



Rt Hon Jacinda Ardern
Minister for Child Poverty Reduction

PRESS RELEASE
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Hon Carmel Sepuloni
Minister for Social Development and
Employment

Main benefit boost: up to 33,000 children lifted out of poverty

- Weekly benefit rates lifted by between \$32 and \$55 per adult, in line with a key recommendation from the Welfare Expert Advisory Group (WEAG).
- In total, 109,000 families and whānau with children will be, on average, \$175 a week better off as a result of changes made by the Government since 2017.
- Student living support will increase by \$25 per week on 1 April 2022.

Between 19,000 and 33,000 children are projected to be lifted out of poverty on the after-housing-costs measure in 2022/23 as a result of increases to benefit levels in Budget 2021.

All benefit rates will increase by \$20 a week from 1 July this year. A second increase will occur on 1 April next year that will see main benefits lifted in line with a key WEAG recommendation. Families and whānau with children will also receive a further \$15 per adult per week.

In total, weekly main benefit rates will increase by between \$32 and \$55 per adult by 1 April 2022.

109,000 families and whānau with children will be, on average, \$175 a week better off as a result of all the changes to income support since 2017, including The Families Package, the \$25 lift to benefit rates as part of the initial COVID-19 response and the indexation of benefits to average wage increases the last two years.

“Increasing incomes for our most vulnerable both secures our recovery by adding targeted stimulus to the economy, while also addressing one of our most pressing long term challenges – child poverty,” Jacinda Ardern said.

“We are targeting investment where need is greatest; putting food on the table and helping with power bills in the homes that need it most.

“It’s an example of the two-birds-one-stone plan we are following to emerge from COVID stronger than we went into it by acting now to solve New Zealand’s long-term issues.

“This is not only the right thing to do, it’s also good for our economy. In the short term these changes will help stimulate growth and in the longer term they’ll help break the cycle of poverty.

“These increases set up families, whānau and children for a better future. For too long our child poverty statistics have run counter to our values as a country. The extra income, which will be done in two stages to ensure sustainability, will make a real difference.

“Past downturns have worsened inequality so we are acting now to ensure our children don’t fall further behind.

“Under our plan we have already reduced the number of children living in poverty by 40,000. Today, we close a chapter on our past and take a big step towards our goal of making Aotearoa New Zealand the best place in the world to be a child,” Jacinda Ardern said.

“These changes sit alongside a raft of incentives to support people into training and work, including increasing support for child care, and reinstating the Training Incentive Allowance.

“We are also continuing to invest in critical services like health and education, social housing, and warm, dry homes.”

“This Government has already made steady and significant improvements to the living standards of low-income New Zealanders but we recognise many families and whānau still face financial barriers that hold them back from reaching their full potential,” Minister for Social Development and Employment Carmel Sepuloni said.

“Today’s announcement will lift main benefit rates so low-income New Zealand families and whānau and individuals have more money to meet their living costs and their children’s needs.

“These investments mean that by 1 April 2022, 109,000 families and whānau with children will be, on average, better off by \$40 per week and 263,000 individuals and couples without children better off by \$42 per week.

“This includes 134,000 Māori and 33,000 Pacific peoples. It will also lift between 12,000 and 28,000 children out of poverty on the before-housing-cost measure.

“However, the combined impact of the Government’s improvements since 2017 for low-income New Zealanders is far greater.

“The Government’s changes since 2017 mean around 372,000 individuals and families and whānau on benefits will be better off, on average, \$114 per week by April 2022, increasing to \$137 per week during the 2022 winter period. Student support is also lifting from 1 April next year. This is important to ensure there are adequate incentives to study and train,” Carmel Sepuloni said.

“This has a flow-on effect for the local economy because we know that low-income people spend their money in the communities in which they live.

“We’re meeting a key recommendations of the Welfare Expert Advisory Group, making our welfare system fairer and supporting families and whānau to get ahead. Our vision is a welfare system that allows all New Zealanders to live with dignity and contribute to their communities, and today is a big step in the right direction.”

Media contacts:

Jacinda Ardern: Andrew Campbell 021 243 8573

Carmel Sepuloni: Mark Sleeman 021 859 524

Editors’ notes:

On 1 July 2021:

- All main benefits will increase by \$20 per adult per week.

On 1 April 2022:

- Main benefits (including Jobseeker Support, Sole Parent Support, Supported Living Payment) will further increase to levels recommended by the Welfare Expert Advisory Group in 2019.
- Families and whānau with children get an additional top-up of \$15 per adult a week.
- Student Allowance and Student Loan for living costs increase by \$25 per person a week.

	Main benefit rates per adult		Main benefit rate increases per adult		Percent increase, all changes since late 2017
	WEAG levels	1 April 2022	Budget 2021 changes	All changes since late 2017	
Sole parents and couples with children ✓					
Sole Parent Support	\$374	\$434	+\$36	+\$79	+22%
Supported Living Payment sole parent	\$399	\$485	+\$36	+\$82	+20%
Jobseeker Support couple with children	\$268	\$283	+\$55	+\$79	+38%
Supported Living Payment couple with children	\$305	\$320	+\$42	+\$68	+27%
<i>Note that in addition, families with children will also have benefited from increases in the Family Tax Credit, the higher rate of the Winter Energy Payment and the Best Start payment</i>					
Individuals and couples without children ✓					
Jobseeker Support single 25 years and over	\$315	\$315	+\$48	+\$86	+38%
Supported Living Payment single 18 years and over	\$359	\$359	+\$32	+\$73	+25%
Jobseeker Support couple without children	\$268	\$268	+\$55	+\$77	+40%
Supported Living Payment couple without children	\$305	\$305	+\$42	+\$67	+28%