



7 April 2026

Tēnā koe

Official Information Act request

Thank you for your email of 6 March 2026, requesting information relating to the Budget 2022 initiative for Dental Special Needs Grants (SNG) and data on grants in 2025.

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 separately below.

I am writing to request, under the Official Information Act 1982, the following documents relating to the Budget 2022 initiative titled "Special Needs Grants for Dental Treatment – Improving Adequacy and Accessibility":

- 1. All Cabinet papers, including any minutes of decision, prepared in relation to this initiative;*
- 2. All Budget Investment Memoranda (BIMs) or equivalent official advice prepared for Ministers in support of this initiative;*
- 3. Any Regulatory Impact Statements or impact analysis prepared in relation to this initiative;*
- 4. Any advice or briefings prepared by the Ministry of Social Development for the Minister for Social Development and Employment relating to the development or approval of this initiative.*

The following information relating to the Budget 2022 initiative for Dental SNGs is publicly available online:

- www.treasury.govt.nz/sites/default/files/2022-06/est22-v9-socdev.pdf
(page 185 refers)
- www.msd.govt.nz/about-msd-and-our-work/newsroom/budget/2022/factsheets/special-needs-grants-for-dental-treatment.html
- www.msd.govt.nz/documents/about-msd-and-our-work/about-msd/legislation/notice-of-change/2022/special-needs-grants-dental-treatment-amendment-programme-2022/special-needs-grant-dental-treatment-amendment-programme-2022-unsigned.pdf

The following documents are in scope of your request and have been attached to this response:

- REP/22/10/946 – Budget 2022 – Implementing policy changes to Special Needs Grants for dental treatment.
- Budget 2022 Initiative Summary – Main Budget Process.

Please note that this Budget initiative was not required to produce a Regulatory Impact Statement however the initiative summary document provided above does detail the costing, values and impacts of these changes.

I would also like data on applications for dental grants in the 2025 year. If possible, a breakdown of the incomes of people who have been provided a grant and the number of applications declined for being above the income threshold.

I would also like a breakdown of the asset values of people who have been provided a grant and the number of applications declined for being above the asset threshold.

Please refer to the attached **Appendix: Data on Dental Special Needs Grants** from 1 January 2025 to 30 November 2025. Please note that a breakdown of individual client's income and assets who have been granted a Dental SNG is refused under section 18(f) of the Act as detailed below.

The Ministry is currently unable to provide data from December 2025 onwards, due to system issues. We are currently working through these issues and will provide an update on our website in due course, and you are welcome to get back in touch with us with a further request, should you wish to receive that data, once the issue is resolved.

For the present time, the data for December 2025 and a breakdown of the assets and incomes of clients granted a Dental SNG is refused under section 18(f) of the Act, as substantial manual collation would be required to collate this information. If held, this information would only be contained within individual client files, which currently would each require manual review to respond to your request. 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.

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 for information relating to the Budget 2022 initiative for Dental Special Needs Grants (SNG) and data on grants in 2025, 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

A handwritten signature in black ink, consisting of several loops and a horizontal line extending to the right.

Anna Graham
General Manager
Ministerial and Executive Services

Budget 2022 Initiative Summary – Main Budget Process

Note to agencies: delete any sections that are not applicable before submitting this template. Where a CFISnet character limit is specified, this applies to entry in the CFISnet field only. There are no character or word limits for the Word version of this template.

Improving support for dental treatment for low-income New Zealanders

Section 1: Overview

This section must be completed for all initiatives.

Section 1A: Basic Initiative Information

Lead Minister	Minister for Social Development and Employment			
Department	Ministry of Social Development			
What type of initiative is this?	Critical cost pressure initiative	Manifesto commitment initiative	x	Health and Disability System Reform initiative
	Climate Emergency Response Fund initiative	Savings initiative		Non-Spending initiative
Initiative description [max 800 Characters]	This initiative will increase the amount of non-recoverable support available to beneficiaries and low-income families for dental treatment from \$300 to \$1,000, allow multiple grants in a 52-week period (up to a total of \$1,000), and remove the requirement for the need to have arisen from an emergency (necessary dental treatment would be covered for people with an immediate and essential need). This initiative will be implemented by December 2022.			
Is this a Cross-Vote initiative?	N			
Department contact	Jackson Hunt, Policy Analyst, Ministry of Social Development, 04 819 1679, Jackson.hunt016@msd.govt.nz Rachael Fleming, Senior Policy Analyst, Ministry of Social Development, 04 916 4238, Rachael.Fleming003@msd.govt.nz			
Treasury contact	Jane Bunworth			

Section 1B: Total Funding Sought

Operating funding sought (\$m)	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears	Total
BORE		\$17.348m	\$33.007m	\$35.160m	\$37.403m	\$122.918m
Administering income support		\$0.742m	\$0.706m	\$0.714m	\$0.724	\$2.886m
Total		\$18.09m	\$33.713m	\$35.874m	\$38.127m	\$125.804m

Capital funding sought (\$m)	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	Total

Section 1C: Initiative Classifications

Is this initiative seeking funding from the Climate Emergency Response Fund (CERF)? [max 300 characters in CFISnet].	N	N/A			
Is this initiative climate-related, but not seeking funding from the CERF? [max 300 characters in CFISnet].	N	N/A			
Does this initiative align with the Crown's obligations under the Treaty of Waitangi?	Strong	Article Two of te Tiriti establishes the principle of active protection o health, as a taonga. This proposal, which enhances the ability of Māori to maintain their oral health, is therefore seeking to uphold the Crown's obligation of active protection of taonga under te Tiriti. Article Three of te Tiriti establishes the principle of equality, equal outcomes, and participation. Improving Māori access to necessary dental treatment will have flow on effects to health, economic and social outcomes. Therefore, this proposal is likely to reduce the current inequalities in these areas for Māori.			
Specify if this initiative will help reduce child poverty and describe the impact [max 300 characters in CFISnet].	Direct and indirect impacts	Clients (with children) will have more non-recoverable assistance available to them, thereby reducing the debt impact (ie, leaving more of clients' disposable income available to them) of necessary dental treatment. Poor oral health and linked chronic health conditions can impact someone's ability to work.			
Does this initiative align with the Child and Youth Wellbeing Strategy?	Yes	This initiative contributes to the 'Children and young people have what they need', by improving their parents' ability to access/maintain employment and reducing the debt impact of necessary dental treatment.			
Does the initiative include funding to procure from NGOs?	N				
Does the initiative include funding to support digital and data related investments?	N				
Is this a regulatory or legislative initiative (according to the guidance provided)?	N				
Is this a significant investment initiative per the definition at section 4.8 of the Budget 2022 guidance?	N				
		<table border="1"> <tr> <td>Data / Digital / ICT</td> <td>Physical Infrastructure</td> <td>Organisational Transformation</td> <td>Specialised Equipment</td> </tr> </table>	Data / Digital / ICT	Physical Infrastructure	Organisational Transformation
Data / Digital / ICT	Physical Infrastructure	Organisational Transformation	Specialised Equipment		
<u>See Annex A for further questions – mandatory to complete for all significant initiatives</u>					

Section 2: Cost pressure information

This section must be completed for all cost pressure initiatives. Skip this section for Manifesto Commitment, Savings, Non-Spending, Health and Disability System Reform (HDSR), Climate Emergency Response Fund (CERF) and Pre-Commitment initiatives.

See **section 4.2** of the Budget 2022 guidance for more information on cost pressure initiatives.

Answers must not exceed 1-2 paragraphs per section.

Cost pressure driver	Volume	Price	Personnel (driven by volume/price)
Cost pressure description	Provide evidence of what caused the pressure (e.g. population growth, price increases, wage pressures including FTE changes). This should correspond to the further detail provided in the 'funding sought by component' table in Section 5 of this document.		
	Indicate whether this cost pressure is critical (i.e. are there significant delivery or legal risks if funding is not provided? Could funding be deferred to future Budgets?)		
Cost pressure management	Provide an overview of why the pressure cannot be funded from baselines and what steps have been taken to manage the pressure.		
Case for funding	Explain how additional funding will mitigate or resolve the pressure, and provide an overview of what outputs it is purchasing.		

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Section 3: Value

*Section 3 must be completed for all initiatives, unless exempted by the Minister of Finance in the invitation letter. Further information on the questions in this section can be found at **Annex Two** of the Budget 2022 guidance.*

This section explains the initiative's value, drawing on elements of He Ara Waiora (section 3A) and the Living Standards Framework (Section 3D). For explanations of these two frameworks, please see the accompanying guidance.

Explanation

Intervention logic terms such as outputs, impacts, and goals can have different definitions. Please see table below for how the Treasury defines these concepts.

Explanation Table		
<i>This explanation table is for your reference only. Do not fill out the sections.</i>		
	Definition	Example
Outputs	The good or service the initiative is purchasing.	<p>The purchased goods are localised curriculum resources in te reo Māori, as well as the services of publishers, designers and story tellers.</p> <p>Costs cover the design, development, distribution and maintenance of online tools, interactive electronic and hard copy resources to promote and provide teachers, students and whānau, and external providers with quality tools and resources to enable effective teaching and learning from offsite or the workplace using a range of online, distance and place-based delivery modes.</p>
Impact	The direct effect of the initiative.	<ul style="list-style-type: none"> • Increased whānau involvement in education which is a key driver to lifting student engagement and achievement. • Improved student engagement and achievement in education that better reflects their identity, language and culture. • Increased visibility of te reo Māori at schools and in the community. • Learning programmes supported by quality te reo Māori resources.
Goals	What this initiative aims to achieve.	<ul style="list-style-type: none"> • Normalisation of te reo Māori used by teachers in the classroom, wider school and home. • Increased student and whānau participation in and retention of te reo Māori learning. • Increase in the quality of te reo Māori used by teachers and students. • Attitudinal shift in the wider education community that te reo Māori is recognised as being for everyone.

Section 3A: Opportunity/Problem

Opportunity/Problem

Currently, a maximum of \$300 is available in non-recoverable SNGs for emergency dental treatment. Although the maximum can be exceeded in 'exceptional circumstances', this rarely occurs in practice (less than 1% of the time). The \$300 limit does not adequately reflect the cost of the treatments sought, which means most applicants¹ also receive a recoverable Advance Payment of Benefit to meet the shortfall which puts the client in debt to MSD. The average Advance Payment of Benefit for dental costs was approximately \$870 in F2021.

The inadequacy of the grant maximum is exacerbated by a requirement for the need for the dental treatment to have arisen from an emergency situation. In most situations, this operationally means that assistance is not available until the applicant's oral health is causing them chronic pain. This requirement means that applicants must wait until their oral health deteriorates significantly before accessing help. In addition to significantly worsening the client experience, this delay can result in the necessary treatment being more expensive than if it had been addressed earlier. Furthermore, operational guidelines around the 'emergency situation' requirement are vague and interpreted differently among staff, which creates inequity between clients.

A more accessible SNG for dental treatment with a higher maximum will allow beneficiaries and some low-income people to better access necessary dental treatment (although periodic dental care such as regular check-ups and cleaning would be excluded). This has the potential to significantly improve the quality of life for some people due to the importance of oral health for wellbeing. In their Manifesto, the Government committed to address this problem by increasing the maximum grant to \$1,000.

Section 3B: He Ara Waiora

Tikanga- decisions are made by the right decision-makers, following a tikanga process, according to tikanga values

The Welfare Expert Advisory Group (WEAG) recommended that the grant maxima for emergency dental treatment SNGs be increased. The WEAG engaged with affected communities in forming their advice. Off the back of this advice, Labour committed to increase the grant maxima for emergency dental treatment SNGs to \$1,000, as part of their Manifesto. MSD have been working with the Ministry of Health to provide advice to Ministers on this Manifesto commitment.

Manaakitanga- focus on improved wellbeing and enhanced mana for iwi and Māori, and for other affected communities and groups, demonstrating an ethic of care and mutual respect

Māori are more likely to forego dentist appointments and have teeth removed due to oral health conditions, than other ethnicities². More accessible dental care will improve oral health and overall wellbeing for Māori.

Māori receive a disproportionate number of Dental SNGs compared to other ethnicities (approximately one third of grants). Most Dental SNGs need to be topped-up through a recoverable Advance Payment of Benefit, which puts clients into debt. High debt levels have been demonstrated to have significant impacts on people's emotional and physical wellbeing, including depression, stress, shame and anxiety, and their social relationships. This initiative will allow clients to receive necessary dental treatment without incurring debt, which will improve wellbeing and enhance mana for Māori.

This initiative will also remove the requirement for the dental treatment to arise from an emergency situation. This requirement means that some applicants who require treatment for their health and wellbeing do not receive it, and often must wait until their oral health deteriorates significantly before accessing help. Removing this requirement demonstrates an ethic of care for clients.

Section 3C: Outputs – The good or service the initiative purchases

Output	Description
Non-recoverable financial assistance	<i>The purchased goods are the provision of non-recoverable financial assistance of up to \$1,000 for necessary dental treatment, in a 52-week period.</i>

¹ In F2021, 84% of those who received an SNG for emergency dental treatment also received an Advance for emergency dental treatment.

² The 2020/21 Health Survey shows that 44.8 percent of Maori adults (15+) visited a dental care worker in the last 12 months compared to 53.5 percent for European/Other; 10.1 percent of Maori adults have had a tooth removed due to decay in the past 12 months compared to 6.1 percent European/ Other. The 2009 New Zealand Oral Health Survey (the most recent oral health survey) found that 50 percent of Maori adults (18+) had coronal tooth decay, compared to 32 percent for European/Other.

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Complementary policy changes	<i>Other changes include allowing clients to receive multiple grants, up to \$1,000, within a 52 week period, as well as removing the requirement for treatment to arise from an emergency situation.</i>
Operational costs associated with implementing these changes	<i>Additional FTEs, IT changes, changes to operational policy and guidance for staff, updating business processes, and communications to staff and clients.</i>

Section 3D: Impacts – The direct effect of the initiative

Please repeat these questions for each impact

Impact 1	Description of the impact	Increasing the amount of non-recoverable assistance available to clients will mean they can get necessary dental treatment without accumulating debt.
	Quantification	<p>During F2021, 40,000 clients received recoverable Advances of Benefit for Emergency Dental Treatment, which amounted to approximately \$34 million in recoverable assistance. This comprised a small portion (9.5%) of established client debt (from recoverable assistance) to MSD, which was \$361 million during F2021.</p> <p>On an individual client level, this initiative would mean that clients who require necessary dental treatment forego approximately \$870 of debt, as they would not require an Advance to pay for the treatment.</p>
	Supporting Evidence	Administrative data above shows expected debt impact.
	Gaps in Evidence	There are no significant gaps in evidence.
	Assumptions	N/A.
	Implications	N/A.

Impact 2	Description	Reduced client debt will benefit their mental and physical wellbeing.
	Quantification	<p>Approximately 40,000 clients received a recoverable Advance of Benefit for emergency dental treatment in F2020. As previously stated, this initiative is expected to reduce, on average, \$870 in potential client debt. The wellbeing impact depends on pre-existing debt levels, which vary between clients. About 100,000 clients have at least \$5,000 in debt to MSD – for these clients, the wellbeing impact of being \$870 less in debt is likely to be insignificant. Approx. 57,000 clients have pre-existing debt levels between \$3,000 and \$5,000, while 406,000 clients have debt levels less than \$3,000... There is also an unknown number of clients with no current debt. For these groups of clients (with debt levels <\$5,000), the potential wellbeing impact of this initiative will likely be low to moderate. Because more clients fall into these groups, it is likely that the majority of future Dental SNG recipients (approx. 25,000 – 30,000 a year) will experience low to moderate wellbeing impacts, compared to the counterfactual, because of this initiative. The remaining recipients will likely not experience any wellbeing impacts, due to their very high pre-existing debt level.</p>
	Supporting evidence	<p>High debt levels have been demonstrated to have significant impacts on people’s emotional and physical wellbeing, including depression, stress, shame and anxiety, and their social relationships. These impacts are due to multiple factors, including the stress of owing money, paying forcibly high interest rates, harassment by creditors and loss of control.</p> <p>Based on this, one of our assumptions is that wellbeing increases as debt decreases. However, this is relative to the amount of debt a client has versus the amount of debt that is reduced/avoided³. This means that</p>

³ It is difficult to determine how much debt a client can incur before experiencing some of these negative wellbeing impacts, mostly because it depends on other factors such as interest rates, type of debt and it is likely subjective between clients.

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		clients with the highest debt levels who are being impacted the most, are unlikely to benefit significantly from this initiative.
	Gaps in evidence	We do not know the private debt levels of our clients – this may increase the group of clients who experience no wellbeing impact, depending on their level of private debt and interest rates.
	Implications	If the majority of our clients are in significant private debt (eg, >\$5,000) that does not show up in MSD data, then it is likely that the debt-associated wellbeing impact of this initiative alone will be insignificant.

Impact 3	Description	Reduced debt for clients will increase their disposable income.
	Quantification	Approximately 40,000 clients received a recoverable Advance of Benefit in F2021 for Emergency Dental Treatment. Clients will have approximately \$870 more in disposable income, however the timeframe in which this extra income is realised varies according to client circumstances. This is because the rate of repayment does not necessarily increase as debt increases, in these cases, the increase to disposable income is not realised in the short-term. Generally, clients have up to 24 months to repay debts arising from recoverable assistance, which means the debt repayment rate usually stays a static amount even when new debts are incurred. However, other factors which influence the repayment rate include the client's employment status and their ability to repay. If a client has no debt, the increase to disposable income will be realised immediately, as the client does not have to begin making loan repayments. However, clients with a lot of debt on the minimum rate of repayment may not realise their increased income until the medium or long term.
	Supporting evidence	Administrative data shows that we expect approximately 40,000 clients each year to benefit from this initiative, by approximately \$870 in extra disposable income for each client. However, the timeframe in which this extra income is realised will vary depending on clients' circumstances and their subsequent rate of repayment.
	Gaps in evidence	It is unclear what the rate of repayment will be for clients, as it is influenced by their debt level and ability to repay their debt. Therefore, we do not know exactly when clients will realise this extra income. However, about half (47%) of clients are less than \$1,000 in debt. People in this cohort, who receive an SNG for necessary or emergency dental treatment, should realise these income gains in the short-term.
	Implications	N/A.

Impact 4	Description	Removing the requirement for dental treatment to be an emergency, as well as allowing clients to access multiple grants (up to \$1,000 within a 52-week period), will allow clients to receive necessary treatment, which in many cases will prevent further deterioration of clients' oral health.
	Quantification	We anticipate a 20% increase in take-up in dental SNGs (40,000 clients received one in F2021), which reflects a wider range of dental treatment covered by removing the requirement for it to be 'emergency'. However, this increase in take-up is also expected due to increased awareness and the increase to the grant maxima. As uptake will increase by roughly 20%, a portion of this group will comprise of clients who receive treatment for an issue that is necessary but not an emergency. In these cases, this treatment may prevent further deterioration, result in decreased Emergency Department presentations and prevent tooth loss.

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	Supporting evidence	<p>Many low-income New Zealanders attend Emergency Departments for relief of dental pain and infection. Cost was identified as one of the main barriers to accessing dental care earlier. Untreated dental infections can cause serious hospitalisations, and in rare cases, death.</p> <p>Evidence shows that typically the earlier a dental problem is identified - the more likely simple restorative treatment will be possible. When treatment is delayed, complex restorative treatment, extractions and even inpatient hospitalisation may be required (M. Laske, N.J.M Opdam, E.M Bronkhorst, J.C.C. Braspenning & M.C.D.N.J.M Huysmans (2019) Risk Factors for Dental Restoration Survival: A Practice-Based Study, Journal of Dental Research, 98:4, 414-422).</p> <p>Evidence shows that tooth loss is significantly less among people who attended an appointment as soon as they identified a dental issue (Chuen Lin Hong, Jonathan M. Broadbent, W. Murray Thomson & Richie Poulton (2020) The Dunedin Multidisciplinary Health and Development Study: oral health findings and their implications, Journal of the Royal Society of New Zealand, 50:1, 35-46, DOI: 10.1080/03036758.2020.1716816).</p>
	Gaps in evidence	We know that the majority of 'emergency' treatments listed in the operational guidance ⁴ can be prevented through earlier treatment (usually through tooth restoration), however, we do not know the number of clients that will actually seek treatment for an oral issue before it reaches an emergency situation.
	Implications	There is a risk that the prevention of further deterioration of oral health will be minimal overall if a large portion of clients' emergency treatment could not have been prevented through earlier necessary dental treatment.

Section 3E: Goals – What this initiative aims to achieve

Goal 1	Description	<p>Access to necessary dental treatment and the prevention of further deterioration of oral health will improve oral health outcomes as well as wider health, economic, and social outcomes associated with those. This aligns with the LSF domains of health, income and consumption, jobs and earnings, and social connections. This also aligns with the He Ara Waiora principle of manaakitanga due to the wellbeing impact.</p>
	Quantification	<p>Those who require necessary dental treatment, those who require multiple treatments in a 52-week period, as well as those who do not access assistance because it is currently inadequate, will realise improved health, economic and social outcomes because of this initiative. We anticipate that these groups are roughly 20% of the size of the current recipient-cohort (8,000 per year). All of these clients will likely benefit from improved oral health outcomes, while some may benefit from linked health and economic outcomes. Some clients' whānau may indirectly benefit from improved economic outcomes. The level of improvement to these outcomes are difficult to quantify.</p>
	Timeframes	<p>Oral health, economic, social and some wider health outcomes for clients and their whānau will be realised in the short term, as clients will benefit immediately from treatment, eg through improved ability to work, improved wellbeing due to relief of pain and improved confidence. Other health outcomes, such as reduced risk to chronic conditions, eg cancer, would be realised in the medium-long term.</p>
	Evidence and Assumptions	<p>Oral health matters to everyone's wellbeing as it allows one to eat, speak, smile, socialise and work. Poor oral health can lead to unremitting pain, chronic impaired sleep, avoidable admissions to hospital and heightened risk of other chronic conditions such as cardiovascular disease and cancer. These can lead to social and economic consequences e.g. inability to work and avoidable expenses. One in ten adults aged 18–64 years have taken, on average, 2.1 days off work or education in 2008⁵ due to problems with their teeth or mouth.</p>

⁴ The types of emergency treatment detailed in the operational guidance: root treatment, tooth extraction, tooth restoration, treatment of an acute infection.

⁵ From the New Zealand Oral Health Survey 2009, which was the last nationwide survey of this kind.

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	Implications	These outcomes would also create cost savings in multiple areas for the Government. For example, better oral health and wider health outcomes saves money on emergency treatment for an oral or medical issue that may otherwise have occurred. Healthier clients are also in a better position to work, which reduces the Government's benefit expenditure. It is difficult to quantify these cost savings, however.
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Section 3F: Distributional Analysis

Question 1: Does the initiative have the following types of distributional impacts for Māori?	A	Direct	X	Indirect		No Impact	
	B	Targeted and tailored for Māori		Disproportionate positive impact	X	Other (explain)	
Māori receive a disproportionate number of SNGs and Advances for emergency dental treatment (receiving approximately one third of SNGs and Advances) compared to other ethnic groups. This initiative will directly benefit Māori and redress some of the inequity in health outcomes for Māori.							
Question 2: Does the initiative have the following types of distributional impacts for Pacific Peoples?	A	Direct		Indirect		No Impact	X
	If direct, please complete Question 2B. If indirect or no impact, please progress to Question 3.						
B	Targeted and tailored for Pacific Peoples		Disproportionate positive impact			Other (explain)	
Please explain why the initiative falls under the category identified in B above [max. 300 characters in CFISnet].							
Question 3: Does the initiative have the following types of distributional impacts for children?	A	Direct		Indirect		No Impact	X
	If direct, please complete Question 3B. If indirect or no impact, please progress to Question 4.						
B	Targeted and tailored for children		Disproportionate positive impact			Other (explain)	
Please explain why the initiative falls under the category identified in B above [max. 300 characters in CFISnet].							
Question 4: Does the initiative have direct impacts on any other population groups?	N	If yes, please list population groups impacted, e.g. "People with disabilities" [max 300 characters in CFISnet].					
Question 5: What region is this initiative expected to impact?	X	All of New Zealand	Gisborne		Northland		Tasman
		Areas outside regions	Hawke's Bay		Offshore		Waikato
		Auckland	Manawatu-Whanganui		Otago		Wellington
		Bay of Plenty	Marlborough		Southland		West Coast
		Canterbury	Nelson		Taranaki		

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Section 4: Alignment

*Section 4 must be completed for all initiatives, unless exempted by the Minister of Finance in the invitation letter. Further information on the questions in this section can be found at **Annex Two** of the Budget 2022 guidance.*

Section 4A: Strategic Alignment	
How does this initiative link with your strategic intentions/statement of intent?	<p>Te Pae Tawhiti: Our Future is the Ministry of Social Development's strategic framework that determines the Ministry's strategic direction. It sets out how to bring about positive changes to the wellbeing of people, whānau, families and communities we serve. This initiative aligns well with two of the three strategic focuses of Te Pae Tawhiti:</p> <ul style="list-style-type: none"> • Mana Manaaki – a positive experience every time. We will look after the dignity of people with warmth, listening, respect, compassion, openness and fairness. This initiative will mean that people can get dental treatment they require, before the issue deteriorates to a point where it causes them pain. This initiative will also ensure that clients are treated equally. This upholds Mana Manaaki by ensuring our clients are treated with compassion and fairness. • Kia takatū tatou – supporting long-term social and economic development. We will ready ourselves for the future and take long-term approach to community, regional and economic development. This initiative will mean that people are in better health (both oral and wider health) and are therefore better equipped to attain and maintain employment, which supports the economic development of people, as well as their whānau and communities.
Does this initiative link with other sectoral or whole-of-government strategies (e.g. the Pacific Wellbeing Outcomes Frameworks)?	<p>Child and Youth Wellbeing Strategy – This initiative contributes to the action area, 'Children and young people have what they need', by improving their parents' ability to access/maintain employment and reducing the debt impact of necessary dental treatment.</p> <p>New Zealand Health Strategy – This initiative contributes to the action area, 'Ensure the right services are delivered at the right location in an equitable and clinically and financially sustainable way', by restoring equity between clients who require treatment and ensuring treatment is financially sustainable for clients.</p> <p>He Korowai Oranga (Māori Health Strategy) – This initiative will help reduce health inequalities for Māori by allowing grants for 'necessary' (not just 'emergency' dental treatment), which will allow issues such as active and open tooth decay to be addressed before they require an extraction. Māori are overrepresented in tooth decay and extraction statistics.</p>
Does this initiative impact other agencies directly or indirectly? If so, how?	<p>We will be working with the Ministry of Health in developing the types of treatments that are considered 'necessary', which will require some resource. This initiative will reduce the need for emergency dental care and immediately improve oral health outcomes, which directly impacts the Ministry of Health.</p>

Section 4B: Alignment to Government's goals

The Government's goals for this term are:

- 1) Continuing to keep New Zealand safe from COVID-19
- 2) Accelerating the recovery and rebuild from the impacts of COVID-19
- 3) Laying the foundations for the future, including addressing key issues such as our climate change response, housing affordability and child poverty

Alignment to Government goals

This initiative aligns with 'Accelerating the recovery and rebuild from the impacts of COVID-19', as well as 'Laying the foundations for the future, including ... child poverty'. The initiative will reduce debt, increase disposable income and lift employment outcomes, all of which contribute toward the rebuild from the impact of COVID-19 and mitigating child poverty.

This initiative also aligns with the Government's commitment to overhaul the welfare system, as part of the New Zealand Labour Party's Confidence and Supply Agreement with the Green Party.

Section 4C: Contribution to the Government's Wellbeing Objectives

The Government's five wellbeing Objectives are:

- **Just Transition:** supporting the transition to a climate-resilient, sustainable, and low-emissions economy.
- **Future of Work:** enabling all New Zealanders and New Zealand businesses to benefit from new technologies and lift productivity and wages through innovation
- **Physical and Mental Wellbeing:** supporting improved health outcomes for all New Zealanders, including protecting New Zealanders from the impacts of COVID-19.

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- **Māori and Pacific:** lifting Māori and Pacific incomes, skills, and opportunities, including through access to affordable, safe, and stable housing
- **Child Wellbeing:** reducing child poverty and improving child wellbeing, including through access to affordable, safe, and stable housing.

**Please note: these objectives have been agreed by Cabinet subject to wider consultation. The final versions of the objectives will be published in the Budget Policy Statement in December 2021.*

Contribution to Wellbeing Objective(s)

This initiative contributes to objectives around physical and mental wellbeing, Māori and Pacific, and child wellbeing, both directly and indirectly. Reduced debt, increased disposable income and improved employment outcomes have direct impacts on physical and mental wellbeing, as well as child wellbeing. Recipients of Dental SNGs are disproportionately Māori, meaning that these impacts will be targeted toward Māori.

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Section 5: Delivery

Section 5 must be completed for all initiatives. Further information on the questions in this section can be found at Annex Two of the Budget 2022 guidance.

Section 5A: Fit with existing activity

The answer must not exceed 1-2 paragraphs.

How does the initiative link with existing initiatives with similar objectives? District Health Boards provide some limited emergency dental care for low-income adults (eg. with a community service card). The service is usually limited to extractions and the patient is often charged a co-payment. Service coverage varies across the country, with DHBs providing services as capacity allows.

Is the initiative an expansion or a cost pressure for an existing initiative? Y This initiative is an expansion of the current support the Ministry provides for emergency dental treatment, through an increase to the grant limit, widening of eligibility criteria (removing the requirement for treatment to have arisen from an 'emergency' situation), and allowing multiple grants per 52-week period (up to the maximum grant limit of \$1,000).
If no, move on to section 5B.

Provide an overview of existing funding levels for this initiative, and/or initiatives with similar objectives, in the two tables below.

	Operating Funding profile (\$m)					Total
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears	
Existing funding for this/similar initiatives						N/A
Total funding sought for this initiative						N/A
% change between existing funding and funding sought						N/A
Comments (optional)	Existing funding levels would be an estimate and difficult to obtain because the initiative is funded through a demand-driven appropriation (Benefits or Related Expenses).					

Section 5B: Funding sought by input

Provide a breakdown of what the requested funding will purchase. Briefly explain the formula used, or key assumptions made, to calculate the cost of each output. Add additional rows to the table as needed to capture each output separately. Please include which Vote(s) will be impacted by each component.

Formula and assumptions underlying costings *E.g. if the initiative is seeking funding for wage increases, outline any assumptions around average salaries, number of FTE and the roles/seniority they will be, numbers of contractors.*

Input – Operating [Enter one number value per field only into CFISnet]	Funding profile (\$m)					Total
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears	Number values only, i.e. 15 or 100000. Do not enter any text, \$ signs or % signs.
Input Information						
Increase in non-recoverable assistance and complementary policy changes		17.348	33.007	35.160	37.403	122.918
FTE-specific Input Information (if applicable)						

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Administering income support (ie, additional FTEs, IT changes)		0.742	0.706	0.714	0.724	2.886					
Total						125.804					
# of FTE's (employees and/or contractors)											
What's the % increase in FTE compared to baseline FTE numbers											
	Funding profile (\$m)										Total
Input – Capital	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	
Total											
Appropriations	This initiative will increase the Hardship Assistance appropriation and decrease the Recoverable Assistance appropriation.										

Section 5C: Options analysis

The answer must not exceed 1-2 paragraphs.

Options analysis	<ul style="list-style-type: none"> Option 1: Implement the proposal to increase the maximum dental SNG limit from \$300 to \$1,000 and make minor, complementary policy changes as agreed by the Minister for Social Development and Employment [REP/20/11/1040 refers]. Option 2 (alternative): Implement the proposal to increase the maximum dental SNG to \$1,000 with no other policy changes. This is consistent with the manifesto commitment. However, foregoing the complementary policy changes (eg, more than one grant in a 52-week period, removing the 'emergency' requirement) is expected to result in minimal savings, and will reduce the potential benefits to public health and client wellbeing of the SNG increase.
Counter-factual question	<p>Currently, a maximum of \$300 is available in non-recoverable SNGs for emergency dental treatment. This does not adequately reflect the cost of the treatments sought, which means most applicants also receive a recoverable Advance Payment of Benefit to meet the shortfall which puts the client in debt to MSD. If funding for this initiative is not approved, MSD will continue to grant recoverable assistance to address the inadequacy of SNGs for emergency dental treatment.</p> <p>Currently, clients can only receive an SNG for emergency dental treatment if the need has arisen from an emergency situation. In practice, this means that clients often cannot receive assistance for necessary treatment unless the issue is causing them pain. This requirement means that applicants must wait until their oral health deteriorates significantly before accessing help. In addition to significantly worsening the client experience, this delay can result in the necessary treatment being more expensive than if it had been addressed earlier.</p> <p>Currently, clients can only receive one SNG for emergency dental treatment per 52-week period. This means that clients who require multiple treatments (for separate issues) must receive a recoverable Advance of Benefit, even if they have not used up the \$300 SNG grant limit.</p>

Section 5D: Scaled option

The answer must not exceed 1-2 paragraphs.

Option overview	<p>If a scaled option is preferred, the manifesto commitment could be partially implemented by increasing the grant maxima to \$500, which would cost \$93.598 million over four years (compared to \$125.804 million from the main option). This costing includes the assumption that discretion will be exercised by frontline staff to exceed the maxima in exceptional circumstances. The aforementioned complementary policy changes (ie, more than one grant in a 52-week period, removing the 'emergency' requirement) are also included in this option. Scaling out the complementary policy changes would forego the wellbeing benefits and downstream savings (eg, on dental and health costs) associated with the changes.</p> <p>Ministers have publicly stated that this manifesto commitment (increasing the maxima to \$1,000) will be implemented this term. Officials do not recommend proceeding with a scaled option, as it would involve implementing the commitment through two Budget processes (ie, partially through B22 and fully through B23), which would not be time- or resource-efficient, due to the amendments required to operational guidance and legislation. The scaled options also create more debt for clients than the preferred option.</p>
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Formula and Assumptions	One of the assumptions is that discretion will be used to exceed the maxima 50% of the time for clients in exceptional circumstances, while the remaining 50% would be covered by a recoverable Advance. While this assumption is also used in the primary option, it has a disproportionate effect on costs in the scaled option, due to the lower maxima.										
	Operating Funding profile (\$m)										
Input - Operating	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears						Total
<i>Increase in non-recoverable assistance and complementary policy changes</i>		12.981	24.600	25.336	27.795						90.712
<i>Administering income support (ie, additional FTEs, IT changes)</i>		0.742	0.706	0.714	0.724						2.886
Total											93.598
	Capital Funding profile (\$m)										
Input - Capital	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	Total
Total											
Appropriations	This initiative will increase the Hardship Assistance appropriation and decrease the Recoverable Assistance appropriation.										

Section 5E: Monitoring and Evaluation

The answer must not exceed 1-2 paragraphs.

MSD has existing regular (monthly) reporting underway that tracks and assesses trends in hardship assistance including expenditure, number of grants, number of clients, and common need types. This data will form part of the broader review of hardship assistance settings being undertaken as part of the wider Welfare Overhaul work programme. Particular reporting on take-up of dental SNGs can be reported on if required.

Section 5F: Implementation readiness

The answer to each question must not exceed 1-2 paragraphs.

Workforce: Are additional FTEs or contractors required?	Y	The majority of staff required for the implementation of this initiative can be done so through baseline resources, however some funding will be required for additional staff (7.5 FTE) to manage the increase in take-up.
Workforce: Resourcing considerations	Not applicable.	
Timeframes	The Ministry of Social Development anticipates a 1 December 2022 implementation date. This is to accommodate for the development of operational guidance around what constitutes 'necessary' dental treatment with the Ministry of Health, IT changes, as well as the other initiatives that the Ministry will be implementing at the same time.	
Delivery Risks	There are no significant delivery risks.	
Market capacity	Not applicable.	
Previous delivery experience	<p>The Ministry of Social Development regularly delivers complex IT, operational and Policy initiatives on time. Recent examples of the Ministry successfully delivering large scale social welfare initiatives are:</p> <p>Income Support Package (\$3M budget) introduced changes as part of the Government's commitment to overhauling the welfare system from 1 April 2020. The changes were part of a Budget Bid which included:</p> <ul style="list-style-type: none"> removal of the section 192 sanction on sole parents who do not identify the other parent and apply for child support increasing income abatement thresholds of main benefits in line with planned increases to the minimum wage indexing main benefits to the average wage growth percentage rather than CPI 	

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- paying Transitional Assistance Payment to anyone who was unintentionally financially disadvantaged by the changes

Changes were delivered alongside Annual General Adjustment, and in mid-March Covid-recovery package was approved for additional \$25 Main Benefit increases and doubling of WEP payments for 2020. All changes were implemented from 1 April 2020.

Risk Management

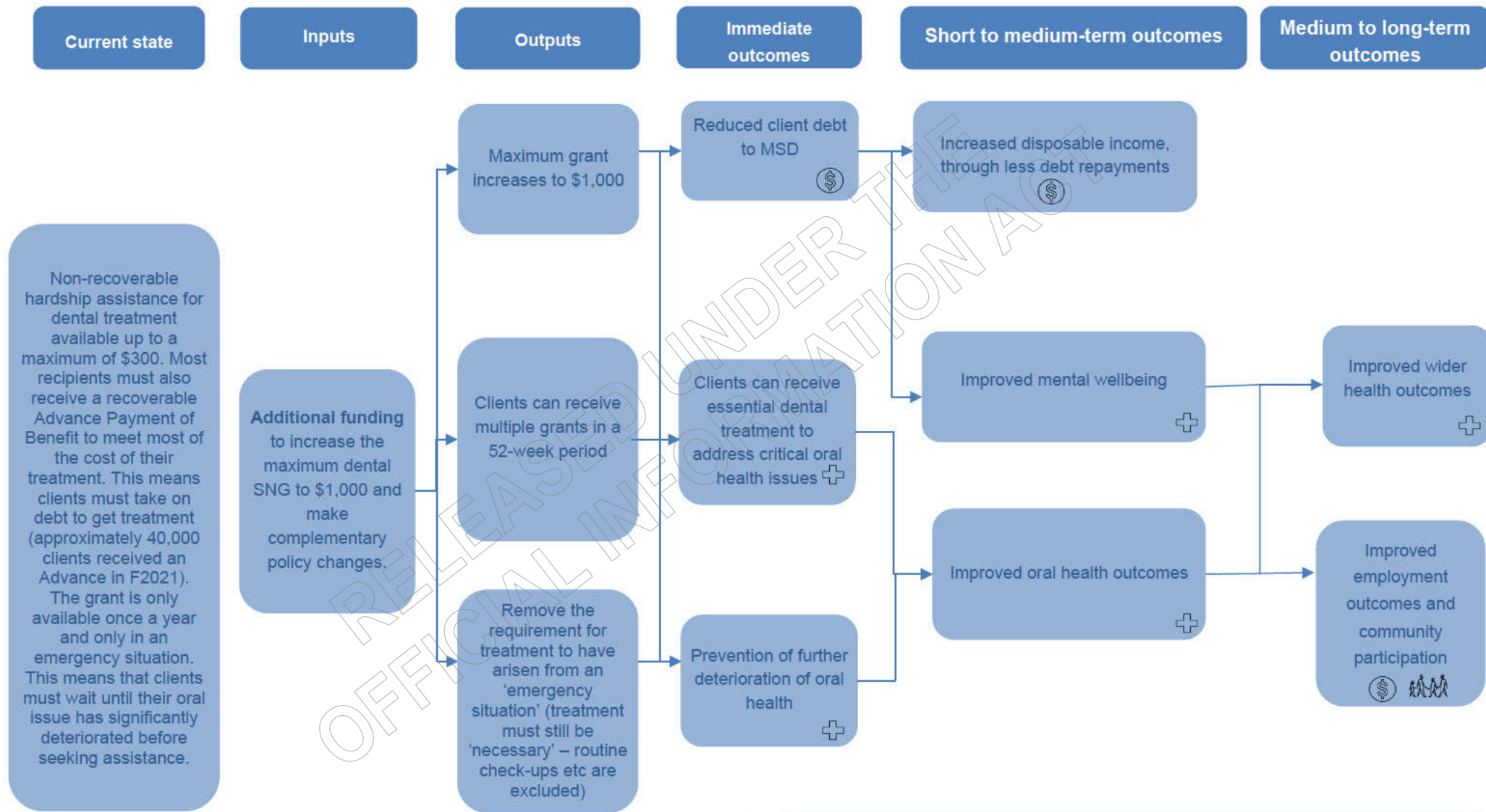
This project utilises MSD's Risk Management Framework to identify, assess and manage risks as part of its on-going risk management plan. The project reports the status of the high and medium risks to the project governance group and actively seeks to resolve risks where possible.

Each risk has an assigned owner, and a set of controls and mitigation strategies are developed to manage or minimise their impact.

The Ministry of Social Development Portfolio Management Office and the Ministry's Risk and Assurance provide guidance and oversight in managing project risks with the Risk and Assurance team providing risk workshop support as required.

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Appendix One – Intervention Logic



External factors impacting on outcomes:

- Access to dental care
- Other drivers of poor oral health (eg, diet, childhood oral health care, periodic treatment)

Assumptions:

- Clients know about the changes to Dental SNGs
- Clients will seek treatment for dental issues that aren't emergencies
- Application of the new criteria will be consistent among staff

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Report

Date: 13 October 2022 **Security Level:** IN CONFIDENCE

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

Budget 2022: Implementing policy changes to Special Needs Grants for dental treatment

Purpose of the report

- 1 This report seeks your agreement to approve and sign the attached Special Needs Grants (Dental Treatment) Amendment Programme 2022 to implement the following policy changes to Special Needs Grants for dental treatment from 1 December 2022:
 - 1.1 Increase the maximum amount for grants from \$300 to \$1,000
 - 1.2 Allow people to receive more than one grant in a 52-week period (up to the maximum amount)
 - 1.3 Remove the requirement for the need for treatment to have arisen from an emergency situation.

Recommended actions

It is recommended that you:

- 1 **approve and sign** the attached Special Needs Grants (Dental Treatment) Amendment Programme 2022 (the instrument), in order to implement the following policy changes to Special Needs Grants for dental treatment:
 - 1.1 Increase the maximum amount for grants from \$300 to \$1,000
 - 1.2 Allow people to receive more than one grant in a 52-week period (up to the maximum amount)
 - 1.3 Remove the requirement for the need for treatment to have arisen from an emergency situation

- 2 **note** that policy changes will come into effect on 1 December 2022 if the attached instrument is signed
- 3 **direct** your Office to arrange for a copy of the instrument to be presented to the House of Representatives once you have signed them and no later than the 16th sitting day after the day on which you sign the instrument
- 4 **note** that officials will arrange for publication of the instrument on the Ministry of Social Development's (MSD) external website, and in the *New Zealand Gazette* by 3 November 2022 to comply with the 28-day rule.



Bede Hogan
Policy Manager
Income Support Policy

13/10/2022

Date



Hon Carmel Sepuloni
Minister for Social Development and
Employment

18/10/22.

Date

As part of Budget 2022, Cabinet agreed to improve the adequacy and accessibility of Dental Special Needs Grants

Grant maxima will be increased to \$1,000, which will reduce client debt

- 2 The current maximum limit of \$300 for emergency dental treatment has not been changed since 1996 and is not in line with actual costs. This means that people often must go into debt to receive treatment, usually in the form of an Advance Payment of Benefit (Advance). Increasing the maxima to \$1,000 will alleviate client debt accordingly.

People will be able to receive more than one grant in a 52-week period

- 3 Currently, people can only access one grant in a 52-week period unless exceptional circumstances exist, regardless of how much support they received through that grant. However, some people have multiple oral health issues, or require multiple treatments for a single issue, over the course of a year. Allowing multiple grants in a 52-week period (up to the \$1,000 limit) will allow for this, making necessary dental treatment more accessible.

The requirement for the treatment to have arisen from an emergency will be removed...

- 4 The current requirement for the need for treatment to have arisen from an emergency situation means that people are not eligible unless they are in pain, which means they must wait until their issue significantly deteriorates before receiving treatment. In addition to exacerbating both oral health and wider health issues, this can result in the treatment being more expensive and invasive than if it had been addressed earlier. For example, sometimes tooth extractions are required because the issue was not addressed by a simpler treatment earlier on. Removing this requirement will allow people to address their oral health issues before they significantly deteriorate.

...and replaced by the usual requirement for the need to be immediate and essential

- 5 The 'emergency' requirement will be replaced by the usual Hardship Assistance requirement for the person's need to be immediate and essential. An immediate and essential need for dental treatment will exist if someone has an oral health issue that has or would immediately begin to deteriorate if left untreated, and likely have a detrimental effect on the person's oral and/or physical health¹. For instance, where a person has active and open tooth decay, there would be an immediate and essential need to treat the issue to prevent further deterioration of the person's oral health. This can be done through simple restorative treatment, such as a filling.

¹ Officials from the Ministry of Social Development (MSD) and the Ministry of Health worked together to develop this definition.

- 6 Not all fillings would be covered, however. For instance, fillings are sometimes used to repair chipped or stained teeth in order to improve their appearance. Cosmetic treatments, such as these, will be specifically excluded in the Special Needs Grants Programme (the Programme) to reflect that they are not immediate and essential.

An amendment to the Special Needs Grants Programme is required to give effect to these policy changes

- 7 The attached instrument reflects the updated maximum amount, allows for multiple grants in a 52-week period and removes the requirement for the need for treatment to have arisen from an emergency. The instrument also specifically excludes a number of treatments, such as regular check-ups and teeth cleaning, which are preventative treatments that are better addressed through the oral health system. Molar root canal treatment will also be excluded, except for in exceptional circumstances. This is because it has a relatively high failure rate, is usually not necessary² and is prohibitively expensive (average cost is approximately \$2,000). Cosmetic treatments, cast restorations and orthodontic treatment will also be specifically excluded to clarify that these are not immediate and essential needs. Dentures will also be excluded to ensure that they are covered under the appropriate cost category - 'Dentures and hearing aids' (recoverable assistance).
- 8 The instrument will also make the following minor changes to the SNG Programme:
- 8.1 The Programme currently only allows treatment to be provided by a dentist if a Health Agency does not provide such treatment in the area where the applicant resides. This wording will be amended to allow the applicant to receive treatment from a dentist, even if the same service is available through a nearby Health Agency. This is to prevent potential bottlenecks at Te Whatu Ora – Health New Zealand (formerly District Health Boards), which provides limited dental treatment for low-income people, which is subject to capacity. It also ensures applicants are not first directed towards Te Whatu Ora, which does not provide the range of treatments that private practices generally provide.
- 8.2 The definition of 'Health Agency' will be amended to reflect minor changes made to that definition as part of the Pae Ora (Healthy Futures) Act 2022.

The instrument to amend the Programme is attached for your signature

² A person does not need all their molars to have a fully functioning mouth. An extraction is more suitable, unless the person cannot have any teeth removed due to extreme circumstances (eg, cancer patient undergoing treatment).

- 9 The instrument to amend the Programme is attached for your approval and signature.
- 10 Following your approval and signature to the instrument, the Special Needs Grants (Dental Treatment) Amendment Programme 2022 will be published in the *New Zealand Gazette* and on the MSD website by 3 November 2022 (to comply with the 28-day rule) and will come into force on 1 December 2022. A copy of the instrument will be presented to the House of Representatives no later than the 16th sitting day after the day on which you sign the instrument.

Additional operational guidance will be provided to give effect to policy changes

- 11 Like other SNGs, the \$1,000 limit for immediate and essential dental treatment can be exceeded if exceptional circumstances exist. These are circumstances that set the person apart from others in a similar situation, and are assessed on a case-by-case basis. The following factors are considered in assessing whether exceptional circumstances exist:
 - 11.1 whether the client has any special or unusual costs compared to others in a similar position
 - 11.2 whether the client has any special or unusual reasons for any costs that have caused or contributed to the need
 - 11.3 the age and health of the client and any dependants
 - 11.4 whether the client is the principal caregiver of a child 12 months or younger
 - 11.5 the client's ability to improve their financial situation
 - 11.6 the causes of the client's financial difficulty; in particular whether the client caused or contributed to their financial difficulty because they used their money unwisely
 - 11.7 the extent to which the client's basic necessities of life would be at risk if an SNG was not granted
 - 11.8 whether the client is escaping from an unsafe environment.
- 12 For SNGs for dental treatment, some of these factors will be more relevant than others. Staff will be provided with additional guidance to help them apply these factors to scenarios involving SNGs for dental treatment. Some of these considerations will likely require input from the practicing dentist, for example, if the client has any special or unusual reasons for their oral issue, such as an underlying health condition. However, MSD will make the final decision on whether exceptional circumstances exist. Examples of different scenarios involving the consideration of exceptional circumstances can be found in **Appendix One**.

13 People who require more than \$1,000 in a 52-week period, but do not have exceptional circumstances, may be eligible for recoverable assistance instead.³

File ref: REP/22/10/946

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

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³ Such as Advance Payment of Benefit for beneficiaries, or a Recoverable Assistance Payment for non-beneficiaries.

Appendix One: Examples of exceptional and non-exceptional circumstances

Example one:

Nick has been experiencing tooth sensitivity lately and went to the dentist to get it checked out. It turns out that Nick has widespread early tooth decay and requires fillings in four teeth to address his tooth sensitivity and to prevent his oral health deteriorating. The cost of the consultation, x-rays and treatment is \$1,168. When talking to Nick about what might have caused his tooth decay, the dentist identified that Nick has good oral hygiene, but he takes medication for blood pressure issues which is highly likely to have caused his tooth decay. Nick was not aware of this potential side effect.

In this case, exceptional circumstances exist because Nick's oral health issues are likely caused by a regular medication he must take. This sets him apart from other people in similar circumstances.

Example two:

Ariki has been suffering from tooth sensitivity when she eats and drinks for the last few weeks. She's just been to the dentist who advised she'll need a root canal on one of her incisors and a filling in one of her pre-molars. The cost of the consultation, x-ray and treatment is \$1,379. Ariki has been receiving Sole Parent Support for the last three years. She has high essential outgoings which she has not been able to significantly reduce and has not been able to increase her income because of her parental responsibilities. Due to this, Ariki hasn't been able to put aside any money for regular dental check-ups.

In this case, exceptional circumstances exist because Ariki is in financial difficulty due to parental responsibilities and is not in a position to improve her financial situation. Therefore, she could not have reasonably been proactive about her oral health by having regular dental check-ups.

Example three:

Caitlin has been suffering from bad breath and swelling around some of her teeth. She went to see her dentist who advised Caitlin she needs two teeth extracted and a filling in one other tooth, totalling \$1,140. Caitlin does not have any special or unusual reasons for her dental issue. There are no symptoms that put the client's basic necessities of life at risk (eg, not being able to eat or sleep properly due to severe pain). Caitlin has an immediate and essential need for dental treatment, however, exceptional circumstances do not exist. Caitlin will receive \$1,000 for treatment through the SNG, and may receive the extra \$140 she requires to pay for the treatment through an Advance of Benefit.