



Cabinet Legislation Committee

Minute of Decision

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Annual General Adjustment 2020 and Related Regulatory Changes

Portfolio **Social Development**

On 18 February 2020, the Cabinet Legislation Committee:

- 1 **noted** that, acting with Cabinet's authority, the Ministers responsible for the Finance, Housing and Urban Development, Education, Social Development, Health, Veterans and Children portfolios have approved new rates of New Zealand Superannuation, benefits, Student Allowance, Foster Care Allowance and new rates and thresholds for allowances and supplementary assistance [CAB Min (02) 7/1A];
- 2 **noted** that the proposed Orders in Council and Amending Regulations will come into effect on 1 April 2020 and will:
 - 2.1 increase the rates of main benefits to comply with the statutory requirement to adjust the rates to reflect the 3.09 per cent increase in the net average wage over the previous year;
 - 2.2 increase the rates of Student Allowance, Foster Care Allowance, Orphan's Benefit, Unsupported Child's Benefit and New Zealand Superannuation to comply with the statutory requirement to adjust the rates to reflect the 1.66 per cent increase in the Consumers Price Index over the previous year;
 - 2.3 further increase the rates of New Zealand Superannuation in line with the commitment to keep the net married rate at a minimum 66 per cent of the net average wage;
 - 2.4 increase rates and thresholds of allowances and various forms of supplementary assistance in line with the 1.66 per cent increase in the Consumers Price Index over the previous year;
 - 2.5 increase income thresholds for Disability Allowance and superannuitant-specific income thresholds for the Community Services Card by the greater dollar impact from: applying the annual percentage increase in the All Groups Consumers Price Index excluding cigarettes and other tobacco products; or applying the annual increase amount of New Zealand Superannuation;
 - 2.6 amend the definitions of Income Test 1, Income Test 2, Income Test 3, and Income Test 4 in Schedule 2 of the Social Security Act 2018 in line with the commitment to increase the abatement threshold for main beneficiaries and non-qualified spouses and partners of superannuitants;

- 2.7 amend the definition of income in the Social Security Regulations 2018 to exempt payments made under the Income Support Package (Transitional Assistance) Programme from the definition of income for Temporary Additional Support;
- 3 **authorised** the submission to the Executive Council of the:
- 3.1 Social Security (Rates of Benefits and Allowances) Order 2020 [PCO 22654/6.0];
- 3.2 Social Security (Definitions of Income Test 1, Income Test 2, Income Test 3, and Income Test 4) Order 2020 [PCO 2217/2.0];
- 3.3 Social Security Amendment Regulations 2020 [PCO 22655/4.0];
- 3.4 Residential Care and Disability Support Services Amendment Regulations 2020 [PCO 22656/3.0];
- 3.5 Student Allowances Amendment Regulations 2020 [PCO22657/3.0];
- 3.6 Health Entitlement Cards Amendment Regulations 2020 [PCO22658/3.0];
- 3.7 Oranga Tamariki (Minimum Rates of Payment for Board and Lodgings) Order 2020 [PCO22659/3.0].

Gerrard Carter
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Chris Hipkins (Chair)
Hon Andrew Little
Hon Carmel Sepuloni
Hon Iain Lees-Galloway
Hon Jenny Salesa
Hon Damien O'Connor
Hon Tracey Martin
Hon Ron Mark
Hon Eugenie Sage
Michael Wood MP (Senior Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG

Hard-copy distribution:

Minister for Social Development