NZ welfare agency denies aid to thousands, says food is “not essential”

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On September 7, One News reported that New Zealand’s Ministry of Social Development (MSD) rejected thousands of applications for emergency food grants on the stated basis that food is “not an essential need.”

Information obtained under the Official Information Act revealed that over the last six years MSD used this extraordinary justification to decline more than 8,000 Special Needs Grant applications for emergency food assistance.

MSD sought to dismiss this as an “administrative error” by staff who selected an incorrect decline code, claiming this did not really mean the underlying decision to refuse help was wrong. It did not explain why these thousands of people were denied assistance.

The official figures expose the enormous scale of social distress in the working class. Overall, MSD declined more than 88,000 food grant applications during 2025 alone on a variety of grounds. Thousands were rejected based on assessments that the applicant “did not have an immediate need” or had “caused or contributed” to their own dire situation.

In total, more than 318,000 people—nearly 6 percent of the population—applied to MSD for emergency help to buy food last year. Each person applied, on average, over four times, with a total of 1.4 million applications during 2025.

In addition, an estimated 500,000 to 600,000 people are seeking help from food bank charities every month. The fact that hundreds of thousands of people are forced to seek emergency support simply to eat is an indictment of capitalism.

As part of the National Party-led government’s austerity agenda, it is seeking to drastically limit social welfare. Thousands of people are being barred from access to emergency housing under strict criteria, including if the homeless person is deemed to have “unreasonably caused or contributed to their immediate emergency housing need.”

Another scandal recently exposed at MSD involves the suspension of welfare benefits and payments to thousands of people. A review released by MSD on September 10 found that more than 30,000 welfare payments were wrongly suspended following legislative changes introduced in 2025. Radio NZ (RNZ) reported that “some were left thousands of dollars out of pocket before they were backpaid, while the total arrears bill reached $2.5 million.”

The changes introduced a bureaucratic procedure requiring many welfare beneficiaries to reconfirm their living circumstances at least once every 52 weeks. MSD grossly underestimated the volume of additional work generated by the change. Thousands of people submitted the required forms but had their payments suspended because officials had not processed them on time.

MSD revealed that 2,460 people had their main benefits suspended, with average arrears payments of $390, while 11,990 more people did not receive supplementary benefits like the Accommodation Supplement or Disability Allowance. The consequences for households already surviving on extremely low incomes were potentially devastating: missed rent and power bills and an inability to afford food and other necessities.

A separate failure affected the Winter Energy Payment, which is paid to beneficiaries, superannuitants and veterans to assist with heating costs during colder months, particularly the recent winter. The payment was supposed to be exempted from the new reconfirmation requirements, but it was not. As a result, 16,270 people had payments

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suspended.

Even more damning is the length of time during which the problem was allowed to continue. Concerns about the Winter Energy Payment were first raised inside MSD on April 30, only days after the payment began for the year. According to the ministry's review, however, its senior leadership was not informed of the scale of the problem until August 13.

On August 28, Prime Minister Christopher Luxon was forced to publicly apologise for the failures. Social Development Minister Louise Upston told the media on September 1: "I acknowledge that a number of beneficiaries have had their benefit payments affected since the Mandatory Reviews Act came into force, and I apologise to those affected."

The series of failures, however, cannot be understood merely as isolated administrative mistakes. They have taken place within a broader restructuring of welfare and social spending by the National Party-led coalition government, which is imposing tighter eligibility requirements and reducing assistance to the poorest and most vulnerable sections of the population.

The 2026 budget contained major attacks on welfare recipients. From November, the government intends to push 18- and 19-year-olds off welfare benefits, under conditions where the unemployment rate for teenagers is 25.3 percent. From 2027, rents will increase for about 84,000 families and individuals in public or social housing, from 25 to 30 percent of their income.

The National Party is also calling for the age of superannuation entitlement to be raised from 65 to 67.

This onslaught is part of a broader austerity agenda, which includes the destruction of thousands of jobs and real wage cuts—enforced by the union bureaucracy—for teachers, healthcare workers and other public sector workers. Meanwhile the military budget is to be doubled from 1 to 2 percent of GDP, as New Zealand is integrated into US-led imperialist wars throughout the world.

Willow-Jean Prime, the opposition Labour Party's social development spokesperson, said the review into the government's suspended welfare payments was "damning." She noted that "an entire winter went past while elderly New Zealanders sat in cold houses." Green Party social development spokesperson Ricardo Menéndez March called for the resignation of social development minister Louise Upston.

The Labour Party, however, has no policy that would make a significant difference to people living in poverty, including pensioners and those receiving welfare. The party's fiscal strategy commits a future Labour government to returning the operating budget to surplus by 2029-2030, reducing net debt over time to around 20 percent of GDP and maintaining core expenditure at approximately 33 percent of GDP, which is roughly the current level. It also supports the diversion of billions of dollars from social programs into the military.

The 2017–2023 Labour-led coalition government, which also included the Green Party, presided over a worsening social crisis for the working class. The number of children living in "material hardship" increased from 135,000 in 2017 to 143,700 in 2023 (around 1 in 8 children). In 2023 food banks reported a 165 percent increase in demand compared with before the COVID-19 pandemic.

The fortunes of the super-rich, meanwhile, have soared under successive governments.

As the country approaches an election on November 7, support for both the major parties is collapsing. Neither Labour, National, nor any of their support parties, has anything to offer except worse social inequality and poverty, militarism and decaying public services.

To fight for their independent class interests, workers must oppose all the capitalist parties. We call on workers and young people to join the Socialist Equality Group and take up the fight for international socialism.

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