



Cabinet Legislation Committee

Minute of Decision

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Residential Care and Disability Support Services (Annual Adjustment of Applicable Asset Thresholds and Income-from-assets Exemption) Regulations 2021

Portfolio Social Development and Employment, Health

On 20 May 2021, the Cabinet Legislation Committee:

- 1 **noted** that sections 75(1) and 75(2) of the Residential Care and Disability Support Services Act 2018 require the asset thresholds and the income-from-assets exemptions to be increased on 1 July every year in line with “upwards movement (if any) in the index number of the Consumers Price Index (All Groups) published by Statistics New Zealand for the year ending on the previous 31 March.”;
- 2 **noted** that the Consumers Price Index adjustments for the income-from-assets exemptions exclude increases in the tobacco excise until 2021, as set out in section 75(3) of the Residential Care and Disability Support Services Act 2018;
- 3 **noted** that the Residential Care and Disability Support Services (Annual Adjustment of Applicable Asset Thresholds and Income-from-assets Exemption) Regulations 2021 will increase:
 - 3.1 the asset thresholds used to determine financial eligibility in line with the 1.52 percent increase in the All Groups Consumers Price Index for the year ending 31 March 2021;
 - 3.2 the maximum income-from-assets exemptions per year in line with the 1.44 percent increase in the All Groups (excluding cigarettes and other tobacco products) Consumers Price Index for the year ending 31 March 2021;
- 4 **noted** that in 2004, Cabinet agreed that the allowable gifting amounts prescribed in the residential care regulations should be reviewed annually for adjustment in line with the Consumers Price Index and that such adjustments should be in \$500 increments [CAB MIN (04) 30/8];
- 5 **noted** that the allowable gifting amount was adjusted in 2018 and no adjustment is recommended to the allowable gifting amount from 1 July 2021;
- 6 **noted** that the Residential Care and Disability Support Services (Annual Adjustment of Applicable Asset Thresholds and Income-from-assets Exemption) Regulations 2021 will increase the cost of the Residential Care Subsidy by around \$7 million a year;

- 7 **authorised** the submission to the Executive Council of the Residential Care and Disability Support Services (Annual Adjustment of Applicable Asset Thresholds and Income-from-assets Exemption) Regulations 2021 [PCO 23761/4.0].

Rebecca Davies
Committee Secretary

Present:

Hon Chris Hipkins (Chair)
Hon Megan Woods
Hon Carmel Sepuloni
Hon Andrew Little
Hon David Parker
Hon Poto Williams
Hon Kris Faafoi
Hon Jan Tinetti
Hon Michael Wood (Deputy Chair)
Hon Ayesha Verrall
Hon Meka Whaitiri
Kieran McAnulty, MP (Senior Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG