



Cabinet Legislation Committee

Minute of Decision

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Annual General Adjustment 2022 and Related Regulatory Changes

Portfolio **Social Development and Employment**

On 17 February 2022, the Cabinet Legislation Committee:

- 1 **noted** that, acting with Cabinet's delegated authority [CAB Min (02) 7/1A], the Ministers responsible for the Finance, Children, Housing, Education, Social Development, Health and Veterans portfolios have approved new rates of New Zealand Superannuation, benefits, Student Allowance, Foster Care Allowance and new rates and thresholds for allowances and supplementary assistance;

- 2 **noted** that the Social Security (Rates of Benefits and Allowances) Order 2022, Social Security Amendment Regulations 2022, Residential Care and Disability Support Services Amendment Regulations 2022, Student Allowances Amendment Regulations 2022, Health Entitlement Cards Amendment Regulations 2022 and the Oranga Tamariki (Minimum Rates of Payment for Board and Lodgings) Order 2022 (the Orders and Amendment Regulations) will:
 - 2.1 increase the rates of main benefits to comply with the statutory requirement to adjust the rates to reflect the 4.71 percent increase in the net average wage over the previous year;
 - 2.2 increase the rates of Student Allowance, Orphan's Benefit, Unsupported Child's Benefit, Foster Care Allowance, rates of benefits payable to long-term hospital patients, and New Zealand Superannuation, to comply with the statutory requirement to adjust the rates to reflect the 5.95 percent increase in the Consumers Price Index (All Groups) over the previous year;
 - 2.3 increase rates and thresholds of allowances and various forms of supplementary assistance in line with the 5.95 percent increase in the Consumers Price Index (All Groups) over the previous year;
 - 2.4 increase income thresholds for Disability Allowance and the Community Services Card by applying the 5.95 percent increase in the Consumers Price Index (All Groups) over the previous year;
 - 2.5 further increase the rates of main benefits, Student Allowance and Student Loan Living Costs in line with the policy initiatives agreed to by Cabinet as part of the Budget 2021 package [CAB-21-MIN-0116];
 - 2.6 further increase Orphan's Benefit, Unsupported Child's Benefit in line with the policy initiatives agreed to by Cabinet for the Budget 2021 package and an additional Budget 2022 pre-commitment [CAB-21-MIN-0116, CAB-21-MIN-0457];

- 2.7 increase Childcare Assistance income thresholds annually by net average wage growth from 1 April 2022, in line with the policy initiatives agreed to by Cabinet for Budget 2021 [CAB-21-MIN-0116];
- 2.8 create two gross abatement rates for the ‘at home’ and ‘away from home’ Student Allowance payments for those under 24 years of age, to maintain policy intent of keeping net abatement of these payments at 25 percent [CAB Min (04) 11/9];
- 3 **noted** a further adjustment to the net weekly couple rate of New Zealand Superannuation will not be required in the 2022 AGA, as the 5.95 percent CPI (All Groups) adjustment will see this rate exceeding the minimum 66 percent legislative requirement for this year;
- 4 **authorised** the submission to the Executive Council of the:
- 4.1 Social Security (Rates of Benefits and Allowances) Order 2022 [PCO 24406/3.0];
- 4.2 Social Security Amendment Regulations 2022 [PCO 24398/3.0];
- 4.3 Residential Care and Disability Support Services Amendment Regulations 2022 [PCO 24410/3.0];
- 4.4 Student Allowances Amendment Regulations 2022 [PCO 24457/8.0];
- 4.5 Health Entitlement Cards Amendment Regulations 2022 [PCO 24399/4.0];
- 4.6 Oranga Tamariki (Minimum Rates of Payment for Board and Lodgings) Order 2022 [PCO 24400/3.0];
- 5 **noted** that the Orders and Amendment Regulations referred to in paragraph 4 will come into effect on 1 April 2022.

Rebecca Davies
Committee Secretary

Present:

Hon Chris Hipkins (Chair)
Hon Andrew Little
Hon David Parker
Hon Poto Williams
Hon Kris Faafoi
Hon Michael Wood
Hon Kiri Allan
Hon Dr David Clark
Kieran McAnulty, MP

Officials present from:

Office of the Prime Minister
Officials Committee for LEG