



1 July 2025

Tēnā koe

Official Information Act request

Thank you for your email dated 4 June 2025 in which you requested information about the Ministry of Social Development's (the Ministry's) administration of food grants.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on each part of your request set out under the headings below.

1. The date when the current guidelines on maximum food grant amounts per household type were first introduced.

The maximum amounts of food outlined in the Special Needs Grant (SNG) welfare programme, have not changed since the programme's introduction in 1999. In 1994, through the previous SNG welfare programme, the maxima for food were increased to the current amounts. The current maxima are available here: www.workandincome.govt.nz/map/income-support/extra-help/special-needs-grant/maximum-payment-for-food-01.html.

Staff may exercise discretion to exceed food grant maxima when the client has exceptional circumstances. Further information about exceptional circumstances is available here: www.workandincome.govt.nz/map/income-support/extra-help/special-needs-grant/exceptional-circumstances-01.html.

2. A history of any changes made to these guidelines, including:
a. dates of implementation

b. the recommended maximum amounts

c. any rationale or context provided at the time for setting or adjusting these thresholds.

In 1994, the current maximum amounts for food grants increased from:

- \$150 to \$200 a year for single people.

- \$200 to \$300 a year for married couples without children.
- \$300 to \$450 a year for married couples and sole parents with one or two dependent children.
- \$300 to \$550 a year for married couples and sole parents with three or more children.

On 4 August 2008, the SNG welfare programme was amended and the period during which the food grant maxima applied decreased from 52 weeks to 26 weeks. For example, a single person who previously qualified for a maximum of \$200 for food in a 52-week period prior to 4 August 2008 then qualified for a maximum of \$200 for food within a 26-week period from 4 August 2008.

Income thresholds for hardship assistance, including food grants, increased permanently on 1 July 2022. This significantly increased the numbers of people to qualify for that assistance. Further information is available here: www.msd.govt.nz/about-msd-and-our-work/newsroom/budget/2022/factsheets/hardship-assistance.html.

Further information which is relevant to this part of your request is contained within the documents linked below:

- Advice and data about food distribution services for beneficiaries, inclusive of foodbanks, in the past ten years (previous OIA response) - www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2024/september/19092024-advice-and-data-about-food-distribution-services-for-beneficiaries-inclusive-of-foodbank-in-the-past-ten-years-1-.pdf
- Foodbank Demand and Supplementary Assistance Programmes: A Research and Policy Case Study - www.msd.govt.nz/about-msd-and-our-work/publications-resources/journals-and-magazines/social-policy-journal/spj05/05-foodbank.html.

3. A copy of the most current national policy or guideline documents outlining

a. Recommended maximum amounts by household type (e.g. single, couple, families with children)

I refer you to www.workandincome.govt.nz/map/income-support/extra-help/special-needs-grant/maximum-payment-for-food-01.html.

b. Any instruction or clarification regarding staff or manager discretion

I refer you to www.workandincome.govt.nz/map/income-support/extra-help/special-needs-grant/exceptional-circumstances-01.html.

4. Any internal reviews, evaluations or assessments undertaken by MSD since 2017 regarding the adequacy of these guideline maximums in relation to rising food costs or inflation.

I refer you to **Appendix 1**, which contains one complete report (REP/22/5/373) and excerpts of another report (REP/22/9/841), both prepared in 2022, from the Ministry to Hon Carmel Sepuloni, then Minister for Social Development and Employment, which contains information that is relevant to this part of your request. You will note that only the parts of the reports which are relevant to your request have been provided. Pages of REP/22/9/841, which do not contain information directly relevant to your request have been omitted. Paragraphs which do not relate directly to your request have been redacted as 'out of scope.'

5. Confirmation of any temporary changes to food grant guidelines during the COVID-19 pandemic, including:

a. Dates when these temporary adjustments were introduced and when they were reverted

b. The nature and extent of those changes

As part of the Ministry's immediate response to COVID-19, temporary operational changes were made to increase each food grant category maxima by \$400 in a 26-week period. These changes were introduced on 1 April 2020, in response to the first Level 4 COVID-19 lockdown.

These changes were introduced to:

- ensure that people who had an immediate and essential need for food were able to access financial assistance without delay; and
- divert some clients away from contact centres and service centres to MyMSD (the Ministry's online portal) to apply for food grants, to enable the Ministry to manage the unprecedented demand for financial assistance caused by the COVID-19 pandemic.

The changes resulted in a channel shift, as clients were able to access an increased amount of financial assistance for food grants online through MyMSD. This diverted some people from calling the Ministry's contact centres during the lockdown period.

Under usual settings, MyMSD directs people applying for food grants who have reached their food grant maximum to call one of the Ministry's contact centres. This enables Ministry staff to establish whether the client has any exceptional circumstances which should be considered that may justify exceeding the maxima.

Diverting people away from contact centres increased the Ministry's capacity to prioritize the processing and approval of applications for assistance, including main benefits and wage subsidies.

The Ministry resumed its usual settings for food grants on 10 August 2020.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

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 my decision on your request, 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.

Ngā mihi nui

pp.



Anna Graham
General Manager
Ministerial and Executive Services

Appendix 1

RELEASED UNDER THE
OFFICIAL INFORMATION ACT



MINISTRY OF SOCIAL
DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Report

Date: 26 May 2022

**Security
Level:**

IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development and
Employment

Budget 2022 decision to permanently increase hardship assistance income limits

Purpose of the report

- 1 This report seeks your approval and signature of the attached legal instrument, to give effect to the Budget 2022 decision to permanently increase hardship assistance income limits.

Recommended actions

It is recommended that you:

- 1 **note** that as part of Budget 2022 Cabinet agreed to permanently increase hardship assistance income limits
- 2 **approve and sign** the attached instrument amending Ministerial Directions and Welfare Programmes giving effect to the Budget 2022 decision
agree/disagree
- 3 **note** that your office will arrange for a copy of the instrument to be tabled in the House of Representatives once you have signed it

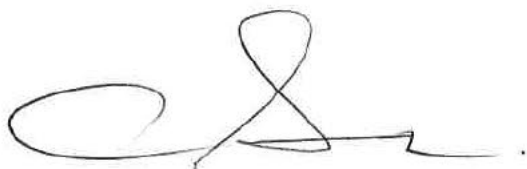
- 4 **note** that officials will arrange for publication of the amendment on the Ministry of Social Development's (MSD) external website, and in the *New Zealand Gazette* at the earliest opportunity.



Bede Hogan
Policy Manager
Income Support Policy

26/5/2022

Date



Hon Carmel Sepuloni
Minister for Social Development and
Employment

29/5/22

Date

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

Hardship Income Limits have temporarily been increased

- 1 On 6 October 2021, the Cabinet Business Committee (having been authorised by Cabinet to have Power to Act) agreed to temporarily increase the income limits for Special Needs Grants, Recoverable Assistance Payments and Advance Payments of Benefit (collectively referred to as 'hardship assistance') for four months from 1 November 2021 to 28 February 2022 [CBC-21-MIN-0118 refers].
- 2 On 20 December 2021, Cabinet agreed to extend a temporary increase to hardship assistance income limits for an additional four months from 1 March 2022 to 30 June 2022 [CAB-21-MIN-0548 refers].

Cabinet agreed to a permanent increase of Hardship assistance from 1 July

- 3 Cabinet approved a Budget 2022 bid to permanently increase hardship assistance income limits from 1 July 2022 to the following:

Category	Proposed income limit
Single, 16-17 years	\$737.86
Single, 18+ years	\$848.00
Couple (with or without children)	\$1,231.72
Sole parent 1 child	\$1,029.02
Sole parent 2+ children	\$1,084.13

- 4 The initiative also included agreement to index hardship assistance income limits to net average wage growth from 1 April 2023.
- 5 Some of the new permanent income limits are lower than the previous temporary income limits, but higher than the income limits that existed prior to 1 November 2021, when the temporary increase to income limits first came into effect. This is because the proposed permanent income limits have been scaled as part of the Budget 2022 bid process.
- 6 Consistent with decisions made for the temporary increase to income limits, Emergency Housing Special Needs Grants (SNGs), Transition to Work Grants (TTWG), the Course Participation Assistance (CPA), Seasonal Work Assistance and Funeral Grants are not included in the permanent increase [REP 21-12-1327 refers].
- 7 The instrument giving effect to the Budget decision is attached for your approval and signature.

Next steps

- 8 Once you have signed the attached instrument, officials will arrange for publication of the instrument in the New Zealand Gazette. Your Office will also need to table the instrument in the House of Representatives as soon as practicable.
- 9 A copy of the instrument will be published on the Ministry of Social Development's external website, as required by section 74 of the Legislation Act 2019 section 101 of the *Social Security Act 2018*.
- 10 The updated Ministerial Direction and Welfare Programmes will be made available on MSD's external website as soon as possible. This aligns with the usual processes for publishing changes to delegated legislation on the external website.

REP/22/5/373

Author: Katie-Rose Morris-Cole, Policy Analyst, Income Support Policy

Responsible manager: Bede Hogan, Policy Manager, Income Support Policy

RELEASED UNDER THE
OFFICIAL INFORMATION ACT



Report

Date: 10 November 2022

**Security
Level:**

BUDGET - SENSITIVE

To: Hon Carmel Sepuloni, Minister for Social Development and
Employment

*This report may contain legal advice and be legally privileged. It should not be
disclosed on an information request, without further legal advice.*

Review of hardship assistance - options for change

Purpose of the report

- 1 This report provides advice on potential options to make changes to hardship assistance provided under the Social Security Act 2018, including:
 - increasing grant maxima, introducing new cost categories, and changing the balance of recoverable and non-recoverable assistance, which could be progressed in Budget 2023 or future budgets

• Out of scope

Executive summary

- 2 The Ministry of Social Development (MSD) has been progressing the review of hardship assistance (the review), in line with recommendations 14 and 24 of the Welfare Expert Advisory Group's (WEAG) report *Whakamana Tangata*. The review intersects with other key work programmes, including the cross-agency debt to government work programme, work on food security and the role of community food providers, and work to achieve the Government's targets for child poverty reduction.
- 3 While broader work continues on the role of hardship assistance in the income support system, this paper considers a number of specific areas where current settings need updating. This includes increasing grant maxima, introducing new cost categories, and changing the recoverability settings for some categories, which could be progressed in Budget 2023 or future budgets.

Updating the maximum amount that can be granted for seven existing cost categories (paragraphs 22 – 23)

- 4 MSD can provide assistance for specific costs, which have maximum amounts (grant maxima) that generally should not be exceeded. Grant maxima have significantly diverged from the costs they are supposed to cover, and MSD staff are increasingly exceeding grant maxima to ensure routine grants are adequate [REP/21/7/703 refers]. Setting grant maxima at more appropriate levels would ensure people's essential needs are met on a consistent basis, and we recommend increases to seven cost categories.
- 5 New maxima would be based on the 80th percentile of current grant amounts, ensuring that maxima can cater to most circumstances. We have estimated that increasing maxima for seven cost categories will cost approximately \$26.457 million in operating expenditure and \$88.187 million in capital expenditure over the forecast period, which is three years.

Out of scope

Out of scope

Out of scope

¹ This was provided to you in a table as part of our advice in August 2021 (REP/21/7/703).

Out of scope

Out of scope

- 10 Due to the scale and complexity of the changes, as well as the fiscal and implementation constraints faced by the Government and MSD, we recommend progressing the base approach and one target area in Budget 2023 or future budgets. Target areas vary by their debt impact and subsequent cost to Government.

Out of scope

Next steps

- 12 As Hardship Assistance was not listed as an initiative in the Budget 2023 invitation letter from the Minister of Finance, officials are available to discuss how you may want to proceed with these specific proposals.

Out of scope

Recommended actions

It is recommended that you:

- 1 **note** that you received an invitation letter from the Minister of Finance on 4 November 2022 and Hardship Assistance was not included in your list of potential bids to progress for Budget 2023
- 2 **agree** to:
 - 2.1 defer consideration of changes to Hardship Assistance until Budget 2024 or future budgets
OR *Agree/Disagree*
 - 2.2 discuss with officials how Hardship Assistance could be progressed in Budget 2023 *Agree/Disagree*
- 3 **agree**, subject to an invitation into the Budget 2023 process, that the bid include:
 - 3.1 increasing grant maxima for seven cost categories *Agree/Disagree*
AND/OR

Out of scope

Out of scope

Out of scope

Out of scope

Out of scope

Out of scope

Christian Opetaiia

Christian Opetaiia
Policy Manager
Welfare System and Income Support Policy

10/11/22

Date

Hon Carmel Sepuloni
Minister for Social Development and
Employment

Date

Background

- 14 Hardship assistance has existed in the welfare system since 1951. While there have been numerous changes over that time, a comprehensive review and reform of settings has not been undertaken since the early 1990s. Outdated policy settings have led to increased pressure on how hardship assistance is operationalised, which has led to issues relating to adequacy, accessibility, and consistency of support.
- 15 In Budget 2022, three hardship assistance-related bids were progressed:
- increasing the Dental Special Needs Grant limit from \$300.00 to \$1,000.00, removing the requirement for the treatment to have arisen from an emergency situation, and allowing multiple grants in a 52-week period (up to the maximum amount)
 - permanently increasing the income limits for Special Needs Grants (SNGs), Recoverable Assistance Payments (RAPs), Advance Payments of Benefit (Advances) and the indexation of their limits to average wage growth from 1 April 2023

Out of scope

- 16 The ongoing review of hardship assistance is also aligned with work to:
- reduce the impact of government debt for people in hardship as part of the cross-agency Debt to Government work programme
 - strengthen food security in New Zealand and the transition of immediate food support towards community-led food security initiatives (and the potential impact on the uptake of food SNGs)
 - improve the adequacy of the income support system and on achieving the Government's child poverty targets.
- 17 Earlier this year, you asked for advice and potential options for a Budget 2023 bid on hardship assistance recoverability (including housing-related hardship assistance) settings, cost categories and grant maxima settings [REP-22-5-480 refers].
- 18 The Budget 2023 process is by invitation only. On 4 November 2022, you received a letter from the Minister of Finance setting out the initiatives invited into the process. Hardship Assistance is not included in your list of potential bids to progress for Budget 2023. Given this context, you may wish to defer consideration of the proposals in this paper to a future budget process, or to discuss with officials how to proceed with this work, which is part of the Government's commitment to reduce debt for people in hardship.

Proposed changes to hardship assistance grant maxima

Grant maxima are not indexed and have diverged from the actual costs they seek to cover

- 19 Each of the 43 cost categories has its own maxima or guideline, for which payments should generally not exceed. For Advances, the limit is a 'guideline'. For SNGs and RAPs, the limit is the maximum amount payable, unless there are exceptional circumstances. This paper uses 'grant maxima' to cover both the guidelines and maximum amounts payable.
- 20 Grant maxima are not currently indexed, and some have significantly diverged from the actual costs they are supposed to cover. Data shows that MSD staff increasingly rely on their discretion to exceed maxima to ensure adequate grants for people in routine circumstances. However, there are likely some people who are not having their essential costs met because maxima are insufficient.
- 21 For RAPs and Advances, maximum amounts payable are also subject to the amount of hardship-related debt the person is yet to pay back. Unless exceptional circumstances exist, the maximum amount payable across all hardship assistance is six weeks equivalent of their main benefit or the Supported Living Payment (if the applicant is a non-beneficiary). However, unlike grant maxima, this maximum amount is indexed, as benefits have been indexed to the Consumer Price Index (CPI), and recently increased and indexed to wages. This policy setting is in place to mitigate client debt levels.

We propose increasing grant maxima to ensure people have their essential costs met in a consistent manner

- 22 Increasing grant maxima will help meet people's essential costs in a more consistent manner. We have analysed grant data to set the proposed grant maxima.² We have set multiple maxima, according to family size, for relevant categories. We recommend maxima be set around the 80th percentile to ensure that they can cater to most circumstances, while acknowledging that a smaller number of cases would still require MSD staff to exercise their discretion.
- 23 We have identified seven cost categories that have discrepancies between the current grant maxima and the 80th percentile granted amount. Based on this, we recommend increasing maxima for the cost categories in **Table One**.

² We looked at grant data for the period from 1 March 2021 to 28 February 2022. We had considered increasing maxima according to the average market cost of specific items, however, this would involve subjective decisions for categories that cover a broad range of items (such as appliances and furniture) and to account for different family sizes.

Out of scope

Out of scope

Costings for these changes are fiscally cautious due to the uncertainty around behavioural changes

- 24 Although MSD staff frequently exceed maxima to meet people's essential costs, there are some people who do not have their costs met in full due to insufficient maxima (ie the amount that MSD staff grant is constrained by the maxima).³ The size of this group is unknown, so we have assumed it is larger for the purpose of the costings. This means that the cost of changing grant maxima alone would be approximately \$26.457 million in operating expenditure and \$88.187 million in capital expenditure over the forecast period (beginning in 2024/25 due to implementation timeframes).

Out of scope

Out of scope

- 26 Subject to your agreement to these increases to grant maxima, we will undertake further analysis and provide you with further advice in 2023 (including costs) regarding indexation for maxima, to future-proof these changes.

Out of scope

Out of scope

Out of scope

Out of scope