



# 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 2020

Portfolios                      Social Development / Health

On 12 May 2020, 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 2020 increase:
  - 3.1      the asset thresholds used to determine financial eligibility in line with the 2.53 per cent increase in the All Groups Consumers Price Index for the year ending 31 March 2020;
  - 3.2      the maximum income-from-assets exemptions per year in line with the 2.25 per cent increase in the All Groups (excluding cigarettes and other tobacco products) Consumers Price Index for the year ending 31 March 2020;
- 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) 30/08]
- 5        **noted** that the allowable gifting amount was adjusted in 2018 and no adjustment is recommended to the allowable gifting amount from 1 July 2020;
- 6        **noted** that the Residential Care and Disability Support Services (Annual Adjustment of Applicable Asset Thresholds and Income-from-assets Exemption) Regulations 2020 increase the cost of the Residential Care Subsidy by around \$5 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 2020 [PCO 22906/3.0];
- 8 **noted** that the Residential Care and Disability Support Services (Annual Adjustment of Applicable Asset Thresholds and Income-from-assets Exemption) Regulations 2020 come into force on 1 July 2020.

Gerrard Carter  
Committee Secretary

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**Present:**

Rt Hon Winston Peters  
Hon Dr Megan Woods  
Hon Chris Hipkins (Chair)  
Hon Andrew Little  
Hon Carmel Sepuloni  
Hon David Parker  
Hon Stuart Nash  
Hon Damien O'Connor  
Hon Tracey Martin  
Hon Juli Ann Genter  
Hon Eugenie Sage

**Officials present from:**

Officials Committee for LEG