



# Cabinet Social Wellbeing Committee

## Minute of Decision

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### Welfare assistance package to help low-income people meet the increasing cost of living

Portfolio                      Social Development and Employment

On 22 February 2023, the Cabinet Social Wellbeing Committee:

#### Increase to main benefit rates and complementary changes

- 1        **noted** that through Budget 2019, Cabinet agreed to index main benefit rates to the growth in net average wages, which are legally required to increase on 1 April 2023 as part of the Annual General Adjustment [CAB-19-MIN-0174.36];
- 2        **noted** that the Consumers Price Index has increased by 0.98 percentage points more than net average wages for the year December 2022;
- 3        **agreed** to a one-off increase to the following main benefit rates on 1 April 2023, to ensure the overall increase is equivalent to the increase in the Consumers Price Index of 7.22 percent:
  - 3.1      Jobseeker Support
  - 3.2      Youth Payment
  - 3.3      Young Parent Payment
  - 3.4      Sole Parent Support
  - 3.5      Supported Living Payment
  - 3.6      Grandparented Widow and Domestic Purposes Benefit;
- 4        **agreed** to an increase to the Blind Subsidy couples threshold in line with the percentage increase to the Supported Living Payment;

5 **agreed** to increase spending to provide for the costs associated with the policy decisions agreed in paragraphs 3 and 4 above, with the following impacts on the operating balance and net debt:

Vote Social Development	\$m – increase/(decrease)				
	2022/23	2023/24	2024/25	2025/256	2026/27 & Outyears
Operating Balance and Net Debt Impact	15.760	68.136	73.566	76.486	77.319
Operating Balance Impact Only	-	-	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	3.561	15.449	16.739	17.001	17.225
<b>Total</b>	<b>19.321</b>	<b>83.585</b>	<b>90.305</b>	<b>93.487</b>	<b>94.544</b>

6 **approved** the following changes to appropriations to give effect to the policy decisions in paragraphs 3 and 4 above:

	\$m – increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Vote Social Development Minister for Social Development and Employment Benefits or Related Expenses:					
Hardship Assistance	(0.308)	(1.236)	(0.839)	(0.616)	(0.294)
Jobseeker Support and Emergency Benefit	9.277	42.612	47.402	47.259	47.915
Sole Parent Support	5.107	21.429	22.896	23.462	23.366
Supported Living Payment	6.058	24.628	25.675	26.628	27.431
Youth Payment and Young Parent Payment	0.164	0.695	0.740	0.783	0.822
Minister of Housing Benefits or Related Expenses:					
Accommodation Assistance	(0.283)	(1.742)	(2.895)	(0.964)	(1.846)
Vote Housing and Urban Development Public Housing MCA Non-Departmental Output Expenses:					
Purchase of Public Housing Provision	(0.694)	(2.801)	(2.674)	(3.065)	(2.850)
<b>Total Operating</b>	<b>19.321</b>	<b>83.585</b>	<b>90.305</b>	<b>93.487</b>	<b>94.544</b>

7 **agreed** that the proposed changes to appropriations for 2022/23 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

8 **agreed** that the operating balance and net debt impact in paragraph 5 above be charged as a pre-commitment against the Budget 2023 operating allowance;

**Increased funding for Building Financial Capability services**

- 9 **noted** the demand for budgeting services is increasing due cost of living pressures;
- 10 **noted** that \$3 million of underspend is forecast for 2022/23 for the Community Support Services MCA, and is available to provide additional funding for Building Financial Capability Services;
- 11 **agreed** to provide \$3 million for Building Financial Capability Services, including debt solutions and microfinance, to help people provide advice for families in response to cost of living pressures, from within the Community Support Services MCA as noted in paragraph 10, with no impact on the appropriation.

Rebecca Davies  
Committee Secretary

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**Present:**

Hon Carmel Sepuloni (Chair)  
Hon Jan Tinetti  
Hon Dr Ayesha Verrall  
Hon Willie Jackson  
Hon Priyanca Radhakrishnan  
Hon Kieran McAnulty  
Hon Ginny Andersen  
Jo Luxton MP

**Officials present from:**

Office of the Prime Minister  
Office of the Chair  
Officials' Committee for SWC