

7 February 2024

Hon Judith Collins KC, Attorney-General

**Consistency with the New Zealand Bill of Rights Act 1990: Social Security (Benefits Adjustment) and Income Tax (Minimum Family Tax Credit) Amendment Bill**

**Purpose**

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1. We have considered whether the Social Security (Benefits Adjustment) and Income Tax (Minimum Family Tax Credit) Amendment Bill (the Bill) is consistent with the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990 (the Bill of Rights Act).
2. We have not yet received a final version of the Bill. This advice has been prepared in relation to the latest version of the Bill (PCO 26038/3.0). We will provide you with further advice if the final version includes amendments that affect the conclusions in this advice.
3. The Bill amends the Social Security Act 2018 in respect of main benefits and the Income Tax Act 2007 in respect of the minimum family tax credit.
4. Currently, main benefits are indexed to net average wage growth. This Bill would make amendments to index main benefits to inflation (upwards movement in the Consumers Price Index) and increase the minimum family tax credit threshold from 1 April 2024. This is to ensure that income support responds to increases in the cost of living. Indexing benefits to inflation instead of net average wage growth is expected to result in a higher increase to benefits in the short term but a lower increase over the long term, however we note that the effect will depend on movements in the Consumers Price Index relative to average wages.
5. We have concluded that the Bill appears to be consistent with the rights and freedoms affirmed in the Bill of Rights Act.



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