

Accommodation Supplement - Increasing the Maximum rates for all areas

Initiative Sponsors: Ministry of Social Development

Description:

This initiative provides funding to increase the maximum rates (maxima) for the Accommodation Supplement (AS) in all areas by between \$10 and \$30 per week from 1 April 2027. This increase in support helps to lift the incomes of low-income households in the private accommodation market, and it also improves equity and incentives across housing subsidies

Financial Impact:

Vote Social Development Opex:

(\$m)	2025/26	2026/27	2027/28	2028/29	2029/30 & outyears	Total
Total	-	27.982	114.533	113.084	118.748	374.347

Why is the Government making changes to the Accommodation Supplement?

This change, alongside changes to Temporary Additional Support (TAS) and Income Related Rent (IRR), makes a start on improving equity and incentives in the housing subsidy system as part of a multi-year programme to reform the social housing system. The Government is reinvesting the fiscal savings from the Budget 26 initiative *Increasing the minimum housing cost contribution for social housing tenants, and people in emergency and transitional housing* to increase the AS maxima. The increase in AS maxima helps to lift the incomes of households in the private accommodation market, and it also improves equity and incentives across housing subsidies.

When will the changes happen?

The increase to the maximum weekly payments will come into effect from 1 April 2027.

Who will benefit from the changes?

It is estimated that approximately 111,000 families gain income of \$14.91 per week on average from the Budget 2026 Housing Package

Clients who are not receiving the maximum weekly payment (i.e. who have comparatively lower accommodation costs) will not receive an increase in their AS. However, if a non-beneficiary's AS is reduced below the maximum weekly payment due to income abatement, they may receive an increase in AS as a result of the change.