029 201 3952	

Report prepared by: 9(2)(a) DCE Advisor, Service Delivery

Minister's office comments

- Noted
- Seen
- Approved
- Needs change
- Withdrawn
- Not seen by Minister
- Overtaken by events
- Referred to (specify)

Comments

Date received from MSD

Date returned to MSD



Report

Date: 9 September 2019

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development

The Otago Food Survey and MSD Calculator

Purpose of the report

- 1 This brief report provides background and an update on the Ministry of Social Development's (MSD's) use of the Otago Food Survey to inform the size of food Special Needs Grants (SNGs).

Recommended actions

It is recommended that you:

- 1 **note** the contents of this report
- 2 **forward** this report to the Prime Minister's Office



Dr Simone Bull
Director DCE's Office
Service Delivery

9/9/19
Date



Hon Carmel Sepuloni
Minister for Social Development

10/9/19
Date

What is the food calculator?

- 2 The University of Otago publishes the annual Food Cost Survey, which is based on a basket of food designed to meet the dietary needs of men, women, adolescents and children.
- 3 The estimated food costs are calculated using specified amounts of food categories (e.g. meat, bread, eggs, fruit, etc.) needed for one week.
- 4 Using these food costs, MSD developed a calculator that can be used by case managers to process how much is needed for a food Special Needs Grant (SNG).
- 5 The calculator also contains household economic survey estimates for costs associated with items such as cleaning products, that are not food.
- 6 The payment size is prorated on the number of days until the next income support payment.

How did it come about?

- 7 Following a 2016 recommendation by the Social Security Appeal Authority, MSD Auckland adopted the use of the Otago Food Survey rates.
- 8 There is no other annually updated, independent guideline for how much a weekly shop should cost individuals and families in New Zealand.
- 9 The calculator was rolled out across all service centres in the Auckland region on 1 August 2019.

What is the purpose or intent of the calculator?

- 10 The calculator serves two purposes:
 - 10.1 To provide a benchmark or guideline for our frontline staff
 - 10.2 To ensure the people in Auckland who need our help are getting fair and consistent service across all our sites.

How has it changed the support we give our clients?

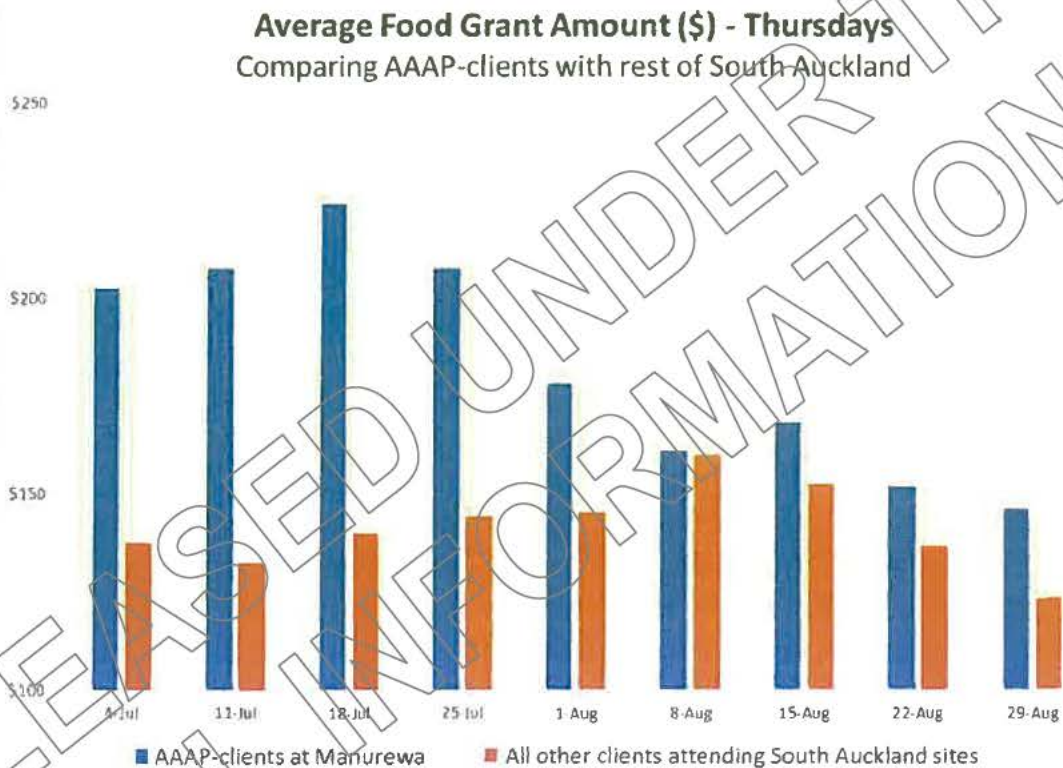
- 11 The calculator is used purely as a guide and does not dictate the final decision. We are still committed to having in-depth conversations with our clients to understand their individual circumstances.
- 12 While the calculator provides a guideline, case managers are required to overlay the calculator with client responses to standard practice questions. These questions include:
 - 12.1 How much do you need?
 - 12.2 What do you normally spend per week?
 - 12.3 How much of that spend goes on essential items?
 - 12.4 Do you have any specialist food requirements under medical supervision/recommendation? Or for cultural reasons?
- 13 We know that the survey on its own is not enough, because it assumes that people will eat healthily if they can afford it, and that people know how to cook.
- 14 We also know that food costs for singles and couples are likely to be higher than for larger families, because larger families can get economies of scale by buying in bulk.
- 15 We also take into account the specific needs of people in emergency housing, who have no basics for home food preparation, or sometimes, limited facilities. However, emergency housing clients do not contribute to their housing costs.

16 The figure below shows the average food SNG amount, comparing AAAP-clients at Manurewa Service Centre (blue) with all other clients attending South Auckland sites (orange). Key observations:

16.1 The grant size to AAAP-supported clients was initially high but gradually decreased over time when the setting was changed from 'liberal' to 'moderate' around mid-July

16.2 The introduction of the calculator achieved a greater degree of consistency between Manurewa and the other South Auckland sites.

16.3 However, the amount of money granted to both groups has decreased since the calculator was introduced Auckland-wide.



17 The table overleaf shows the food SNG amounts received by different cohorts - for the four weeks prior to use of the calculator Auckland-wide (1 August) and the four weeks after its launch.

18 Key observations from the above table include:

18.1 Prior to the Auckland-wide launch of the calculator, single women without children were receiving higher food SNGs than single men without children

18.2 In all cases, introduction of the calculator resulted in people receiving less than what they were before the calculator was introduced

18.3 The gender disparity in payments was greater *before* the calculator was introduced

18.4 On the surface it appears that people are receiving less than the Otago Food Survey amounts would suggest. We suspect this is because the calculator pro-rates food amounts, (i.e. we pay to next income support payment date, rather than a full week). We will validate this assumption as part of our next steps.

Table 1 Average food SNG payments made in Auckland region

	Otago Food Survey (moderate setting)		Actual SNG payment (pre- 31 July 2019)		Actual SNG payment (since 1 August 2019)	
	Female	Male	Female	Male	Female	Male
Single no children	\$78	\$93	\$91.77	\$86.83	\$78.13	\$77.24
Single with 1 child*	\$135	\$150	\$123.19	\$116.32	\$108.12	\$109.71
Single with 2 children*	\$179	\$194	\$141.91	\$145.99	\$130.30	\$132.31
Couple no children*	\$171		\$138.45		\$136.32	
Couple with 1 child*	\$228		\$154.66		\$147.53	
Couple with 2 children*	\$272		\$175.63		\$168.59	

* Figures for anyone other than a single person are indicative only. Summing the per person dollar values to get a household/family value has limitations.

Next steps

- 19 We are monitoring the use of the calculator and will report back in early November, by which stage we will have three months' data.
- 20 We have talked to Otago University today and they understand more about how we are using the calculator.
- 21 We have arranged to start working with them on how to improve our use of the food cost information they have.
- 22 This may require qualitative research with our clients and staff.

REP/19/9/883

Author: s 9(2)(a) DCE Advisor, Service Delivery)

Responsible manager: (Dr Simone Bull, Director DCE's Office, Service Delivery)



Report

Date: 27 September 2019

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development

Interim Report on MSD's use of a Food Calculator

Purpose of the report

- 1 To provide an update on whether a food calculator developed by the Ministry has assisted MSD staff assessing hardship need.

Recommendations

It is recommended that you:

- 2 Note that, since 1 August 2019, the Ministry's Auckland region has been using a calculator based on the Otago University Food Cost Survey and data from Statistics New Zealand's Household Economic Survey to provide additional guidance for frontline staff during conversations with clients about one-off hardship assistance.
- 3 Note that the calculator has been used purely as a guide, in addition to in-depth conversations with clients to understand their individual circumstances and provide the right level of support.
- 4 Note that early results from the use of the calculator show that the tool has been of little utility to staff, as in practice decisions have been driven by an assessment of individual need and circumstances.
- 5 Note that the University of Otago has expressed concerns about the use of its Survey data in the context of hardship grants.
- 6 Note that given the University of Otago's concerns, and the lack of evidence that the calculator has been of utility to staff, we are recommending discontinuation of the calculator.

Dr Simone Bull
Director, DCE Office, Service Delivery

27/9/19

Date

Hon Carmel Sepuloni
Minister for Social Development

29/9/19

Date

Background

- The number of one-off hardship assistance grants have more than doubled over the last five years. 60 per cent of these hardship assistance grants are non-recoverable Special Needs Grants (SNGs) and 76 per cent of these SNGs are for food. Growing demand for food SNGs is shown in Figure 1.



Figure 1 Monthly volume of food grants issued (August 2017 to August 2019)

- Unlike tier one and tier two income support, the amounts paid for tier three hardship assistance (including food SNGs) is largely discretionary. We issue an average of 3.2 food grants and \$330 per client a year.
- Around 20 per cent of hardship applications are for multiple needs at once. When clients apply for food assistance, they most frequently also apply for assistance with electricity bills, clothing, and accommodation costs.

The Calculator

- The Ministry's Auckland region developed a calculator based on the Otago University Food Cost Survey to provide additional guidance for frontline staff during conversations with clients to help understand their individual circumstances and the level of assistance required.
- In the absence of set food grant amounts, staff working in different sites need support to make fair and consistent decisions. The calculator was designed to assist by condensing the contents of an 18-page Food Cost Survey, and responses to standard questions about client needs, into a simple-to-use tool.
- In addition to Survey data on food cost, the calculator also includes information from Statistics New Zealand's Household Economic Survey (HES) as a starting point for what is usual spending for non-food items, including personal items.
- The sample view below shows the calculator output for a married couple with no children, and five days to the next benefit payment.

MSD Food Calculator

FAMILY	FOOD COSTS	NUMBER OF PEOPLE IN THE HOUSEHOLD	AMOUNT
Man	\$93	1	\$ 93.00
Woman	\$78	1	\$ 78.00
Adolescent Boy	\$97		\$ -
Adolescent Girl	\$79		\$ -
10 yr old	\$67		\$ -
5 yr old	\$57		\$ -
4 yr old	\$44		\$ -
1 yr old	\$38		\$ -
Weekly Food Costs			\$ 171.00
Number of days to next benefit payment	5		\$ 123.00
<u>Non-Food Grocery Items (Household Economic Survey)</u>			
Optional amount that can be added to the Food Grant to recognise non food grocery items ie nappies, hygiene products etc.			\$ 17.00
Recommended base rate for food and non food items for a family of this size till next benefit payment date			\$ 140.00

Figure 2 Sample view of the MSD Food Calculator - for a married couple with no children.

- 14 The calculator aggregates cost estimates taken from the annual Otago University Food Cost Survey for males and females of particular ages to match the household type of MSD clients.
- 15 The second field from the bottom "Optional amount" (red text) is the cost estimate for essential non-food items, such as personal care and household cleaning products. It is based on a HES estimate of the average New Zealand weekly household spend on non-food items. In 2013/14, the HES estimate was \$29.20 but the MSD calculator has been applying a higher sum of \$45 for a family of four. This component of the calculator adds approximately 14 to 15 per cent to weekly food costs.
- 16 University of Otago has expressed concerns about the use of its Survey data in the context of hardship grants. We understand their concerns and are aware of the limitations of the Survey data. One limitation, in particular, is that it is based on the food costs of a family of four (including an adult male, an adult female, an adolescent boy and a 10-year-old). Smaller households can expect to have higher per capita food costs. This is why the Survey has not been used as a final decision-making tool, but as a support for in-depth conversations with clients to understand their circumstances.
- 17 Rates in the calculator have been set to Moderate, which is 30 per cent higher than the basic diet costs. The other two settings in the Otago Food Cost Survey are Basic and Liberal. Basic is the standard estimate of food costs. Moderate adds 30 per cent to this value and Liberal adds an additional 20 per cent to the Moderate rate. Moderate was chosen so clients had a wider range of food products across the food types to choose

from. It was also intended to lessen any potential bias against individuals or families smaller than four people.

- 18 As MSD understands it, the Otago University Food Cost Survey is the only annually updated independent survey of a nutritious weekly basket of food.
- 19 The Social Security Appeal Authority has on a number of occasions referred to the Otago University Food Cost Survey as a useful starting point to assess food costs, in addition to other individual circumstances. In this 2016 judgement, the Authority has referred to the survey as "a useful tool in determining food costs" [\[2016\] NZSSAA 032](#)¹

Supporting families to make ends meet

- 20 Over the last two years, the most common household types (including gender splits) receiving food SNGs across the country have been:
 - Single men
 - Single women
 - Single parents with one child
 - Single parents with two children
- 21 Collectively, these four household types represent 77% of the clients to whom food SNGs are given across New Zealand. The same is true for the Auckland region.
- 22 When clients approach MSD for one-off hardship assistance for food, staff ask them a series of questions to better understand their needs and how these needs have arisen. Questions commonly include:
 - How much do you need?
 - What do you normally spend per week?
 - How much of that spend is for essential items?
 - Do you have any specialist foods requirements for medical or cultural reasons?
 - What has happened in the past week that has created this need?
 - Do you have cooking facilities?
 - How much food do you have left?
- 23 Answers to these questions are not recorded and therefore cannot be quantified. Instead, MSD expects case managers to follow best practice and use discretion wisely.
- 24 These answers to other questions can be quantified, such as:
 - How many days of supplies do you need until your next benefit payment?
 - What is the composition of your household?
 - What essential non-food items do you need?
 - What other additional assistance have you received recently?

¹ An appeal against a decision of a Benefits Review Committee [2016] NZSSAA 32 (20 April 2016).

- 25 The food calculator developed by the Ministry's Auckland region records responses to these sorts of questions.

Interim findings

- 26 We have compared food grants made in Auckland before the calculator was introduced, and afterwards. We have also interviewed 30 staff and surveyed 313 hundred staff. Our interim analysis reveals:

- 1.1 There is no relationship between food grant sums recommended by the calculator and food grant sums issued by staff.
- 1.2 Staff have continued to apply a high degree of discretion to their judgements, as is appropriate. If food calculator recommendations had been applied the amount given to single clients with children would have halved but it barely changed at all.
- 1.3 Although the Otago Food Cost Survey and therefore the MSD food calculator recommend different sums for men and women, in practice there is gender parity in food grant sums given by staff.
- 1.4 Auckland-wide use of the calculator has not resulted in more consistency in average food grant sums for the same types of households requiring food supplies for the same number of days.
- 1.5 Generally, case managers were positive about the calculator and wanted to continue using an improved version of it as a guide, with the option to revise the payment amount up or down.

REP/19/9/967

Author: 9(2)(a) [REDACTED] DCE Advisor, Service Delivery)

Responsible manager: (Dr Simone Bull, Director DCE's Office, Service Delivery)

Appendix: Insights and Analysis

Review approach

- 27 This interim review aimed to understand how the MSD Food Calculator is being used across Auckland service centres and get the views of case managers on how well it was meeting the needs of different clients and how it could be improved.
- 28 The review was conducted over a week. It comprised 30 telephone interviews with case managers, who participated voluntarily and on the understanding of confidentiality and anonymity.
- 29 The interviews informed the development of an online survey to test prevalence of emerging findings. The survey link was distributed to all case managers in the Auckland region and 313 case managers participated.
- 30 Table 1 provides the recommended payments from the calculator, based on five 'household types' we used for this interim analysis.

Table 1 Recommended weekly payments from the calculator, based on the five 'household types'

Household Composition	Estimated Weekly Food Costs
Single	
Male	\$90
Female	\$77
Single with 1 child	
Male, 10-year old girl	\$195
Female, 10-year old girl	\$180
Married with two children	\$380
Adolescent boy and 10-year old girl	

No relationship between calculator guidance and actual grants

- 31 The next series of graphs compare actual food grant payments (blue line) with the calculator recommendations (red line). The pro-rated calculator recommendation is based on the Otago Food Cost Survey and the HES estimate of essential weekly non-food item costs.
- 32 Graphs for each household type are provided, by the number of days until the client's next benefit payment.
- 33 The graphs below show there is no relationship between the calculator recommended payments and actual payments. This suggests staff have applied their own judgement, based on the individual circumstances of the client, over-riding recommendations from the calculator.

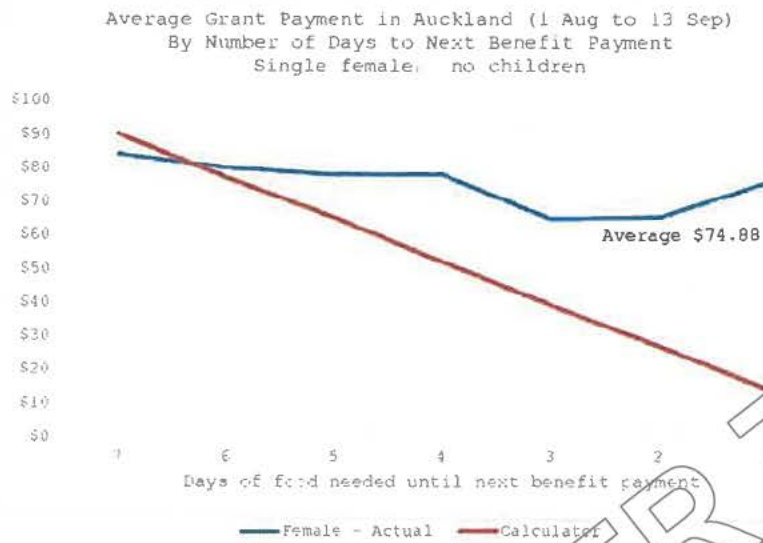


Figure 3 Average Food Grant Payment in Auckland - Single female, no children

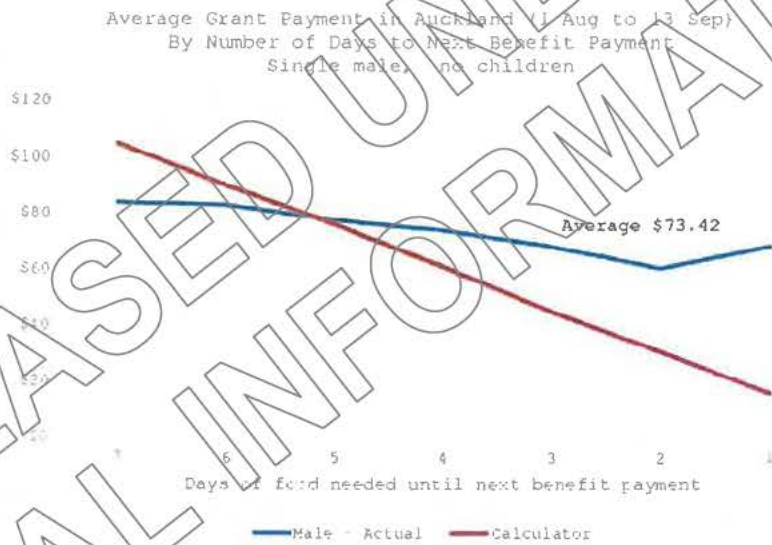


Figure 4 Average Food Grant Payment in Auckland - Single male, no children

Single clients with one child

34 Figure 5 shows that for single female clients with 1 child, MSD is paying above the calculator recommendation for half of the days of the benefit cycle, and less for the other half.

Average Grant Payment in Auckland (1 Aug to 13 Sep)
By Number of Days Before Next Benefit Payment
Single female with 1 child

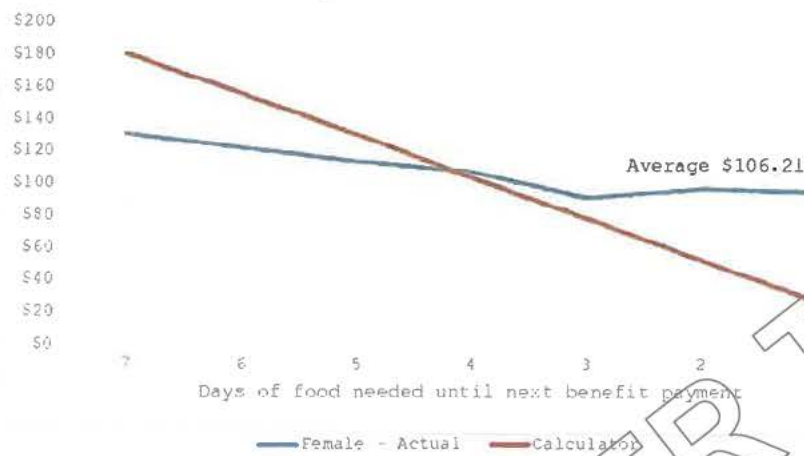


Figure 5 Average Grant Payment in Auckland – Single female with one child

35 A similar picture can be seen for single male clients with one child.

Average Grant Payment in Auckland (1 Aug to 13 Sep)
By Number of Days Before Next Benefit Payment
Single male with 1 child

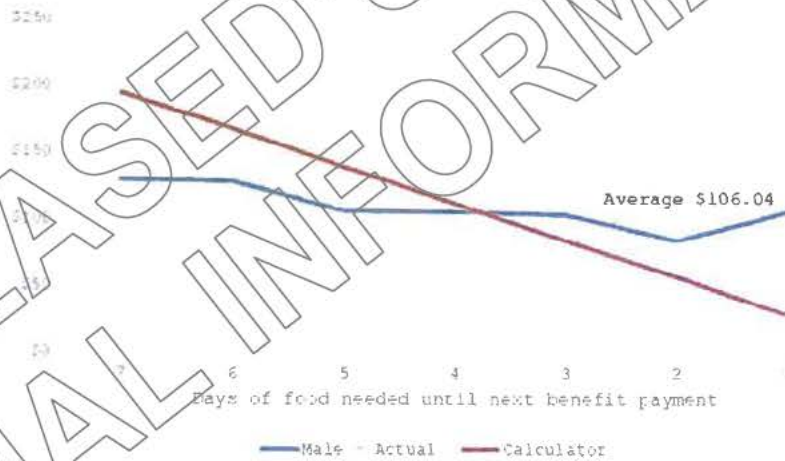


Figure 6 Average Food Grant Payment in Auckland – Single male with one child

Married with two children

36 Figure 7 shows that, for most of the week, MSD is paying less than the calculator recommends. It is worth noting that 76 per cent of payments for more than the calculator recommends were made on the same day, or one day, to a client's next benefit.



Figure 7 Average Grant Payment in Auckland - Married couple with two children

Findings from the case manager telephone interviews and online survey

37 Generally case managers were positive about using the calculator as a guide, with the option to revise the payment amount up or down, when:

- Clients request less.
- There are exceptional circumstances, such as a funeral, a client having temporary caring responsibilities for someone else's children, a large energy bill.
- Costs of packed lunches for school-age children, school trips and travel to school need to be met.

No significant difference between payments to males and females

38 Although the calculator recommends a lower payment for women, actual payments have shown no significant difference in payments to men and women. This suggests case managers have been applying their own judgement based on the individual circumstances of clients.

Single clients with no children

39 Figure 8 compares the average grant payment made to single female and single male clients, by the number of days until the client's next benefit payment. It shows general consistency in payments to men and women.

Average Grant Payment in Auckland (1 Aug to 13 Sep)
By Number of Days Before Next Benefit Payment
Comparing single female and single male, with no children

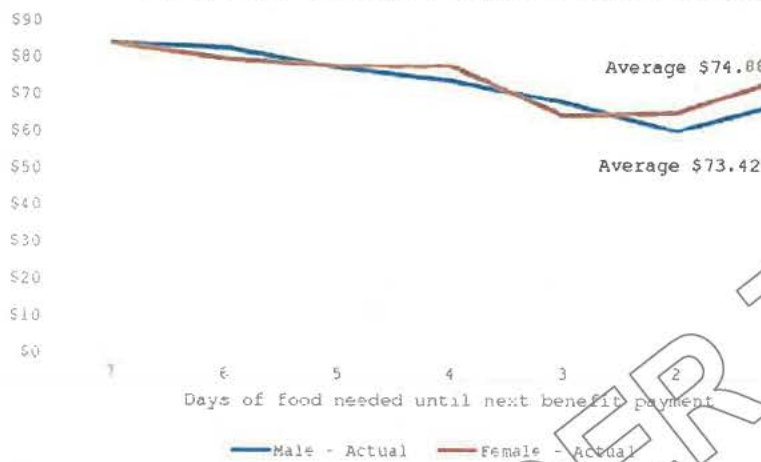


Figure 8 Average Food Grant Payment in Auckland. Comparing single female and single male clients with no children

Single clients with one child

40 Figure 9 compares the average grant payment made to single female and single male clients, with one child, by the number of days until the client's next benefit payment. It, too, shows general consistency in payments made to men and women.

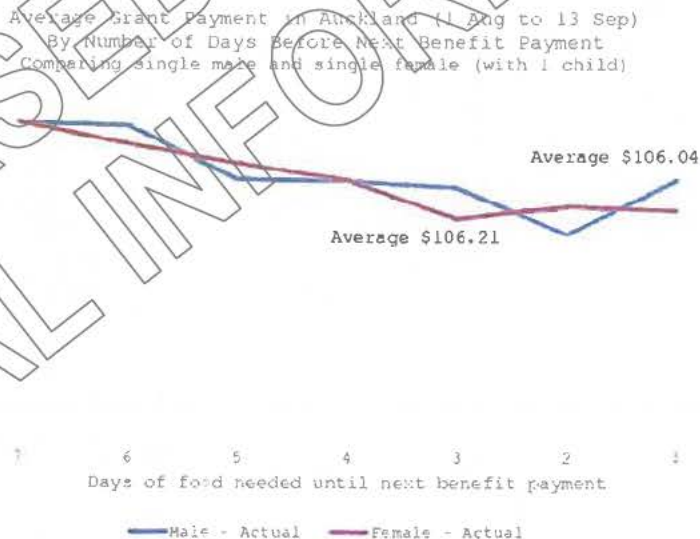


Figure 9 Average Grant Payment in Auckland - Comparing single female and male clients with one child

Findings from the case manager telephone interviews and online survey

41 Case managers identified a number of shortcomings of figures generated by the calculator:

- The calculator suggests lower grants for women and adolescent girls because it assumes they require less food than their male counterparts. Case managers challenged this, noting that food needs vary by person regardless of sex, depending on size, level of activity and cultural norms.

- The calculator did not fully account for the cost of female personal items, such as sanitary products, which presented a financial stress for households comprising multiple females.
- Case managers identified some client groups whose needs were less consistently met by the calculator, including sole parents, who are most often women. Single clients without children were another disadvantaged group, especially when there were fewer days to their next payment. This impact is likely to be greater for women, who already receive less.

No improvement in consistency of food grant payments

- 42 Figure 10 reveals that grant payments are no more consistent after the calculator (orange bars) than before it (blue bars).
- 43 The household group with the largest variation during the calculator, is 'married with two children'.

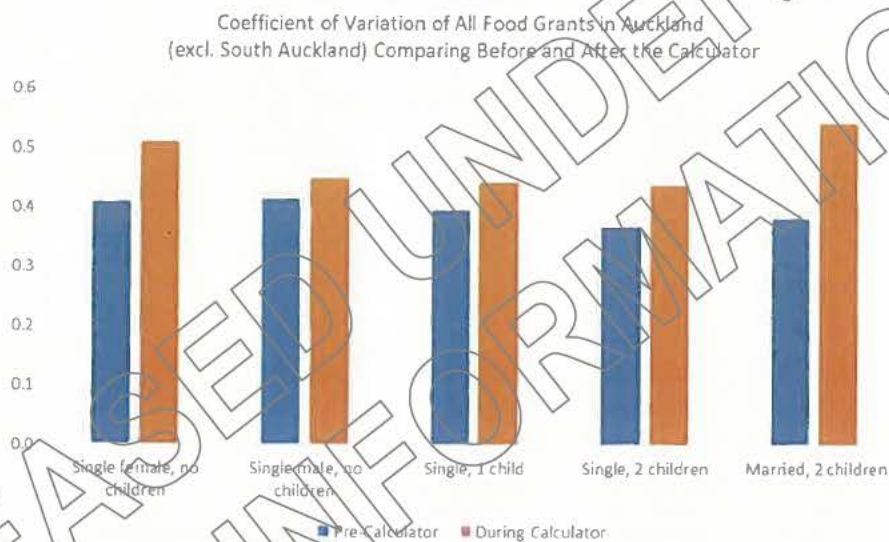


Figure 10 Coefficient of variation of food grants in Auckland (excl. South Auckland) - Comparing before and during the calculator

Findings from the case manager telephone interviews and online survey

- 44 Most case managers were using the calculator as a guide, exercising their discretion to pay higher or lower amounts.

From: 9(2)(a) on behalf of [Liz Jones](#)
To: 9(2)(a)
Subject: FW: Update on Auckland's Approach to Food Grants
Date: Wednesday, 23 October 2019 2:09:44 PM
Attachments: [20190812 Auckland Region Approach to Food Grants V1b.docx](#)
[20190805 Otago Food Cost Calculator \(Moderate\).xlsb](#)
[\(updated\) SSAA FOOD Cases.docx](#)
Importance: High

Hi 9(2)
()

As discussed, please find attached the original email with attachments.

Thanks
9(2)
()

From: Mark Goldsmith
Sent: Thursday, 5 September 2019 10:36 AM
To: Liz Jones 9(2)(k) <[9\(2\)\(k\)@msd.govt.nz](mailto:9(2)(k)@msd.govt.nz)>
Subject: FW: Update on Auckland's Approach to Food Grants
Importance: High

Morena Liz,

Please see below and attached as we just discussed.

Nga Mihi,

Mark Goldsmith

Regional Commissioner for Social Development – Auckland/ Tamaki Makaurau
Ministry of Social Development



From: 9(2)(a)
Sent: Monday, 2 September 2019 3:27 PM
To: 9(2)(a) 9(2)(k)
Cc: 9(2)(a) 9(2)(k) 9(2)(a)
9(2)(k)
Subject: Update on Auckland's Approach to Food Grants
Importance: High

Hi 9(2)
()

Attached is a draft version of our practice guide. This has yet to go out to sites as we have been making minor variations based on feedback we are getting from sites.

The guide talks about using the calculator as part of the normal practice when assessing:

1. The need for a Food Grant; and
2. The amount to be issued.

As I have indicated in previous correspondence there is nothing in MAP guidelines or

Processing Standards to assist the Case Manager or Customer Service Representative in determining the amount to be issued other than:

- Payment is for food only (list of products it cannot be spent on)
- It needs to relate to an immediate need caused by spending money that would otherwise be spent on food to be used for some other essential spend
- Maximum amounts that can be spent

Social Security Appeal Authority

To help us with this we have turned to the [2011 SSAA](#) decision that in turn refers to the Otago Food Study as a guide to the minimum amount that should be paid out. This is reflected in the calculator we have developed (also attached).

I have also begun looking at subsequent SSAA decision post the 2011 decision to see if there has been in any change in direction. There are approximately 20 pages of decisions. I have looked over the first two pages for decisions latter than 2011 which all reiterate the view of the 2011 case.

I have attached the findings so far which give references and links to the specific cases. The list includes five cases taken by AAAP against the Ministry following the 2014 IMPACT in Mangere – all of which have been dismissed as the Ministry has applied at the minimum the “basic” rates. In all nine cases since 2011 I have looked at, the message is the same.

There have also been some strong messages from the Authority with respect to “essential needs” and “specialist diets” that could be included in future work on this topic

Contact Centre

I have spoken with **9(2)(a)**, and **9(2)** has advised that the Contact Centre are not using the calculator, and are basing decisions primarily on:

- How much does the client normally spend per week?
- How much of this did they use of this amount to cover the expense item?

This places us under risk if the client if the client’s normal weekly spend is under what the SSAA as indicated is the minimum amount that should be looked at ie “basic rate x family make x number of days between date of need and next weekly benefit payment.

Service Centres

From my visits to sites and one on one discussions with Managers, Trainers and staff the calculator has been adopted, although more of a substitute for current practice rather than a part of the practice.

General feedback:

1. Thumbs up for the Supermarket approach which has in some sites (anecdotally) seen a drop off in clients seeking assistance.
2. The aim to be more consistent in our approach to assessing food grant payments is appreciated by staff and a calculator helps achieve this. Although there are concerns that only Auckland sites are using such a methodology.
3. Staff in Auckland South sites are much more comfortable with the Otago Food Study and the Calculator than staff in Auckland Central and North sites. Auckland South has been using similar models since the 2016 three-day AAAP IMPACT.
4. Concern has been expressed on:
 - a. The need to manually work out the “date of immediate need” that the Food Grant should start from
 - i. this is often different from the date applying depending on how much of the weekly food budget is left after the expenses
 - ii. failure to do this could result in grants being higher than they need to, which is not the purpose of what we are aiming to achieve with our consistent approach
 - b. For single clients with no dependants that the rate we are using from the

- OFA (Moderate) is not high enough, as the ability to purchase single person packages of food items is limited
- c. That clients normal weekly payments after rent, debts, fines etc are paid out means they could not afford a weekly diet at the rates prescribed in the Otago Food Study, which could lead to more clients applying for Food Grants to top up weekly food costs
4. There is more training and socialising needed:
- a. The calculator is not a replacement for the discretion to make a payment - current eligibility and practice around this still needs to be applied
 - b. The SSAA through its decision making is sending a very clear signal that the Basic rate for the family situation and the number of days that is needed is the minimum we should be paying.
 - c. The establishment of the "date of immediate need" to prevent paying more than what the client is entitled to (the attached guidelines will assist her)

Next Steps

We are working on version two that will:

1. Identify the "date of immediate need" through entries from conversation between client and case manager:
 - a. How much are you seeking?
 - b. What do you normally spend each week on Food?
 - c. What were the essential items/services and their costs that you needed to purchase
2. Providing more guidelines in the calculator to the conversations that should take place in terms of responses to the questions and areas we complete in the calculator
3. Put in settings to (if we choose to use them):
 - a. address the issues for single clients with no dependants
 - b. look at how we deal with clients with special dietary needs (as supervised by medical practitioners)

Work with the Regional Training Team to socialise the calculator as part of practice not the replacement of the current practice on deciding to issue a grant and the amount.

Regards

9(2)(a) [REDACTED] – Lead Advisor to the Regional Commissioner

9(2)(k) [REDACTED] | www.workandincome.co.nz

9(2)(k) [REDACTED]

9(2)(k) [REDACTED]

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Auckland Region Approach to Food Grants

Rational Includes:

- 4 principals the Auckland Region is applying to the issuing of food grants
- Linking the grant request to full and correct entitlement

Client Applies

- Identifying Food Grant Need includes:
 - Links to clause 11.2; MAP; and reference to the 1996 Hail High Court case
 - Establishing the "immediate need date"
 - Considerations for clients regular applying for Food grants

Amount to Pay

- How to assess the amount to be provided includes
 - How to assess the amount to be provided
 - References to the SSAA 2011 ruling and the Otago Food Study's 16-page booklet

Use of the Calculator includes

- The use of moderate amounts, including children both dependent and those in UCB/OB; including amounts for non-food items, and supermarket/all food supplier split
- Exemptions: client requesting less; foods for Religious/Culture needs; locations with no supermarkets; clients in Emergency Housing or in shared houses

Rational

For some time, various sites within the wider Auckland Region have used a number of different ways to calculate amounts to be paid when issuing food grants.

In the Auckland Region the demand for food assistance continues to increase in contact centres and sites. We also know that accommodation costs are high, and this is contributing to demand for hardship assistance.

Operational Excellence has focused us on ensuring that clients are receiving full and correct entitlement by sweeping the SWN. It is important that we have the right conversation to determine a range of assistance that clients may be eligible for and understand their overall circumstances. Our first priority is to ensure that clients have their benefits granted or resumed and that they are being paid correctly.

While we are focussed on clients receiving full and correct entitlement we also want to ensure that we are consistent in our decision making around the amounts of hardship assistance we are paying. To support regional consistency in our decision making on food grants the Auckland Region has made two changes:

1. Introducing a calculator based on the Otago Food Study to ensure consistency is calculating amounts to clients and whanau
2. Utilise Supermarkets as the main supplier for foods grants, so as to ensure maximum spending ability of the client.

There are no changes to how we assess the need for food grants. The changes are to the amounts we pay and where we direct the majority of spend, based on the following principles:

- a) Achieve consistency in the way we calculate amounts to be given to individuals and families across Auckland
- b) Ensure that the amounts we give to clients enable them to provide the necessary nutritional meals to their family between the day of request till the next benefit payment
- c) That the money given is spent at suppliers who provide the most economical value for money on the range of food types that are needed to meet point b2)
- d) That in making these decisions on amounts and suppliers we fall within the parameters of Ministerial Directives, Social Security Authority Appeal rulings, and MAP, as well as minimise the number and process for appeals in this area

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Identifying Food Grant Need

In summary the Auckland Region has made no changes to our practice in terms of identifying the need for assistance to provide food to a client and their whanau.

If a client has had to use funds from their normal weekly food expenditure, for other essential items/costs then they would be eligible for food assistance.

The information below contains links to useful resources that can support staff in their decision making

[Clause 11.2](#) of the Special Needs Grant set out the legal qualifier for approving a food grant.

There are qualifiers:

- a) the Applicant or his or her Immediate Family has an immediate need to purchase food; and
- b) the Applicant and his or her spouse or partner (if any) have no resources to meet that need, and would otherwise have to rely on a food bank to meet that need; and
- c) that need, or the lack of resources to meet it, was caused by an essential expense that had to be met and which left insufficient money to buy food.

Further support in identifying the need can be found in [food section](#) of the Special Needs Grant programme

The [Essential Needs](#) section in MAP also references essential being Special Needs Grants for Essential Needs are only for a need that is immediate and essential. In general, these situations can be foreseen and therefore do not come under the emergency criteria. An immediate need must still be established in all cases before assistance is granted.

While there are [maximums](#) on the amount of food payments a client can receive there are also [exceptional circumstances](#) that should be taken into consideration.

A 1996 High Court case Hall v DGSW, (a test case to determine whether special needs grant restricted to one off situation as opposed to situation of ongoing need) made reference to food as a basic need and it is possible that families with limited incomes and significant rental; medical and other living expenses could find entitlement on most days of the year. The Court further ruled that “not too much weight should be placed on “exceptional circumstances” qualification when a need has been identified.

Clients regularly applying for food assistance

When a client is a regularly applying for food consideration should be given to:

1. Ensuring full and correct entitlement (FACE)- [other income assistance](#)
2. If FACE has been completed and client is receiving everything they are entitled too, and the client is still requiring assistance for food then a more in-depth discussion should occur.
3. We should be aiming to understand:
 - a. Are there other expenses that we do not know about?
 - b. Are we able to use our supplementary assistance programmes (Accommodation Supplement; Disability Allowance; Temporary Additional Support etc) to support the client?
 - c. Are their items that a Building Financial Capability provider can assist the client with?

Neither of options 2 or 3 can be used as reason for declining assistance (refer to the 1996 Hall High Court case). They are actions we should be taking to prevent the regular need for food grants.

The 1996 High Court case Hall v DGSW further ruled that clause 11 of the Special Needs Grant programme was not limited to one off food needs but provides the mandate to provide Food Grants on a regular basis providing the criteria was met on each occasion they are requested.

If, there is another product i.e. disability allowance and TAS for specialist food requirements; increase TAS to meet other eligible expenses etc that could be used to reduce or eliminate a regular need, it can be applied as a substitute for a food grant, but it must be applied and actioned on the same date as the food request. You cannot decline a food grant on the basis that another product will meet the need unless you apply that other product.

Setting the date for “immediate need”

There are some situations where the date of the immediate need is not the same date as date the client is applying.

For example:

- A single client is paid his weekly benefit on a Thursday
- His normal weekly grocery spend is \$100, but on Thursday he redirected \$30 to the Power Company to cover arrears, and his therefore short by \$30 on what he normally spends on groceries each week
- He comes into an office on Friday seeking a \$30 dollar top up
- Because he has \$70 to spend on food he does not have an immediate need – the immediate need does not occur until the following Tuesday

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- However, it is not good customer service to advise him to reapply on Tuesday, so given we know an immediate need will arise before the next weekly benefit payment we could make a food grant on Friday.
- In assessing the amount, we would use Tuesday as the day of the immediate need and provide a 2-day food grant to cover Tuesday and Wednesday.

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How to assess the amount to be provided

In 2010 the [Social Security Appeal Authority](#) made a ruling on applying food grants which essentially had four conditions:

1. The client must have an immediate need for food assistance (paragraphs 23 and 24)
2. That food grants should not cover non-food items (paragraph 22)
3. That the immediate need is between the day of application and the date of the next benefit payment, and that the client is expected to make some provision for food within their weekly benefit (paragraphs 23 and 25)
4. References to amounts to be no less than the latest Otago Food Study for the client's area in terms of the amount being requested (paragraph 27)

The [Otago Food study](#) is a comprehensive study that was undertaken by Otago University back in the 1970's on food requirements for whanau and costs of food. It is updated each year with it's costings. The latest study for 2018.

The 16-page booklet covers:

- The recommended amount of food needed by gender and age (page 3)
- The food costs (Basic, Moderate and Liberal) for people living in Auckland (page 6)
- A summary of Basic, Moderate and Liberal is on page 5. There is no difference in nutritional value of foods listed under Basic, Moderate and Liberal, the only difference is the range of food types that fall into each group – with price being the determining factor
- Range of foods under Basic, Moderate and Liberal are listed on page 10
- Estimated household expenditure on non-food grocery items from the 2015/16 study are included on page 12

Use of the Calculator

The calculator is a tool that we are using which is based on the latest [Food Study](#) results for people living in Auckland. **By adding the calculator to our current practices to identifying a Food Need (page 3) we address both the principles outlined on page 2 and make decisions in accordance with the direction under the: Ministerial Directives; MAP guidelines and the Social Security Appeal Authority.**

There will always be [exceptions](#), and these commented on further on pages 8, 9 and 10.

We have used the “Moderate” as a way of ensuring our base calculation:

- allows for a wide range of foods that can be purchased to meet the nutritional needs of clients and their families.
- ensures clients with health conditions that place dietary conditions can access a wider range of suitable foods

The moderate level is set at +30% on Basic costs (page 5) thus giving a fuller range of food types (page 10) that can be purchased to meet variety of food types needed to have nutritional and balanced meal.

When using the calculator, the first step is to identify the gender and age of all the members in the family. For children this includes:

- Children who are dependant on the parent/caregiver (for which Family Tax Credits – full or part are paid for)
- Children who are cared for by the care giver while receiving Unsupported Child Benefit or Orphan’s Benefit
- Children that are temporarily in the care of the client ie
 - children in shared custody that are staying with one parent/caregiver for parent order specified times; or
 - children of another care giver being looked after during a period of time ie hospitalisation where the primary caregiver is unable to look after them

We have changed the age range in the calculator to make it easier to determine age cut off points.

The second part is to enter the number of days between the date of client has as immediate need (see “setting the date of immediate need on page 4) and the date that the next benefit payment will be made. This follows on from paragraphs 23 and 25 of the [SSAA 2011](#) ruling.

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The calculator will do the rest and will calculate:

- An amount that will enable a client to provide the necessary nutritional meals to their family between the day of request till the next benefit payment.
- Despite paragraph 22 of the SSAA 2011 ruling we have added a \$ value to cover non-food items such as hygiene products; cleaning products; and nappies.

The calculator also works out the amount to pay to specific “Supermarket suppliers” and general “food suppliers”. This is 30% of the costs up to a maximum of \$30. This is to recognise that:

- The Otago Food Study food costs are based on supermarket prices
- Supermarkets offer best value for money across the range of food products needed to provide a balanced and nutritional meal plan
- A small amount of money to buy items that may have been forgotten when using the card at the supermarket and quick trip to the local dairy/superette should suffice.

The Calculator is more than a guide, it is a methodology we have adopted to help us be consistent in the way we will assess the amounts we will be paying to clients so that they:

- a) Are able to provide the necessary nutritional meals to their family between the day of request till the next benefit payment
- b) That the money given is spent at the most economical suppliers of the range of food types that are needed to meet point a)

Exceptions:

Client requests a lower amount:

A request for a lower amount may be because:

- The client normally budgets for a weekly food value less than what the Otago Food Study recommends as nutritional balanced diet;
- They may have food at home and only need a top up – this does not meet the emergency need criteria at the time of request, but will do before the next weekly benefit payment (*see immediate need on page 4*)

There may be other reasons, having a good discussion with your client will help determine what their needs are. We should give our clients the option of being able to adequately feed their families, however if they still insist on a lower amount then we can accept this

We need to ensure that all decisions are documented, and clear notes are recoded in the system. Such notes are valuable should the client later appeal the decision outside the emergency period.

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If they come back to you for more emergency food before the next payment period, you can do a new calculation for the remaining week's balance and make a second payment. The split between Supermarkets and all food supplier is still to be adhered to even if lower rates are given.

Client Requests a Higher amount

A request for a higher amount may fall into one of three categories:

- a) The client has a certain balance available and may make application for the full amount
- b) The client may spend more per week on food than the moderate amount we are using as a base assessment
- c) The client or members of their family may have special dietary needs that limit the type of food they can take (which may affect costs)

Point A is often cited by Advocate groups and provides an opportunity for the client to stock up on food and non-food items. The 2011 SSAA case referred to on the calculator and number of subsequent cases have not supported that view.

Point C has been commented on a number SSAA cases and one from [March 2016](#) goes on to comment that such items should be included as part of the client's disability allowance and also be shown to be part of their regular purchases.

If a client has a dietary plan that is being managed by approved medical practitioners and the cost are such that additional support is made via disability allowance, then consideration should be given to the higher amount.

Point B may be related to circumstances identified in Point C, although it might for other reasons. If the client is able to show (via budget or other means) that their normal weekly spend is greater than the Moderate assessment, we are using; and that the purchases are sustainable under their current income and expenses then consideration for paying at the higher rate should be given.

Food Items needed for religious/cultural needs and not supplied by Supermarkets

The weekly list covers all the food suppliers with:

- Supermarkets shaded yellow – first option
- Meat/Butchery shops shaded blue – should only to be used if there is no supermarket within 5 kilometres of the office/client's home or where there are cultural/religious food needs to be met
- Fruit/Vegetable shops shaded orange – should only to be used if no supermarket exist within 5 kilometres of the office/client's home or where there are cultural/religious food needs to be met

If using non-supermarket suppliers for religious/cultural or location needs Managers should be satisfied that the supplier being used as the same practices that supermarkets have with respect to what can be purchased by clients.

The Otago Food Study does not breakdown the % between meat/fruit and vegetable/other food types so if using specialist shop for religious or cultural needs you will need to discuss the amount with the client that is needed from the specialist shop.

Locations where there are no Supermarkets:

With the exception of Great Barrier Island most sites will have supermarkets within 5 kilometres of their premises or 5 kilometres of the client's home. However, if this occurs then you can look at alternative food suppliers for the client that are close to where the client lives.

When looking at this option view the suppliers the client has been spending their food grants at and if they have been travelling around the Region to purchase food then they have the mechanism to get to the nearest supermarket.

Clients staying Emergency Housing/ Sharing housing costs

Clients in emergency housing or in flatting situations may not have sufficient fridge size or cupboard space to store a full week's worth of food. They are likely to do their grocery shopping two to three times in any given week.

We will use the specified supermarket as the main supplier, however if the period between the emergency and the payment of the next weekly benefit is more than three days then extend the card to allow for more days to complete their shopping needs.

SSAA FOOD Cases

http://www.nzlii.org/cgi-bin/sinosrch.cgi?method=auto;query=food;meta=%2Fnz;mask_path=nz%2Fcases%2FNZSSAA%20&ofset=20

An appeal against a decision of a Benefits Review Committee [2019] NZSSAA 12 (8 March 2019)

Food case where client wanted \$225 as this was the cost of washing machine bill. He was given \$95 as this was the balance of his 6 month allocation. No mention of OFS. Appellant's case was dismissed based on his dishonesty matters related to washing machine repairs and company that could not be located.

<http://www.nzlii.org/nz/cases/NZSSAA/2019/12.html>

An appeal against a decision of the Benefits Review Committee [2011] NZSSAA 109 (12 December 2011)

Multiple food request: some dealt with via:

Refusing to go to Budgeting – paragraph 79

No further entitlement - paragraphs 53 to 59

Mention of OFS in terms of amounts asked v received paragraphs 17 to 24 (specifically 22)

<http://www.nzlii.org/cgi-bin/sinodisp/nz/cases/NZSSAA/2011/109.html?query=food>

An appeal against a decision of the Benefits Review Committee [2014] NZSSAA 68 (29 August 2014)

Decisions on a food request and whether the situation the client found themselves in warranted an emergency situation versus one that could have been planned for.

Also raised timing of request at same time weekly benefit paid.

Case was dismissed

<http://www.nzlii.org/cgi-bin/sinodisp/nz/cases/NZSSAA/2014/68.html?query=food>

An appeal against a decision of a Benefits Review Committee [2016] NZSSAA 32 (20 April 2016).

Case taken by AAAP asking for \$250 so as to include nonfood items. Attended 2014 IMPACT day. Objected to the formulated approach taken by MSD. Originally granted \$150 but MSD increased to \$180. OFS at the time for 1 adult and 2 adolescence was \$176

[24] The Otago University Food Cost Survey is a useful tool in determining food costs. We agree with the submission made on behalf of the appellant that the information needs to be taken into account along with other circumstances, particularly the appellant's immediate and essential requirement for food and her ability to meet that need. There is no evidence from the appellant about these matters which assists in this case. There is no evidence about what the essential expenses were that the appellant had to meet which precluded her ability to purchase food. There is no evidence about any special requirements the appellant might have for food or an explanation of why the amounts granted of either \$150 or \$180 were inadequate to meet her need. We are not satisfied on the basis of the evidence available that the grant made, whether it was \$150 or \$180, was insufficient to meet the appellant's need for food.

[25] The appeal is dismissed.

<http://www.nzlii.org/cgi-bin/sinodisp/nz/cases/NZSSAA/2016/32.html?query=food>

Similar case also taken by AAAP in response to Food and IMPACT days

<http://www.nzlii.org/cgi-bin/sinodisp/nz/cases/NZSSAA/2016/29.html?query=food>

<http://www.nzlii.org/cgi-bin/sinodisp/nz/cases/NZSSAA/2016/46.html?query=food>

<http://www.nzlii.org/cgi-bin/sinodisp/nz/cases/NZSSAA/2016/30.html?query=food>

An appeal against a decision of a Benefits Review Committee [2017] NZSSAA 60 (18 October 2017)

Request for \$200 due to special food needs. Was declined as MSD had granted \$726.02 to enable the appellant to attend an appointment with his doctor to obtain the required medical certificate and cover his immediate food needs. (paragraph 5)

[paragraph 19] Appellant states that these invoices represent \$216.99 per week food costs and that the appellant is entitled to the difference between these costs and the Otago University Food Survey assessment of weekly food costs.

[31] In 2016 the University of Otago food cost survey estimated the cost of a basic balanced diet for a single man to range from \$63 to \$65 a week. The estimate for a liberal diet was between \$98 and \$102 a week. As the amount released to the appellant was significantly higher than the amount estimated by the University of Otago food cost survey for a liberal diet, we consider that the appellant could reasonably be expected to have met any essential or immediate needs he had at the time, including the additional food costs, from the sum available to him.

[32] For these reasons, the appeal against the decision to decline the application for a non-recoverable SNG is dismissed.

<http://www.nzlii.org/cgi-bin/sinodisp/nz/cases/NZSSAA/2017/60.html?query=food>

An appeal against a decision of a Benefits Review Committee [2016] NZSSAA 11 (2 March 2016)

[1] The appellant appeals against a decision of the Chief Executive upheld by a Benefits Review Committee to make a non-recoverable Special Needs Grant for food of \$100 rather than a greater amount.

[4] On 24 February 2015 she applied for a Special Needs Grant for food. The appellant says she made the application because she had had to pay an unexpected doctor's bill of \$42 and pay for non-subsidized prescription items and pharmaceuticals amounting to \$101.36. We understand that no particular amount was sought at the time of the appellant's application. At the hearing of this matter, submissions prepared by her advocate suggest that the amount should have been \$143.36; that being an amount equivalent to the unexpected expenses she had incurred. The appellant herself said she wanted \$200 as that was what would be required to cover the cost of a special diet recommended to her by a dietician.

[10] The Otago University Food Cost Survey for 2015 is a useful tool in determining what the cost of a person's weekly food requirements might be. The survey does not specifically give figures for Taranaki, but figures for the nearest city (Hamilton) indicate that in 2015 the cost of a basic diet for a woman was \$57, a moderate diet cost \$74 and a liberal diet cost \$89. These figures are not significantly different from the figures for the two other North Island centers surveyed, namely Auckland and Wellington. On the basis of this information a grant of \$100 should have been more than adequate to meet the appellant's food costs until her next benefit payment.

[12] We note the following:

- (i) No special foods are included in the assessment of the appellant's

Disability Allowance.

- (ii) The appellant referred to a recommendation from a dietician that she follow a FODMAP diet, although she did not produce confirmation of this on this occasion. Nor did she produce evidence of the cost of this diet.

- (iii) She did not produce any independent confirmation that she was, in fact, following a FODMAP diet. The appellant said that she cannot follow the diet because she does not have sufficient funds to do so.

- (iv) The appellant did not give evidence that she went without food as a result of the payment to her of \$100.

[13] The Otago University information suggests that the \$100 the appellant received amounts to \$43 more than the cost of a basic diet. This suggests that if the appellant had a genuine need for special food (and we are not satisfied that this is the case) she had the ability to purchase some special foods in any event.

[14] We are not persuaded that the grant of \$100 to the appellant to meet her food needs until her next benefit payment was insufficient to meet her need.

[15] The appeal is dismissed.

<http://www.nzlii.org/cgi-bin/sinodisp/nz/cases/NZSSAA/2016/11.html?query=food>