

Cabinet Legislation Committee

Minute of Decision

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Annual General Adjustment 2025

Portfolio Social Development and Employment

On 20 February 2025, the Cabinet Legislation Committee:

- noted that, acting with Cabinet's delegated authority [CAB Min (02) 7/1A], the Ministers responsible for the Finance, Housing, Health, Social Development and Employment, Vocational Education, Veterans, and Children portfolios have approved new rates of New Zealand Superannuation, main benefits, Student Allowances, Foster Care Allowance Minimum Rates of Payment for Board and Lodgings, and new rates and thresholds for allowances and supplementary assistance;
- 2 **noted** that the proposed Orders in Council and Amendment Regulations will come into effect on 1 April 2025 and will:
 - 2.1 increase the rates of main benefits, Student Allowances, Orphan's Benefit, Unsupported Child's Benefit, Foster Care Allowance, Minimum Rates of Payment for Board and Lodgings, benefits payable to long-term hospital patients, and New Zealand Superannuation, to comply with the statutory requirement to adjust the rates to reflect the 2.22 per cent increase in the Consumers Price Index (All Groups) (CPI) over the previous year;
 - 2.2 further increase the rates of New Zealand Superannuation in line with the commitment to keep the net married couple rate at a minimum of 66 percent of the net average wage;
 - increase rates and thresholds of allowances and various forms of supplementary assistance in line with the 2.22 per cent increase in the CPI the previous year;
 - 2.4 increase income thresholds for Disability Allowance and the Community Services Card by applying the 2.22 per cent increase in the CPI over the previous year;
 - 2.5 increase Childcare Assistance and hardship assistance income thresholds to reflect the 3.51 percent increase in the net average wage over the previous year;
- **authorised** the submission of the following Orders and Amendment Regulations to the Executive Council:
 - 3.1 Social Security (Rates of Benefits and Allowances) Order 2025 [PCO 27006/5.0];
 - 3.2 Social Security Amendment Regulations 2025 [PCO 27007/5.0];

- 3.3 Residential Care and Disability Support Services Amendment Regulations 2025 [PCO 27008/4.0];
- 3.4 Student Allowances Amendment Regulations 2025 [PCO 27009/4.0];
- 3.5 Health Entitlement Cards Amendment Regulations 2025 [PCO 27010/5.0];
- 3.6 Oranga Tamariki (Minimum Rates of Payment for Board and Lodgings) Order 2025 [PCO 27011/4.0].

Tom Kelly **Committee Secretary**

Present:

Rt Hon Winston Peters Hon David Seymour Hon Chris Bishop (Chair) Hon Louise Upston Hon Shane Jones Hon Brooke van Velden Hon Judith Collins KC Hon Tama Potaka Hon Nicole McKee Hon Casey Costello Hon Chris Penk

Hon Andrew Bayly Hon Scott Simpson, MP Jamie Arbuckle, MP Todd Stephenson, MP

Officials present from:

Officials Committee for LEG Leader of the House's Office Attorney-General's Office