



Cabinet Social Wellbeing Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Extension of Increased Income Limits for Hardship Assistance

Portfolio **Social Development and Employment**

On 15 December 2021, the Cabinet Social Wellbeing Committee:

- 1 **noted** that in October 2021, the Cabinet Business Committee, having been authorised by Cabinet to have Power to Act, agreed to temporarily increased income limits applying to hardship assistance for four months from 1 November 2021 to 28 February 2022 [CBC-21-MIN-0118];
- 2 **noted** that Cabinet also agreed that the Minister for Social Development and Employment report back to Cabinet before the end of the year on the uptake of hardship assistance since 1 November 2021;
- 3 **noted** that data up to 5 December 2021 shows that there were approximately 4,930 grants of hardship since 1 November 2021 to people with income recorded at a level that would previously have made them ineligible;
- 4 **agreed** to extend the increased income limits applying to hardship assistance noted in paragraph 1 above for a further four months from 1 March 2022 to 30 June 2022;
- 5 **agreed** that the increased income limits in paragraph 4 above be adjusted on 1 April 2022 as part of the Annual General Adjustment in line with the growth in the Consumers Price Index;
- 6 **agreed** that the decision in paragraph 4 above does not apply to Emergency Housing Special Needs Grants;
- 7 **s 9(2)(f)(iv)**

Financial implications

- 8 **agreed** to provide \$80,000 for the implementation costs to continue promoting the policy change to the target cohort;

- 9 **noted** the following changes to capital as a result of the decision in paragraph 4 above, which impacts on the level of capital receipts received, with a corresponding impact on net core Crown debt:

Vote Social Development Minister for Social Development and Employment	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears
Capital receipts:					
Benefit Recoveries – current debt	3.268	1.401	-	-	-
Total Capital	(3.268)	(1.401)	-	-	-

- 10 **agreed** to increase spending to provide for costs associated with the decisions in paragraphs 4 and 8 above, with the following impacts on the operating and net core Crown debt:

Vote Social Development	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears
Operating Balance and Net Core Crown Debt Impact	4.292	-	-	-	-
Operating Balance Impact Only	-	-	-	-	-
Net Core Crown Debt Impact Only	1.401	(1.401)	-	-	-
No Impact (Tax on Benefits)	-	-	-	-	-
Total	5.693	(1.401)	-	-	-

- 11 **approved** the following changes to appropriations to give effect to the decision in paragraph 10 above:

Vote Social Development Minister for Social Development and Employment	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears
Benefits or Related Expenses:					
Hardship Assistance	4.212	-	-	-	-
Non-Departmental Capital Expenditure Recoverable Assistance	4.669	-	-	-	-
Multi-Category Expenses and Capital Expenditure					
Improved Employment and Social Outcomes Support MCA					
Departmental Output Expenses:					
Administering Income Support (funded by revenue Crown)	0.080	-	-	-	-
Total Operating	4.292	-	-	-	-
Total Capital	4.669				

- 12 **agreed** that the changes to appropriations for 2021/22 in paragraph 11 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

- 13 **agreed** that the operating balance and net core Crown debt impact in paragraph 10 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Jacinda Ardern
Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Carmel Sepuloni (Chair)
Hon Andrew Little
Hon Poto Williams
Hon Damien O'Connor
Hon Kris Faafoi
Hon Peeni Henare
Hon Aupito William Sio
Hon Priyanca Radhakrishnan

Officials present from:

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