



Cabinet Social Wellbeing Committee

Minute of Decision

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Changes to Income and Cash Assets Tests: Methamphetamine Recovery

Portfolio **Social Development**

On 10 April 2019, the Cabinet Social Wellbeing Committee:

- 1 **noted** that in November 2018, Cabinet agreed to amend regulations to exempt Housing New Zealand discretionary grants (to address financial hardship caused from tenancies ending as a result of Housing New Zealand's zero-tolerance methamphetamine contamination policies), and any income derived from them, from cash assets and income tests for financial assistance for a period of 12 months [CAB-18-MIN-0584];
- 2 **noted** that, as a result of previous zero-tolerance methamphetamine policies, signatories and household members also incurred debt with the Ministry of Social Development from recoverable assistance;
- 3 **noted** that the Minister of Finance and the Minister for Social Development used powers contained under the Social Security Act 2018 to write-off debt for all recoverable assistance to ensure that affected people were not adversely affected by debt accrued as a direct result of seeking financial assistance following tenancy terminations in relation to Housing New Zealand's former zero-tolerance policy;
- 4 **noted** that the Ministry of Social Development is implementing an operational process for the debt write-off to occur and that some clients will receive refunds as they have paid off some of the debt incurred due to their use of recoverable assistance;
- 5 **noted** that the refund payments would currently be treated as cash assets or income when determining eligibility for other government assistance and may impact:
 - 5.1 entitlement to financial assistance from the Ministry of Social Development;
 - 5.2 access to long-term residential care;
 - 5.3 eligibility to Public Housing and Income Related Rent;
- 6 **agreed** to amend the Social Security Regulations 2018 and the Residential Care and Disability Support Services Regulations 2018 to exempt refund payments by the Ministry of Social Development, and any income derived from them, from income and cash assets tests for financial assistance for a period of 12 months;

- 7 **noted** that the Minister for Social Development intends to amend the Ministerial Direction in relation to Special Benefit to exempt refund payments, and any income derived from them from cash assets and income tests for assistance under the Social Security Act 2018 and the Residential Care and Disability Support Services Act 2018 for a period of 12 months;
- 8 **authorised** the submission of the following Amendment Regulations to the Executive Council to give effect to the decision referred to in paragraph 6 above:
- 8.1 Social Security (Cash Assets and Income Exemptions – Refunds of Specified Debt Repayments) Amendment Regulations 2019 [PCO 22045/4.0]; and
- 8.2 Residential Care and Disability Support Services (Exempt Assets – Refunds of Specified Debt Repayments) Amendment Regulations 2019 [PCO 22046/4.0];
- 9 **noted** that a waiver of the 28-day rule is sought on the grounds that the Amendment Regulations confer only benefits for those affected by them;
- 10 **agreed** to a waiver of the 28-day rule so that the Amendment Regulations can come into force on 16 April 2019.

Vivien Meek
Committee Secretary

Present:

Rt Hon Jacinda Ardern
Hon Kelvin Davis
Hon Grant Robertson
Hon Phil Twyford
Hon Andrew Little
Hon Carmel Sepuloni (Chair)
Hon Dr David Clark
Hon Nanaia Mahuta
Hon Stuart Nash
Hon Jenny Salesa
Hon Tracey Martin
Hon Willie Jackson
Hon Aupito William Sio
Michael Wood, MP
Jan Logie, MP

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Officials Committee for SWC
Office of the Chair

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Minister for Social Development