



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 2025

Portfolios **Health / Social Development and Employment**

On 22 May 2025, the Cabinet Legislation Committee:

- 1 **noted** that sections 75(1) and (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 (CPI) for the year ending on the previous 31 March”;
- 2 **noted** that the Residential Care and Disability Support Services (Annual Adjustment of Applicable Asset Thresholds and Income-from-assets Exemption) Regulations 2025 increase:
 - 2.1 the asset thresholds used to determine financial eligibility in line with the 2.53 percent increase in the CPI for the year ending 31 March 2025;
 - 2.2 the maximum income-from-assets exemptions per year in line with the 2.53 percent increase in the CPI for the year ending 31 March 2025;
- 3 **noted** that in 2004, Cabinet agreed that the allowable gifting amounts prescribed in the Residential Care and Disability Support Services Regulations 2018 should be reviewed annually for adjustment in line with the CPI and that such adjustments should be in \$500 increments [CAB Min (04) 30/08];
- 4 **noted** that the allowable gifting amounts will not be increased because the accumulated change based on movement in the CPI since September 2023 does not trigger the \$500 adjustment;
- 5 **noted** that the Residential Care and Disability Support Services (Annual Adjustment of Applicable Asset Thresholds and Income-from-assets Exemption) Regulations 2025 are estimated to increase the cost of the Residential Care Subsidy by around \$2 million a year;
- 6 **noted** that the fiscal cost of increasing the asset thresholds and income-from-assets exemptions will be met by Health New Zealand from funding for health and disability support services in 2025/26 and no annual specific changes to appropriations will be made for the increase in the thresholds;

- 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 2025 [PCO 27288/2.0];
- 8 **noted** that the Residential Care and Disability Support Services (Annual Adjustment of Applicable Asset Thresholds and Income-from-assets Exemption) Regulations 2025 will come into force on 1 July 2025.

Tom Kelly
Committee Secretary

Present:

Rt Hon Winston Peters
Hon David Seymour
Hon Chris Bishop (Chair)
Hon Paul Goldsmith
Hon Louise Upston
Hon Judith Collins KC
Hon Brooke van Velden
Hon Todd McClay
Hon Tama Potaka
Hon Simon Watts
Hon Nicole McKee
Hon Chris Penk
Hon James Meager
Hon Andrew Hoggard
Stuart Smith, MP
Jamie Arbuckle, MP
Todd Stephenson, MP

Officials present from:

Officials Committee for LEG