

Social Assistance Legislation (Accommodation Supplement and Income-related Rent) Amendment Bill

Government Bill

Explanatory note

General policy statement

Introduction

The Social Assistance Legislation (Accommodation Supplement and Income-related Rent) Amendment Bill (the **Bill**) is an omnibus Bill introduced under Standing Order 267(1)(a) that amends the Social Security Act 2018, the Public and Community Housing Management Act 1992, and the Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018. Consequential amendments are also made to the Residential Care and Disability Support Services Act 2018.

The Bill implements the following single broad policy: addressing the issue of double subsidisation of housing subsidies (when both a boarder and the person receiving board payments are claiming housing subsidies for the same accommodation costs), and ensuring households are treated more equitably when calculating housing subsidies or other assistance under the Social Security Act 2018 and when calculating the income-related rent subsidy under the Public and Community Housing Management Act 1992.

The amendments are to ensure board payments received from all boarders are included in the calculation of housing subsidies administered by the Ministry of Social Development (**MSD**). Currently, only board payments received from the third and subsequent boarders impact housing subsidies paid under the Social Security Act 2018 (unless board payments are a person's main source of income). For social housing tenants, only board payments received from the third and subsequent boarders (ie, additional residents) impact a person's income-related rent (unless board payments are a person's main source of income).

Context

The policy of disregarding contributions received from 1 or 2 boarders, when calculating a person's entitlement to housing subsidies and assistance under the Social Security Act 2018 (the **boarders' contributions policy**), was introduced around 1992. It was intended to encourage better utilisation of State housing (ie, occupation of empty rooms) and encourage beneficiary households, particularly sole parent beneficiaries living in larger State houses, to take on a boarder, or boarders, to offset some of their costs. The wider context to the introduction of the policy was a reduction in the rates of most main social security benefits in 1991 (and a 2-year freeze in the rates of the pension), and the transition to market rents for State housing tenants from October 1992. While the boarders' contributions policy aimed to encourage better utilisation of State housing stock, and is stated in the Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018, the policy of disregarding contributions received from 1 or 2 boarders has been applied to all assessments for assistance under the Social Security Act 2018.

Objectives of Bill

The objectives of the Bill are to—

- ensure that housing contributions received from all boarders are considered when calculating entitlement to and rate of housing subsidies, which will ensure more equitable treatment of board and rent payments received:
- prevent subsidisation of the same accommodation costs more than once:
- ensure households that receive housing contributions from boarders are treated more equitably with households that receive payments for rent when determining the rate of any assistance that uses the Social Security Act 2018 definition of income.

To help achieve these objectives, the Bill will—

- recognise the housing contributions (62% of payments) of all boarders in a person's accommodation costs when assessing their entitlement to and rate of an accommodation supplement:
- recognise housing contributions (62% of payments) from all additional residents in the income-related rent calculation for social housing tenants under the Public and Community Housing Management Act 1992, instead of just the third and subsequent additional residents:
- treat housing contributions from boarders that exceed the total allowable accommodation costs, or the market rent applicable for the social housing property of the person receiving board payments, as income for any income-tested assistance that uses the Social Security Act 2018 definition of income:
- define boarder in the Social Security Act 2018 for the purposes of the accommodation supplement, and, if a person is not identified as a boarder or an additional resident, cause them to be treated as a renter (meaning that 100% of their

rent payment will be treated as a contribution towards accommodation costs, instead of 62%):

- require MSD to grant an accommodation supplement to an applicant who meets the eligibility criteria (except if MSD is satisfied that—
 - the accommodation supplement would, if granted, be payable at a rate of zero; or
 - the applicant, or their spouse or partner, has not realised any assets available for the applicant’s personal use):
- require MSD to cancel an accommodation supplement that has been granted if it has been payable at a rate of zero for 8 consecutive weeks:
- clarify that the proportion of a person’s residential premises that is used for business purposes is excluded when calculating the rate of their accommodation supplement:
- enable a process to resolve discrepancies in information provided by a beneficiary paying board or rent and a beneficiary receiving board or rent should the information provided by those people be inconsistent.

Departmental disclosure statement

The Ministry of Social Development is required to prepare a disclosure statement to assist with the scrutiny of this Bill. The disclosure statement provides access to information about the policy development of the Bill and identifies any significant or unusual legislative features of the Bill.

A copy of the statement can be found at <http://legislation.govt.nz/disclosure.aspx?type=bill&subtype=government&year=2025&no=167>

Regulatory impact statement

No regulatory impact statement was produced to help inform the policy decisions taken by the Government relating to the contents of this Bill. The Ministry of Social Development produced a supplementary analysis report on 30 April 2025 relating to the main policy decisions taken by the Government in relation to the contents of this Bill.

A copy of this supplementary analysis report can be found at—

- <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/regulatory-impact-statements/index.html>
- <https://www.regulation.govt.nz/our-work/regulatory-impact-statements/>

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause. It provides that the Bill comes into force on 2 March 2026.

Part 1

Amendments to Social Security Act 2018

Clause 3 provides that *Part 1* amends the Social Security Act 2018 (the **SSA**).

Clause 4 inserts *new section 65AAA* into the SSA. *New section 65AAA* defines accommodation costs, boarder, boarding house, contributions, and service costs for the purposes of subpart 10 of Part 2, and Part 7 of Schedule 4, of the SSA.

Clause 5 amends section 65 of the SSA to remove the discretion that MSD has under that section in respect of whether to grant a person an accommodation supplement. *Subclause (3)* repeals section 65(2) of the SSA, which contains definitions of accommodation costs and service costs, as those definitions are being moved to *new section 65AAA*.

Clause 6 amends section 66 of the SSA. The amendments repeal definitions in subsections (2) and (3) of that section that are being relocated or removed by the Bill. The section heading is also replaced.

Clause 7 replaces the heading to section 67 of the SSA.

Clause 8 amends section 68 as a consequence of the new definition of accommodation costs and the amendments made to Part 7 of Schedule 4 of the SSA by *clause 15*.

Clause 9 amends section 69 of the SSA by inserting *new subsections (3A) and (3B)*. *New subsection (3A)* requires MSD to refuse to grant an accommodation supplement if MSD is satisfied that it would, if granted, be payable at a rate of zero. *New subsection (3B)* requires MSD to cancel an accommodation supplement that has been granted if it has been payable at a rate of zero for 8 consecutive weeks.

Clause 10 inserts *new section 108A* and a cross-heading into the SSA. *New section 108A* sets out what MSD must do if it identifies a discrepancy in information received that is relevant for the purposes of ascertaining a beneficiary's entitlement to housing assistance, or the rate of housing assistance, that is or was being paid. If MSD is not able to resolve the discrepancy within 1 working day after identifying it by checking with either or both of the persons who provided the non-matching information whether the information received by MSD correctly reflects what they intended to provide, MSD must notify both of those persons of the particulars of the discrepancy. If the discrepancy is not resolved within 10 working days after MSD notifies those persons, MSD must suspend all housing assistance they are receiving. If the discrepancy remains unresolved after a further 8 weeks, MSD must cancel any housing assistance that has been granted to either of those persons.

Clause 11 amends section 162 of the SSA, which sets out the obligations of a young person who has been granted a youth support payment, as a consequence of the new definition of accommodation costs and the relocation of the definition of service costs.

Clause 12 amends Schedule 1 of the SSA, which contains transitional, savings, and related provisions, to insert *new Part 11*. *New Part 11 (new clauses 104 and 105)* provides that—

- applications for an accommodation supplement made, but not decided, before the Bill's commencement date must be decided based on the SSA as it read before it was amended by the Bill:
- for persons who were granted a benefit or other assistance before the Bill's commencement date, the amendments made by *Part 1* of the Bill that affect how the rate of an accommodation supplement is calculated apply for weeks starting on or after the Bill's commencement date.

Clause 13 amends Schedule 2 of the SSA, which is a dictionary of terms used in the SSA. The amendments—

- update cross-references in the definitions of accommodation costs and service costs:
- insert definitions of accommodation income, additional resident, boarder, boarding house, contributions, housing assistance, income-related rent, Kāinga Ora—Homes and Communities, Kāinga Ora housing, market rent, and weekly qualifying accommodation costs:
- repeal the definition of premises:
- replace the definitions of registered community housing provider, social housing, and tenant.

Clause 14 amends Schedule 3 of the SSA. *Subclauses (1) and (2)* amend clause 8 of that Schedule. *Subclause (1)* adds 2 items to the list of payments or amounts that are excluded from a person's income. *Subclause (2)* inserts *new subclauses (2) and (3)* to exclude, from a person's income, their accommodation income for a period to the extent that it does not exceed their accommodation costs (after any applicable adjustments to those costs have been made) for the period or, if they reside in social housing, the market rent for that housing. *Subclause (3)* makes a consequential amendment to clause 18 of that Schedule.

Clause 15 amends Schedule 4 of the SSA (rates of benefits). *Subclause (1)* amends clauses 1 to 3 of Part 7 of that Schedule, by adding references to contributions, to ensure that those clauses cover additional residents. *Subclause (2)* amends clauses 1 to 6 of that Part, which give the rate at which a person's accommodation supplement must be paid, to replace references to weekly accommodation costs with weekly qualifying accommodation costs. *Subclause (3)* replaces clause 7 of that Part to add definitions of accommodation income and weekly qualifying accommodation costs.

Consequential amendments to Residential Care and Disability Support Services Act 2018

Clause 16 provides that *clauses 17 and 18* amend the Residential Care and Disability Support Services Act 2018.

Clauses 17 and 18 amend section 5 and Schedule 3 of the Residential Care and Disability Support Services Act 2018, respectively, as a consequence of the definition of accommodation costs being moved from section 65 of the SSA to *new section 65AAA* of the SSA.

Part 2

Amendments to other legislation

Subpart 1—Amendments to Public and Community Housing Management Act 1992

Clause 19 provides that *subpart 1 of Part 2* amends the Public and Community Housing Management Act 1992 (the **PACHMA**).

Clauses 20 and 21 amend sections 73 and 93 of the PACHMA, respectively, to provide that section 24(1)(d) to (h) and (1A) of the Residential Tenancies Act 1986 does not apply to an increase in rent that is required or permitted under *new section 118A(3)*.

Clause 22 amends section 106 of the PACHMA, which requires the agency to notify a social housing provider of a tenant's income-related rent, to require an updated notification to state whether the change in income-related rent is required or permitted under *new section 118A(3)*.

Clause 23 amends section 107 of the PACHMA, which sets out how an income-related rent is calculated, to provide that, if the applicable persons receive contributions from additional residents, 62% of the sum of the contributions from the additional residents is to be included in the rent calculated.

Clause 24 amends section 109 of the PACHMA to remove the provision that includes, in a person's weekly income, contributions from additional residents to the extent required by—

- sections 107 to 113 of the PACHMA; and
- regulations made under section 114 of the PACHMA.

Clause 25 inserts *new section 118A* into the PACHMA. *New section 118A* sets out what the agency must do if it identifies a discrepancy in information received that is relevant for the purposes of ascertaining the appropriateness of the income-related rent that a person is or was paying. If the agency is not able to resolve the discrepancy within 1 working day after identifying it by checking with either or both of the persons who provided the non-matching information whether the information received by the agency correctly reflects what they intended to provide, the agency must notify both of those persons of the particulars of the discrepancy. If the discrepancy is not resolved within 10 working days after the agency notifies those persons, the agency must notify the social housing provider that the rent for the housing—

- must be its market rent, if the housing is Kāinga Ora housing; or
- may be determined by the provider but must not exceed its market rent, if the housing is community housing.

Clause 26 amends Schedule 4 of the PACHMA, which contains transitional, savings, and related provisions, to insert *new Part 6*. *New Part 6 (new clauses 24 to 27)* provides that—

- the amendments to the PACHMA made by *clauses 23 and 24* of the Bill generally apply for weeks starting on or after the Bill's commencement date:
- if a tenant has applied to the agency before the Bill's commencement date for the agency to calculate an income-related rent, the agency must calculate the income-related rent for the tenant as if the amendments to the PACHMA made by the Bill had not been made:
- the amendments to the PACHMA made by the Bill do not apply for the purposes of any review of an income-related rent begun before the Bill's commencement date.

Subpart 2—Amendments to Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018

Clause 27 provides that *subpart 2 of Part 2* amends the Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018 (the **principal regulations**).

Clause 28 revokes regulations 11 and 12 of the principal regulations, which, in certain circumstances, provide that contributions from additional residents are included, at least to some extent, in the weekly income of the applicable persons.

Clause 29 amends regulation 14 of the principal regulations, which excludes specified amounts or payments from a person's weekly income, to add an exclusion specific to persons who are applicable persons in relation to any social housing. The new exclusion is for any amount or payment that is included in the contributions of an additional resident of that housing.

Clause 30 amends the Schedule of the principal regulations, which contains transitional, savings, and related provisions, to insert *new Part 4*. *New Part 4 (clauses 5 to 8)* provides that—

- the amendments to the principal regulations made by the Bill generally apply for weeks starting on or after the Bill's commencement date:
- if a tenant has applied to the agency before the Bill's commencement date for the agency to calculate an income-related rent, the agency must calculate the income-related rent for the tenant as if the amendments to the principal regulations made by the Bill had not been made:
- the amendments to the principal regulations made by the Bill do not apply for the purposes of any review of an income-related rent begun before the Bill's commencement date.

Hon Louise Upston

Social Assistance Legislation (Accommodation Supplement and Income-related Rent) Amendment Bill

Government Bill

Contents

		Page
1	Title	3
2	Commencement	3
Part 1		
Amendments to Social Security Act 2018		
3	Principal Act	3
4	New section 65AAA inserted (Accommodation supplement: interpretation)	3
	65AAA Accommodation supplement: interpretation	3
5	Section 65 amended (Accommodation supplement: discretionary grant)	4
6	Section 66 amended (Social housing exclusion)	4
7	Section 67 amended (Other funding exclusion)	5
8	Section 68 amended (Accommodation supplement: special rules for joint tenants who are in relationship)	5
9	Section 69 amended (Accommodation supplement: refusal, reduction, or cancellation of grant in certain circumstances)	5
10	New section 108A and cross-heading inserted	6
	<i>Obligations in relation to discrepancies in information received</i>	
	108A Obligations in relation to discrepancies in information received relevant to housing assistance	6
11	Section 162 amended (Obligations of young person granted youth support payment)	7
12	Schedule 1 amended	8

**Social Assistance Legislation (Accommodation
Supplement and Income-related Rent) Amendment Bill**

13	Schedule 2 amended	8
14	Schedule 3 amended	9
15	Schedule 4 amended	11

*Consequential amendments to Residential Care and Disability
Support Services Act 2018*

16	Principal Act	12
17	Section 5 amended (Interpretation)	12
18	Schedule 3 amended	12

Part 2

Amendments to other legislation

Subpart 1—Amendments to Public and Community Housing
Management Act 1992

19	Principal Act	13
20	Section 73 amended (Changes in rent)	13
21	Section 93 amended (Changes in rent)	13
22	Section 106 amended (Agency must notify social housing providers of tenant’s income-related rent)	13
23	Section 107 amended (Calculating income-related rents)	14
24	Section 109 amended (Certain amounts included in weekly income)	14
25	New section 118A inserted (Discrepancies in information received relevant to income-related rent)	14
	118A Discrepancies in information received relevant to income-related rent	14
26	Schedule 4 amended	15

Subpart 2—Amendments to Public and Community Housing
Management (Prescribed Elements of Calculation Mechanism)
Regulations 2018

27	Principal regulations	15
28	Regulations 11 and 12 and cross-heading above regulation 11 revoked	15
29	Regulation 14 amended (Certain amounts or payments not to be income)	15
30	Schedule amended	16

Schedule 1

**New Part 11 inserted into Schedule 1 of Social Security Act
2018**

Schedule 2

**New Part 6 inserted into Schedule 4 of Public and Community
Housing Management Act 1992**

18

19

Schedule 3
New Part 4 inserted into Schedule of Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018

The Parliament of New Zealand enacts as follows:

1 Title
This Act is the Social Assistance Legislation (Accommodation Supplement and Income-related Rent) Amendment Act **2025**.

2 Commencement 5
This Act comes into force on **2 March 2026**.

Part 1
Amendments to Social Security Act 2018

3 Principal Act
This Part amends the Social Security Act 2018. 10

4 New section 65AAA inserted (Accommodation supplement: interpretation)
Before section 65, insert:

65AAA Accommodation supplement: interpretation

In this subpart and Part 7 of Schedule 4, unless the context otherwise requires,— 15

accommodation costs, for a person (**P**) and a period, means,—

(a) if **P** owns the premises at which **P** resides and **paragraph (b)** does not apply, the total amount of all payments (including essential repairs and maintenance, local authority rates, and house insurance premiums, but excluding any service costs and any arrears) that,— 20

(i) subject to clause 18 of Schedule 3, are required to be made for the period under any mortgage security for money advanced under that security to acquire those premises, or to repay advances similarly secured; or

(ii) MSD is satisfied are reasonably required to be made in relation to those premises for the period: 25

(b) if **P** resides at premises that **P** owns as a joint tenant, or as a tenant in common, with another person or other persons residing at those premises, the share of the total amount described in **paragraph (a)** that MSD is satisfied that **P** is paying: 30

- (c) if P resides at any social housing in relation to which P is an additional resident, 62% of P's contributions for the period (excluding any arrears):
- (d) if P is a boarder, 62% of the amount paid by P for the period for board and lodgings at the premises at which P resides (excluding any arrears):
- (e) in any other case, the amount of rent that MSD is satisfied that P has paid for the period in respect of the premises at which P resides (excluding any service costs and any arrears) 5

boarder—

- (a) means a person—
- (i) who resides, and pays for board and lodgings, at a boarding house; or 10
- (ii) who—
- (A) resides at any other premises; and
- (B) makes payments for board and lodgings at those other premises that do not include a separately identifiable component that is paid for lodgings; but 15
- (b) does not include a person who resides at any social housing

boarding house has the same meaning as in section 66B of the Residential Tenancies Act 1986

contributions has the same meaning as in section 2(1) of the Public and Community Housing Management Act 1992 20

service costs, in relation to any premises,—

- (a) means the cost as reasonably determined by MSD of any services (for example, electricity supply, gas supply, telephone network connection, or broadband Internet connection) provided to or in connection with the premises for consumption or use by the occupants of the premises; but 25
- (b) does not include the cost of water supplied to the premises.

5 Section 65 amended (Accommodation supplement: discretionary grant)

- (1) In the heading to section 65, replace “**discretionary grant**” with “**requirements**”. 30
- (2) In section 65(1), replace “MSD may grant a person (P), for the period that MSD determines,” with “A person (P) is entitled to”.
- (3) Repeal section 65(2).

6 Section 66 amended (Social housing exclusion)

- (1) Replace the heading to section 66 with “**Accommodation supplement: social housing exclusion**”. 35
- (2) In section 66(1), replace “section 65” with “**section 65AAA**”.

(3) Repeal section 66(2) and (3).

7 Section 67 amended (Other funding exclusion)

Replace the heading to section 67 with “**Accommodation supplement: other funding exclusion**”.

8 Section 68 amended (Accommodation supplement: special rules for joint tenants who are in relationship) 5

(1) In section 68(1), after “occupied”, insert “as a residence”.

(2) In section 68(1)(b),—

(a) replace “accommodation costs” with “weekly qualifying accommodation costs” in each place; and 10

(b) replace “section 65” with “**clause 7** of Part 7 of Schedule 4”.

(3) Replace section 68(2) with:

(2) In this section,—

cash assets—

(a) means— 15

(i) money saved with a bank or other institution, money invested with a bank or other institution, or money banked with a bank or other institution:

(ii) money invested in securities, bonds, or debentures, or advanced on mortgage: 20

(iii) money withdrawn from a KiwiSaver scheme registered under subpart 2 of Part 4 of the Financial Markets Conduct Act 2013:

(iv) money invested in shares in a partnership or limited liability company or other incorporated or unincorporated body; but

(b) does not include— 25

(i) any contributions to, or any member’s interest in, any KiwiSaver scheme that is registered under subpart 2 of Part 4 of the Financial Markets Conduct Act 2013; or

(ii) any item or kind of cash assets or any amount of cash assets exempted by regulations made under section 423(1)(b) 30

tenant, in relation to rented premises, includes a person who pays rent in respect of the premises, whether or not the person is a party to the tenancy agreement or lease of the premises.

9 Section 69 amended (Accommodation supplement: refusal, reduction, or cancellation of grant in certain circumstances) 35

After section 69(3), insert:

- (3A) MSD must refuse to grant an accommodation supplement if MSD is satisfied that it would, if granted, be payable at a rate of zero.
- (3B) MSD must cancel an accommodation supplement that has been granted if it has been payable at a rate of zero for 8 consecutive weeks.

10 New section 108A and cross-heading inserted

5

After section 108, insert:

Obligations in relation to discrepancies in information received

108A Obligations in relation to discrepancies in information received relevant to housing assistance

- (1) This section applies if— 10
- (a) MSD identifies a discrepancy between—
- (i) information received by MSD from a beneficiary (**A**) who is receiving housing assistance; and
- (ii) information received by MSD from—
- (A) another beneficiary (**B**) who is receiving housing assistance; or 15
- (B) a tenant of social housing (**B**) who pays an income-related rent; and
- (b) the discrepancy is in information that is relevant for the purposes of ascertaining— 20
- (i) either or both of the following:
- (A) whether A is, or remains, entitled to receive housing assistance, or the rate of housing assistance, that is being paid to A: 25
- (B) whether A was not entitled to receive housing assistance, or the rate of housing assistance, that was paid to A; and
- (ii) any 1 or more of the following:
- (A) whether B is, or remains, entitled to receive housing assistance, or the rate of housing assistance, that is being paid to B: 30
- (B) whether B was not entitled to receive housing assistance, or the rate of housing assistance, that was paid to B:
- (C) whether the income-related rent that B is paying or some other income-related rent is now appropriate: 35
- (D) whether the income-related rent that B was paying at some earlier time or some other income-related rent was appropriate; and

- (c) the discrepancy is not resolved to MSD’s satisfaction, within 1 working day after MSD identified the discrepancy, as a result of MSD doing either or both of the following:
 - (i) checking with A that the information that MSD received from A correctly reflects what A intended to provide to MSD: 5
 - (ii) checking with B that the information that MSD received from B correctly reflects what B intended to provide to MSD.
- (2) MSD must notify A and B of the particulars of the discrepancy as soon as reasonably practicable.
- (3) If the discrepancy is not resolved to MSD’s satisfaction within 10 working days from the date on which MSD notified A and B of the particulars of the discrepancy, MSD must suspend, with effect starting on the first working day after the end of that 10-working-day period,— 10
 - (a) any housing assistance that is payable to A; and
 - (b) any housing assistance that is payable to B. 15
- (4) If the discrepancy is not resolved to MSD’s satisfaction within 8 weeks of the date on which the suspensions took effect, MSD must cancel—
 - (a) any housing assistance that has been granted to A; and
 - (b) any housing assistance that has been granted to B.
- (5) If there is an inconsistency between this section and another provision of this Act, this section prevails. 20
- (6) In this section,—
 - housing assistance** means a benefit that is—
 - (a) an accommodation supplement; or
 - (b) temporary additional support; or 25
 - (c) a special benefit continued under section 23 of the Social Security (Working for Families) Amendment Act 2004 (as that section is saved by clause 19 of Schedule 1 of this Act)
 - income-related rent** and **tenant** have the same meanings as in section 2(1) of the Public and Community Housing Management Act 1992. 30

11 Section 162 amended (Obligations of young person granted youth support payment)

- (1) In section 162(2), replace the definition of **accommodation costs** with:
 - accommodation costs**, for a young person and a period, has the same meaning as in **section 65AAA** except that,— 35
 - (a) if the person resides at any social housing in relation to which the person is an additional resident, it means 100% of the person’s contributions (as defined in **section 65AAA**) for the period; and

- (b) if the person is a boarder, it means 100% of the amount paid by the person for the period for board and lodgings at the premises at which they reside
- (2) In section 162(2), definition of **service costs**, replace “section 65” with “**section 65AAA**”. 5
- 12 Schedule 1 amended**
- In Schedule 1,—
- (a) insert the Part set out in **Schedule 1** of this Act as the last Part; and
- (b) make all necessary consequential amendments.
- 13 Schedule 2 amended** 10
- (1) In Schedule 2, definition of **accommodation costs**, paragraph (a), replace “section 65(2)” with “**section 65AAA**”.
- (2) In Schedule 2, insert in their appropriate alphabetical order:
- accommodation income** is defined in **clause 7** of Part 7 of Schedule 4 for the purposes of that Part 15
- additional resident** has the same meaning as in section 2(1) of the Public and Community Housing Management Act 1992
- agency** is defined in **clause 8(3)** of Schedule 3 for the purposes of clause 8 of Schedule 3
- boarder** is defined in **section 65AAA** for the purposes of subpart 10 of Part 2 and Part 7 of Schedule 4 (accommodation supplement) 20
- boarding house** is defined in **section 65AAA** for the purposes of subpart 10 of Part 2 and Part 7 of Schedule 4 (accommodation supplement)
- contributions** is defined in **section 65AAA** for the purposes of subpart 10 of Part 2 and Part 7 of Schedule 4 (accommodation supplement) 25
- housing assistance** is defined in **section 108A(6)** for the purposes of **section 108A**
- income-related rent** has the same meaning as in section 2(1) of the Public and Community Housing Management Act 1992
- Kāinga Ora–Homes and Communities** means Kāinga Ora–Homes and Communities established by the Kāinga Ora–Homes and Communities Act 2019 30
- Kāinga Ora housing** is defined in **clause 8(3)** of Schedule 3 for the purposes of clause 8 of Schedule 3
- market rent** is defined in **clause 8(3)** of Schedule 3 for the purposes of clause 8 of Schedule 3 35
- weekly qualifying accommodation costs** is defined in **clause 7** of Part 7 of Schedule 4 for the purposes of that Part
- (3) In Schedule 2, repeal the definition of **premises**.

- (4) In Schedule 2, replace the definition of **registered community housing provider** with:
registered community housing provider has the same meaning as in section 2(1) of the Public and Community Housing Management Act 1992
- (5) In Schedule 2, definition of **service costs**, paragraph (a), replace “section 65” with “**section 65AAA**”. 5
- (6) In Schedule 2, replace the definition of **social housing** with:
social housing has the same meaning as in section 2(1) of the Public and Community Housing Management Act 1992
- (7) In Schedule 2, replace the definition of **tenant** with: 10
tenant—
(a) is defined in **section 68(2)** for the purposes of section 68; and
(b) is defined in **clause 8(3)** of Schedule 3 for the purposes of clause 8 of Schedule 3
- 14 Schedule 3 amended** 15
- (1) In Schedule 3, clause 8, after paragraph (p), insert:
(q) if the person is an applicable person (as defined in section 2(1) of the Public and Community Housing Management Act 1992) in relation to any social housing,—
(i) 38% of the value of any goods or services provided or paid for— 20
(A) by an additional resident; and
(B) for any 1 or more of the reasons set out in paragraphs (a) to (c) of the definition of contributions in section 2(1) of the Public and Community Housing Management Act 1992:
(ii) 38% of any payment made to the person— 25
(A) by an additional resident; and
(B) for any 1 or more of the reasons set out in paragraphs (a) to (c) of the definition of contributions in section 2(1) of the Public and Community Housing Management Act 1992:
(r) 38% of any amount that— 30
(i) is received by the person from a boarder (as defined in **section 65AAA**) for board and lodgings at the premises at which the person resides; and
(ii) is not derived by the person from a business carried on by the person. 35
- (2) In Schedule 3, clause 8, insert as subclauses (2) and (3):

- (2) In addition, the income of a person who has accommodation income for a period excludes the person's accommodation income for the period to the extent that it does not exceed,—
- (a) if the person resides at any social housing and is not an additional resident in relation to that housing, the market rent for that housing for the period; or 5
- (b) in any other case, the amount calculated in accordance with the following formula:
- $$a \times (1 - ((b + c + d) \div e))$$
- where— 10
- a is the person's accommodation costs for the period
- b is,—
- (i) if the person does not use any separately identifiable part of the premises at which they reside primarily for business purposes during the period, zero; or 15
- (ii) if **paragraph (i)** does not apply, the sum of the areas of each separately identifiable part of the premises at which the person resides that the person uses primarily for business purposes during the period
- c is,— 20
- (i) if, during the period, the person does not let any self-contained part of the premises at which they reside to another person or other persons who reside at those premises, zero; or
- (ii) if **paragraph (i)** does not apply, the sum of the areas of each self-contained part of the premises at which the person resides that, during the period, the person lets to another person or other persons who reside at those premises 25
- d is,—
- (i) if, during the period, the person does not let any separately identifiable part of the premises at which they reside to another person or other persons who do not reside at those premises, zero; or 30
- (ii) if **paragraph (i)** does not apply, the sum of the areas of each separately identifiable part of the premises at which the person resides that, during the period, the person lets to another person or other persons who do not reside at those premises 35
- e is the total area of the premises at which the person resides.
- (3) In this clause,— 40

accommodation costs has the meaning given to it by **section 65AAA**

accommodation income has the meaning given to it by **clause 7** of Part 7 of Schedule 4

agency has the same meaning as in section 2(1) of the Public and Community Housing Management Act 1992

5

Kāinga Ora housing has the same meaning as in section 2(1) of the Public and Community Housing Management Act 1992

market rent,—

(a) for Kāinga Ora housing and for a period, means the rent notified to the agency by Kāinga Ora—Homes and Communities—

10

(i) as being the market rent for that housing; and

(ii) most recently before the agency last calculated or reviewed an income-related rent for a tenant of that housing before the start of the period:

(b) for housing provided by a registered community housing provider and for a period, means the rent notified to the agency by the provider—

15

(i) as being the market rent for that housing; and

(ii) most recently before the agency last calculated or reviewed an income-related rent for a tenant of that housing before the start of the period

20

tenant has the same meaning as in section 2(1) of the Public and Community Housing Management Act 1992.

(3) In Schedule 3, clause 18(2), replace “section 65” with “**section 65AAA**”.

15 Schedule 4 amended

(1) In Schedule 4, Part 7, clauses 1, 2, and 3, replace “rent or payments for board and lodgings” with “rent, contributions, or payments for board and lodgings”.

25

(2) In Schedule 4, Part 7, clauses 1, 2, 3, 4, 5, and 6, replace “weekly accommodation costs” with “weekly qualifying accommodation costs”.

(3) In Schedule 4, Part 7, replace clause 7 with:

7 In this Part,—

accommodation income, for a person (**P**) and a period, means the sum of—

(a) all rent paid to P for the period by other persons (not being additional residents or boarders) residing at the premises at which P resides in consideration of the right to occupy those premises or a non-self-contained part of those premises (excluding any service costs, any arrears, and any rent that is income from a business carried on by P); and

(b) 62% of all contributions received by P for the period from additional residents residing at the premises at which P resides (excluding any arrears); and

(c) 62% of the total amount of all payments for board and lodgings at those premises made to P for the period by boarders residing at those premises

(excluding any arrears and any payments that are income from a business carried on by P)

dependent child (as defined in Schedule 2) excludes a child in respect of whom an orphan's benefit or an unsupported child's benefit is being paid

weekly qualifying accommodation costs, for a person, means the greater of zero and the amount calculated in accordance with the following formula:

$$a \times (1 - ((b + c + d) \div e)) - f$$

where—

- a is the person's weekly accommodation costs
- b is,—
- (a) if the person does not use any separately identifiable part of the premises at which they reside primarily for business purposes, zero; or
- (b) if **paragraph (a)** does not apply, the sum of the areas of each separately identifiable part of the premises at which the person resides that the person uses primarily for business purposes
- c is,—
- (a) if the person does not let any self-contained part of the premises at which they reside to another person or other persons who reside at those premises, zero; or
- (b) if **paragraph (a)** does not apply, the sum of the areas of each self-contained part of the premises at which the person resides that the person lets to another person or other persons who reside at those premises
- d is,—
- (a) if the person does not let any separately identifiable part of the premises at which they reside to another person or other persons who do not reside at those premises, zero; or
- (b) if **paragraph (a)** does not apply, the sum of the areas of each separately identifiable part of the premises at which the person resides that the person lets to another person or other persons who do not reside at those premises
- e is the total area of the premises at which the person resides
- f is the person's weekly accommodation income.

*Consequential amendments to Residential Care and Disability Support
Services Act 2018*

16 Principal Act

Sections 17 and 18 amend the Residential Care and Disability Support Services Act 2018.

5

17 Section 5 amended (Interpretation)

In section 5, definition of **accommodation costs**, replace “section 65” with “**section 65AAA**”.

18 Schedule 3 amended

In Schedule 3, clause 1(d), replace “section 65” with “**section 65AAA**”.

10

Part 2 Amendments to other legislation

Subpart 1—Amendments to Public and Community Housing Management Act 1992

- 19 Principal Act** 5
This subpart amends the Public and Community Housing Management Act 1992.
- 20 Section 73 amended (Changes in rent)**
Replace section 73(4) with:
- (4) In the case of an increase in rent, the notice must comply with section 24 of the Residential Tenancies Act 1986, except— 10
- (a) subsections (1)(d) to (h) and (1A) of that section do not apply to the increase in rent if Kāinga Ora—Homes and Communities has received a notification from the agency under sections 106 and **118A(3)** of this Act that the rent for the housing must be its market rent for the time being: 15
- (b) to the extent that section 74 of this Act provides otherwise, in any other case.
- 21 Section 93 amended (Changes in rent)**
Replace section 93(4) with:
- (4) In the case of an increase in rent, the notice must comply with section 24 of the Residential Tenancies Act 1986, except— 20
- (a) subsections (1)(d) to (h) and (1A) of that section do not apply to the increase in rent if the registered community housing provider has received a notification from the agency under sections 106 and **118A(3)** of this Act that the rent for the housing may be determined by the provider but must not exceed its market rent for the time being: 25
- (b) to the extent that section 94 of this Act provides otherwise, in any other case.
- 22 Section 106 amended (Agency must notify social housing providers of tenant’s income-related rent)** 30
Replace section 106(3) with:
- (3) An updated notification must state—
- (a) whether the change in income-related rent is due to a change in the tenant’s circumstances or the circumstances of any other applicable person and, if so, the date the change in circumstances occurred; and 35

(b)	whether the change in income-related rent is required or permitted under section 118A(3) .	
23	Section 107 amended (Calculating income-related rents)	
(1)	In section 107(1)(a), delete “by reference to household income”.	
(2)	In section 107(1)(b), delete “by reference to benefit levels”.	5
(3)	In section 107(2), replace “calculated by reference to household income” with “referred to in subsection (1)(a)”.	
(4)	After section 107(2)(c), insert:	
	(d) if the applicable persons receive contributions from additional residents, 62% of the sum of the contributions from the additional residents.	10
(5)	In section 107(3), replace “calculated by reference to benefit levels” with “referred to in subsection (1)(b)”.	
(6)	After section 107(3)(b), insert:	
	(c) if the applicable persons receive contributions from additional residents, 62% of the sum of the contributions from the additional residents.	15
24	Section 109 amended (Certain amounts included in weekly income)	
	Repeal section 109(2) and (4).	
25	New section 118A inserted (Discrepancies in information received relevant to income-related rent)	
	After section 118, insert:	20
118A	Discrepancies in information received relevant to income-related rent	
(1)	This section applies if—	
	(a) the agency identifies a discrepancy between—	
	(i) information received by the agency from a tenant of social housing (A) who pays an income-related rent; and	25
	(ii) information received by the agency from another person (B) who is receiving housing assistance; and	
(b)	the discrepancy is in information that is relevant for the purposes of ascertaining either or both of the following:	
	(i) whether the income-related rent that A is paying or some other income-related rent is now appropriate:	30
	(ii) whether the income-related rent that A was paying at some earlier time or some other income-related rent was appropriate; and	
(c)	the discrepancy is not resolved to the agency’s satisfaction, within 1 working day after the agency identified the discrepancy, as a result of the agency doing either or both of the following:	35

- (i) checking with A that the information that the agency received from A correctly reflects what A intended to provide to the agency:
 - (ii) checking with B that the information that the agency received from B correctly reflects what B intended to provide to the agency. 5
- (2) The agency must notify A and B of the particulars of the discrepancy as soon as reasonably practicable.
- (3) If the discrepancy is not resolved to the agency's satisfaction within 10 working days from the date on which the agency notified A and B of the particulars of the discrepancy, the agency must, on the first working day after the end of that 10-working-day period, provide notification to the social housing provider under section 106 that, as applicable,— 10
 - (a) the rent for the housing must be its market rent for the time being, in accordance with section 72(3); or 15
 - (b) the rent for the housing may be determined by the registered community housing provider but must not exceed its market rent for the time being, in accordance with section 92(3).
- (4) If there is an inconsistency between this section and another provision of this Act, this section prevails. 20
- (5) In this section, **housing assistance** has the same meaning as in **section 108A(6)** of the Social Security Act 2018.

26 Schedule 4 amended

In Schedule 4,—

- (a) insert the Part set out in **Schedule 2** of this Act as the last Part; and 25
- (b) make all necessary consequential amendments.

Subpart 2—Amendments to Public and Community Housing
Management (Prescribed Elements of Calculation Mechanism)
Regulations 2018

27 Principal regulations 30

This subpart amends the Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018.

28 Regulations 11 and 12 and cross-heading above regulation 11 revoked

Revoke regulations 11 and 12 and the cross-heading above regulation 11.

29 Regulation 14 amended (Certain amounts or payments not to be income) 35

After regulation 14(a), insert:

- (aa) for a person who is an applicable person in relation to any social housing,—
- (i) the value of any goods or services provided or paid for—
 - (A) by an additional resident; and
 - (B) for any 1 or more of the reasons set out in paragraphs (a) to (c) of the definition of contributions in section 2(1) of the Act: 5
 - (ii) any payment made to the person—
 - (A) by an additional resident; and
 - (B) for any 1 or more of the reasons set out in paragraphs (a) to (c) of the definition of contributions in section 2(1) of the Act; or 10

30 Schedule amended

In the Schedule,—

- (a) insert the Part set out in **Schedule 3** of this Act as the last Part; and 15
- (b) make all necessary consequential amendments.

Schedule 1

New Part 11 inserted into Schedule 1 of Social Security Act 2018

s 12

Part 11

Provisions relating to Social Assistance Legislation (Accommodation Supplement and Income-related Rent) Amendment Act 2025 5

104 How MSD must decide accommodation supplement application made, but not decided, before 2 March 2026

- (1) This clause applies if, before 2 March 2026,—
 - (a) an application for an accommodation supplement was made; and 10
 - (b) the application—
 - (i) was not withdrawn; and
 - (ii) did not lapse; and
 - (c) MSD did not make a decision under section 301 in relation to the application. 15
- (2) **Section 65AAA** and the amendments to sections 65, 66, and 69 made by **sections 5, 6, and 9** of the Social Assistance Legislation (Accommodation Supplement and Income-related Rent) Amendment Act 2025 do not apply for the purposes of the decision required to be made under section 301 in relation to the application. 20

105 Transitional provision for persons granted benefit or other assistance before 2 March 2026

- (1) This clause applies to a person who—
 - (a) was receiving a benefit or other assistance under this Act immediately before 2 March 2026; or 25
 - (b) was granted a benefit or other assistance under this Act before 2 March 2026 that—
 - (i) commences on or after 2 March 2026; or
 - (ii) immediately before 2 March 2026, was subject to a suspension.
- (2) **Section 65AAA** and the amendments to section 68, clause 18 of Schedule 3, and Schedule 4 made by **sections 8, 14(3), and 15** of the Social Assistance Legislation (Accommodation Supplement and Income-related Rent) Amendment Act 2025 apply to the person for weeks starting on or after 2 March 2026. 30
- (3) This clause is subject to **clause 104**. 35

Schedule 2
**New Part 6 inserted into Schedule 4 of Public and Community
Housing Management Act 1992**

s 26

Part 6	5
Provisions relating to Social Assistance Legislation (Accommodation Supplement and Income-related Rent) Amendment Act 2025	
24	Meaning of amendments
	In this Part, amendments means the amendments made to this Act by sections 23 and 24 of the Social Assistance Legislation (Accommodation Supplement and Income-related Rent) Amendment Act 2025 .
25	Application of amendments: general rule
(1)	The amendments apply for weeks starting on or after 2 March 2026.
(2)	This clause is subject to clauses 26 and 27 .
26	How agency must make income-related rent calculation applied for, but not made, before 2 March 2026
(1)	This clause applies if,—
(a)	before 2 March 2026, a tenant has applied to the agency for it to calculate an income-related rent; and
(b)	the agency is required under section 104(2) to calculate the income-related rent for the time being for the tenant, but did not do so before 2 March 2026.
(2)	The amendments do not apply for the purposes of the calculation the agency is required to make under section 104(2).
27	Application of amendments to reviews of income-related rents begun before 2 March 2026
	The amendments do not apply for the purposes of any review under section 116 (reviews of income-related rents) begun before 2 March 2026.

Schedule 3

New Part 4 inserted into Schedule of Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018

s 30 5

Part 4

Provisions relating to Social Assistance Legislation (Accommodation Supplement and Income-related Rent) Amendment Act 2025

5 Meaning of amendments

In this Part, **amendments** means the amendments made to these regulations by **sections 28 and 29** of the Social Assistance Legislation (Accommodation Supplement and Income-related Rent) Amendment Act **2025**. 10

6 Application of amendments: general rule

- (1) The amendments apply for weeks starting on or after 2 March 2026.
- (2) This clause is subject to **clauses 7 and 8**. 15

7 How agency must make income-related rent calculation applied for, but not made, before 2 March 2026

- (1) This clause applies if,—
 - (a) before 2 March 2026, a tenant has applied to the agency for it to calculate an income-related rent; and 20
 - (b) the agency is required under section 104(2) to calculate the income-related rent for the time being for the tenant, but did not do so before 2 March 2026.
- (2) The amendments do not apply for the purposes of the calculation the agency is required to make under section 104(2). 25

8 Application of amendments to reviews of income-related rents begun before 2 March 2026

The amendments do not apply for the purposes of any review under section 116 (reviews of income-related rents) begun before 2 March 2026.