



Cabinet Business Committee

Minute of Decision

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North Island Weather Events and Nelson Floods: Income and Cash Asset Exemptions

Portfolio **Social Development and Employment**

On 18 September 2023, the Cabinet Business Committee:

- 1 **noted** that following the North Island Weather Events (NIWE) between January and February 2023 and the Nelson floods of August 2022 (including Nelson, Tasman and Marlborough), affected individuals may be receiving financial payments from insurance pay-outs, donations, land buyouts, and/or Kaupapa Māori Pathway payments;
- 2 **noted** that some of the people affected by the above weather events will be receiving social security assistance of some kind;
- 3 **noted** that the financial payments from insurance pay-outs, donations, land buyouts and/or Kaupapa Māori Pathway payments would currently be treated as cash asset or income when determining eligibility for other government assistance and may impact:
 - 3.1 eligibility to financial assistance from MSD;
 - 3.2 access to long-term residential care;
 - 3.3 eligibility to Public Housing and Income Related Rent;
- 4 **agreed** to the Social Security Regulations 2018, the Residential Care and Disability Support Services Regulations 2018, and the Student Allowances Regulations 1998 being amended to exempt payments of insurance pay-outs, donations, and land buyouts by Government or Councils made in relation to the NIWE and Nelson floods, and any related interest from them, from asset, cash asset, and income tests for financial assistance for a period of 12 months from receipt of payment;
- 5 **agreed** that any NIWE-related payments received from the Kaupapa Māori Pathway are also exempted, and any related interest from them;
- 6 **agreed** that for Student Allowances this exemption will apply to personal income, spouse or partner income, and parental income tests;

- 7 **invited** the Minister for Social Development and Employment to instruct the Parliamentary Counsel Office to give effect to paragraphs 4, 5 and 6;
- 8 **noted** Ministers’ preference that out-of-cycle changes be funded from reprioritisation;
- 9 **noted** that the Ministry of Social Development has identified that funding could be reprioritised from the Improved Employment and Social Outcomes Support Multi Category Appropriation;
- 10 **noted** that the exemptions would apply to main benefits, hardship assistance and supplementary assistance under Vote Social Development, as well as some appropriations in other Votes such as Vote Health and Vote Revenue, but the change is unlikely to have a material impact for most appropriations, except for Accommodation Assistance in Vote Social Development;
- 11 **approved** the following fiscally neutral adjustment to provide for the decisions in paragraphs 4, 5 and 6 with no impact on the operating balance or net debt:

Vote Social Development	\$m – increase / (decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Minister for Social Development and Employment Multi-category Expenses and Capital Expenditure Improved Employment and Social Outcomes Support Departmental Output Expense: <i>Administering Income Support (funded by revenue Crown)</i>	(0.069)	-	-	-	-
Minister of Housing Benefits or Related Expenses: <i>Accommodation Assistance</i>	0.019	0.019	0.019	0.012	-
Total Operating	(0.050)	0.019	0.019	0.012	-

- 12 **agreed** that the changes to appropriations for 2023/24 above be included in the 2023/24 Supplementary Estimates and that, in the interim, the increase(s) be met from Imprest Supply;
- 13 **noted** that the earliest an exemption could be implemented is November 2023, subject to Cabinet approving regulations in early November 2023 and a potential waiver of the 28-day rule;

- 14 **invited** the Minister for Social Development and Employment to report back to Cabinet with the final regulations and provide an update on timing.

Jenny Vickers
Committee Secretary

Present:

Hon Carmel Sepuloni (Chair)
Hon Kelvin Davis
Hon Grant Robertson
Hon Dr Ayesha Verrall
Hon Andrew Little
Hon David Parker
Hon Ginny Andersen

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet