Winter Energy Payments and Confirming your Circumstances

A review

MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Publishing information

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Executive Summary

MSD commissioned this review to understand why some New Zealand Superannuation (NZ Superannuation) and Veteran's Pension clients had their Winter Energy Payments (WEP) suspended, and to examine other issues that arose during the introduction of mandatory Confirming Your Circumstances (CYC) reviews.

Mandatory CYC reviews are an annual process used to confirm that clients continue to receive the correct assistance and payment amounts. As part of this process, MSD reviews eligibility for a number of main benefits, including Supported Living Payment, Emergency Maintenance Allowance and Emergency Benefit. Reviews may require clients to provide updated information and, where changes are reported, undergo further assessment by MSD staff. As a result, mandatory CYC reviews can generate significant client contact, correspondence and processing activity.

WEP is a seasonal payment that helps with winter heating costs. It is paid automatically between 1 May and 1 October to clients receiving a qualifying main benefit or pension, including NZ Superannuation and Veteran's Pension. Eligibility is linked to receipt of a qualifying main benefit or pension, meaning clients generally continue to receive WEP while that entitlement remains in place.

Two issues have been identified

Two issues have contributed to the need for this review.

The first issue was that WEP was inadvertently not excluded from automatic suspension for clients receiving NZ Superannuation and Veteran's Pension during the policy process and legislation design. As a result, the drafting of the legislation did not reflect the policy intent, and this omission flowed through to the implementation of the policy. This resulted in some clients having their WEP suspended, contrary to the intended policy outcome.

The second issue was processing delays associated with CYC reviews. Planning assumptions underestimated expected workloads including actual client behaviour once reviews commenced, for example, expectations around the number of clients who would complete their review online using MyMSD and the number of clients who would have changes made to their payments as a result of new or different circumstances. Consequently, processing delays developed, and some client information was not assessed and processed before suspension actions occurred.

These delays were compounded by a MyMSD email notification issue. Following a system update, email alerts advising clients that they had new correspondence available in MyMSD were not sent as intended. This increased the number of clients contacting MSD at a time when staff were already managing higher-than-expected mandatory CYC review workloads. This increased the number of clients affected by delays and the scale of the impacts.

What caused the issues?

The first issue occurred because during policy development it was expected that WEP would continue for clients receiving NZ Superannuation and Veteran's Pension (except for the small number of those with a non-qualified partners). It was expected, because NZ Superannuation and Veteran's Pension were not subject to CYC reviews, logically only supplementary payments like Accommodation Supplement and Disability Allowance would be suspended if CYC forms were not returned, or processed, in time. However, MSD did not seek a decision either way to confirm the position as part of the legislative or policy process, and therefore the implementation of the policy.

The omission in the legislation meant that, once implemented, the system reflected the legislation as passed, but not the intended policy outcome. There was no routine process to confirm this remained aligned with the original policy intent, and the issue was therefore not identified or escalated earlier. Senior leadership at MSD confirmed the extent of the issue on 13 August 2026.

The second issue occurred because some planning assumptions and resource estimates did not reflect actual client behaviour and the work generated by mandatory reviews. In particular, the number of CYC reviews returned by post, the number of clients reporting changes in their circumstances, and the time and effort required to assess those changes were both higher than expected and took longer than expected.

What was the impact on clients?

The combined effect of these issues resulted in delays and payment interruptions for some clients.

Winter Energy Payments

16,270 clients receiving NZ Superannuation and Veteran's Pension (excluding non-qualified partners) were affected by the non-exclusion of WEP from the mandatory CYC review suspension settings. This number is higher than what has been previously reported publicly, because further analysis identified two additional groups of clients who had been affected.[1]

The impact[2] on clients was:

- The highest arrears payment for an individual was $301.06.
- The highest arrears payment for a couple rate was $418.00.
- The highest arrears payment for couples or individuals with a dependent child was $468.21.

MSD has remediated this issue

Once the WEP issue was identified, MSD took immediate steps to identify all affected clients, restore affected entitlements, and pay arrears in accordance with its legislative review provisions.

MSD has completed remediation for affected clients and apologised to those clients who had their WEP incorrectly suspended for the impacts experienced. Arrears have been paid to restore affected clients' entitlement, and apology letters have been sent.

MSD has advised that all affected payments have now been corrected and measures have been put in place to ensure no further clients are affected.

CYC Processing Delays

A manual review identified a number of clients affected by MSD processing delays. For some clients, this resulted in delayed payments, while in other cases the delay was resolved before their next payment was due. Of those impacted:

- 2,460 clients were receiving a main benefit; and

[1] Those two cohorts are: clients whose WEP suspended prior to 1 May 2026, and clients where a CYC review form was sent even though supplementary assistance was already suspended.

[2] Due to the way main benefit and supplementary payments are administered, deriving the exact value of arrears payments is complex. Consequently, the arrears payments provided in this document are estimates to provide the overall impact but may not align exactly with a specific payment made to a client.

- 11,990 clients were receiving supplementary assistance, including NZ Superannuation and Veteran’s Pension clients, and non-beneficiary clients[3].

Following the review and correction of entitlement, affected clients received an estimated $0.85 million in arrears payments relating to main benefits and a further $1.7 million relating to supplementary assistance. The overall average arrears payment for these clients is estimated at $180 per client.

For clients receiving a main benefit:

- The average arrears payment was $390.
- The highest payment was almost $3,000.

For clients receiving supplementary assistance (e.g. NZ Superannuation and Veteran’s Pension receiving Accommodation Supplement or Disability Allowance):

- The average arrears payment was $140.
- The highest arrears payment was around $2,800.

MSD has remediated this issue

MSD has reviewed all clients who had been impacted. Where clients missed payments because of processing delays, MSD reviewed their entitlement, corrected payments, and issued arrears in line with normal practice.

The Social Security Act 2018 does not authorise MSD to pay compensation where a benefit has been incorrectly suspended. Instead, MSD's legislative obligation is to restore the person's correct entitlement and pay any arrears owing. MSD has resumed and backdated these payments, as appropriate, in line with its usual practices.

Recommendations

The review makes four recommendations to strengthen MSD's planning, implementation, oversight and risk management practices in respect of policy and legislative changes. The recommendations focus on:

- amending legislation to clarify the policy intent in relation to WEP

[3] Some of these clients were also affected by the WEP suspensions issue. Therefore, the figures should not be added together as there is overlap between the two groups.

- ensuring policy intent is reflected in legislation and operational settings
- strengthening post-implementation assurance
- improving forecasting and workload planning.

Conclusion

The review found client impacts arose from the interaction of separate issues, rather than a single cause. These issues occurred within a complex area involving new legislative requirements, new operational processes, and significant client interaction introduced over a short period. Although each issue occurred for different reasons, they each contributed to payment interruptions for clients. The recommendations are intended to strengthen MSD's ability to identify similar issues earlier and reduce the likelihood of them occurring in future.

Scope and methodology of the review

Scope

This review was commissioned to establish the facts surrounding how Winter Energy Payments (WEP) to some clients in receipt of New Zealand Superannuation (NZ Superannuation) and Veteran's Pension were suspended as part of the recently introduced mandatory review, or confirming your circumstances, activities.

The review was designed to enable the Ministry of Social Development (MSD) to answer the following questions:

- how did the WEP issue occur
- why was the WEP issue not detected and addressed sooner through existing controls, and or oversight mechanisms
- confirming the number of clients who were affected.

This review also considered other matters that were relevant to its primary purpose, including the processing delays associated with the CYC review process.

A copy of the full terms of reference for this review is attached as Appendix 1.

Methodology

Given the nature of this review, document discovery was undertaken to independently assess actions and decisions relating to the policy intent, legislative drafting, and the design and implementation of operational practice over time. This was supplemented by engagement with relevant stakeholders across MSD, including representatives from Policy, Legal, Operational Policy, and Service Delivery.

The contents of this report have been reviewed by the MSD business groups involved in the review process.

Background to the introduction of Confirming Your Circumstances reviews

Clients receiving financial assistance from MSD have a legal obligation to inform MSD of any changes in their circumstances, to ensure their payments are correctly assessed and paid.

Previous review processes

Before mandatory CYC reviews were introduced in March 2026, MSD used different approaches to check whether clients continued to receive the right assistance.

Some income-tested benefits with no expiry received an Annual Circumstances Letter (ACL). These were designed to prompt clients to let MSD know if their circumstances had changed (as they are required to do), but the ACL did not require a response. If a client did not reply, the benefit continued at the same rate on the assumption there had been no change in circumstances. Previously, non-beneficiary clients receiving Accommodation Supplement, and NZ Superannuation clients receiving Disability Allowance, received an ACL. Under the Mandatory Review Act, these clients now receive a CYC review.

Introduction of mandatory Confirming Your Circumstances reviews

Mandatory CYC reviews were introduced to provide a structured way to regularly confirm that clients continue to receive correct assistance. These reviews ask clients to validate the information that MSD holds, in order to ensure their payments remain accurate and up to date. Clients can complete reviews through different channels, for example post or online by MyMSD.

The Social Security (Mandatory Reviews) Amendment Act 2025, implemented from 2 March 2026, introduced mandatory reviews for the following types of main benefits and supplementary assistance:

- Supported Living Payment
- Accommodation Supplement
- Disability Allowance
- ongoing Emergency Benefit or Emergency Maintenance Allowance
- NZ Superannuation and Veteran's Pension with a non-qualified partner

- Orphan’s Benefit and Unsupported Child’s Benefit[4].

Overall client impact of CYC reviews

Mandatory CYC reviews represent a significant programme of work for MSD.

Across the course of a year, around 330,000 clients are expected to be in scope of mandatory reviews. This includes NZ Superannuation and Veteran’s Pension clients receiving supplementary assistance.

[4] These main benefits were introduced into the mandatory CYC review process from 1 July 2026.

Issue 1: Winter Energy Payment suspension

What is the issue?

The legislation that introduced mandatory reviews did not explicitly say clients receiving NZ Superannuation and Veteran's Pension should not have their WEP suspended through the review process.

How did this happen?

Context to the issue

For clients receiving main benefits, entitlement to WEP is linked to entitlement of that payment. The Social Security (Mandatory Reviews) Amendment Act 2025 provided for the review of specified benefits, including main benefits such as Supported Living Payment and Emergency Benefit. It was intended that when a main benefit was suspended under the legislation, WEP should also be suspended. This was because WEP eligibility is directly tied to main benefit eligibility.

For most NZ Superannuation and Veteran's Pension clients, entitlement to WEP is linked to a client's eligibility to NZ Superannuation and Veteran's Pension, that is, the client is over 65 and a citizen or resident of New Zealand and meets the residence requirements[5]. Because entitlement to NZ Superannuation and Veteran's Pension should not change over time, NZ Superannuation and Veteran's Pension were not included as specified benefits subject to CYC reviews, other than in a very narrow set of circumstances. Accordingly, for NZ Superannuation and Veteran's Pension clients (excluding those with a non-qualified partner), it was assumed that WEP should not have been affected by any CYC review completed by these clients.

[5] Full list of eligibility criteria can be found on Who can get NZ Super | Work and Income.

What caused the issue

There is no evidence to identify that any advice explicitly sought a decision that WEP should continue for these clients. This omission in the policy process and legislation was a mistake.

Interviews with MSD staff involved in the project suggest that WEP eligibility for NZ Superannuation and Veteran's Pension clients was not an area of active consideration during policy development and legislative drafting. While there is no evidence of an explicit decision to suspend WEP for these clients, neither was provision made in the legislation to exclude them from the suspension regime that applied when a CYC review was initiated.

Everyday MSD administers a range of benefits. As many payments have changed or been replaced over time, this increases the complexity of the system and how it is reflected in legislative rules. Those complexities became apparent when designing the legislation to enable automation, as detailed work was completed to identify and analyse how the specified benefits would interact with other payments. As each client comes with differing circumstances, there are many permutations of how benefits and supplementary assistance might interact.

In this case, MSD failed to fully explore all interactions to ensure that the legislation gave full effect to the policy intent. WEP was omitted, due to the assumption that WEP for NZ Superannuation and Veteran's Pension clients would not be impacted.

Why was the issue not identified earlier?

Payments for WEP for NZ Superannuation and Veteran's Pension clients commenced on 28 April 2026. The first query regarding why was WEP suspended for NZ Superannuation and Veteran's Pension clients who had received a CYC review was raised on 30 April 2026 by an MSD staff member.

Over the next three months, Service Delivery staff and some clients continued to raise questions, including through local MPs' offices. Advice consistently communicated that the system was operating as intended under the legislation, which was technically correct.

As most of these questions were handled as individual client concerns, MSD did not connect those individual cases quickly enough to recognise a broader pattern and identify an unintended consequence.

This limited MSD's ability to surface or analyse the questions or queries being raised in a way that would have enabled identification of the WEP issue earlier. MSD's senior leadership were not made aware of this issue until 13 August 2026.

When queries on the treatment of WEP began, this should have been the opportunity to step back and question whether the legislation was operating in line with the original intent of the policy. This experience highlights the importance of frontline staff as an early source of insight in understanding emerging risks or unintended consequences before they are visible in formal reporting.

What was the impact?

As at 16 August 2026, 14,862 NZ Superannuation and Veteran's Pension clients[6] were affected by the WEP issue between 1 May 2026 and 15 August 2026.

At this time, the highest individual arrears[7] was approximately $278.00, and the highest arrears for a couple was $418.00.

As further analysis occurred, MSD identified two additional groups of clients who had been affected.

- The first group comprised 819 clients who had been affected but had not been included in the original analysis. This occurred because the initial review focused on impacts identified from 1 May 2026, while some WEP had been established through an earlier payment cycle immediately before that date.
- The second group comprised 588 clients who had been sent a CYC review form even though their supplementary assistance had already been suspended for another reason. In cases where the form was not returned, WEP was also suspended.

Including these additional two client groups, the total number of NZ Superannuation and Veteran's Pension clients affected by this WEP issue was 16,270[8].

Following inclusion of these two additional groups, the impact on affected clients was revised. MSD has confirmed that[8]:

- The highest arrears payment for an individual was $301.06.

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[6] This excludes NZ Superannuation and Veteran's Pension clients within a non-qualified partner.
[7] Due to the way main benefit and supplementary payments are administered, deriving the exact value of arrears payments is complex. Consequently, the arrears payments provided in this document are estimates to provide the overall impact but may not align exactly with a specific payment made to a client.
[8] The sum of data values will be different to the total due to random rounding.

- The highest arrears payment for a couple rate was $418.00.
- The highest arrears payment for couples or individuals with a dependent child was $468.21.

MSD has remediated the issue

When MSD became aware of the issue in mid-August, it immediately reviewed those affected and resumed their WEP. Where clients did not receive their full payment, this was corrected and any back payments made. Apology letters were also sent.

MSD has advised that all affected payments have now been corrected and measures have been put in place to ensure no further clients are affected.

Issue 2: Confirming your circumstances processing delays

What is the issue?

After implementation of mandatory CYC reviews, the volume and complexity of work generated by the process exceeded available processing capacity for a period. As a result, a backlog developed, and some reviews were not processed before benefit payments were suspended.

While assessing the impacts of CYC review processing delays, MSD identified a separate issue affecting email notifications for some MyMSD users. This increased client contact and manual processing at a time when MSD was already managing higher than expected mandatory review workloads.

How did this happen?

During implementation planning, MSD made assumptions based on information from previous review processes. MSD expected a significant proportion of clients would complete their reviews online, reducing manual handling and supporting efficient processing.

MSD also expected that the majority of digitally submitted reviews would not involve a change in circumstances and would therefore be straightforward to process. Based on experience from other review processes, around two-thirds of digital reviews were expected to require little or no staff input, with only one-third requiring detailed review.

In practice, client behaviour and the work generated by mandatory reviews differed significantly from those expectations.

Although approximately 46 percent of all CYC reviews initiated were submitted digitally, more clients than anticipated completed their reviews through paper-based channels, creating additional handling and manual processing work.

These reviews also required substantially more staff involvement than expected. Rather than most requiring little or no staff input, around 80 percent required assessment and processing by MSD staff before eligibility and entitlement could be confirmed.

This reflected a much higher proportion of clients reporting changes in their circumstances than anticipated. In some cases, clients disclosed circumstances that had changed some time earlier and were not reflected in MSD's records. This required additional enquiries and assessment before decisions could be made.

Together, these factors generated significantly more manual processing work than anticipated and contributed to the backlog that developed following implementation.

What was the impact?

A key question raised publicly was how many main benefit payments were affected by MSD processing delays.

Answering that question required MSD to distinguish between suspensions that occurred because of processing delays and suspensions that occurred due to the policy intent and legislative settings. MSD undertook a one-off manual review of individual client records, to determine the cause and better understand the impact.

Mandatory CYC reviews are designed to confirm that clients remain eligible for the assistance they receive and are being paid the correct amount. As a result, some suspensions are an expected outcome of the process where clients do not continue with the review, their circumstances change, they are no longer eligible for assistance, or they no longer require the support they were receiving.

Rather than focusing on a specific period when processing delays were believed to have occurred, MSD reviewed around 51,000 client records where payments had been suspended through the CYC process since the commencement of mandatory CYC reviews in March 2026. This included clients suspended for reasons consistent with the underlying policy intent, as well as clients impacted by processing delays. Given the significance of suspending a client's payment, MSD considered it important to undertake comprehensive analysis over the full period.

Suspensions and cancellations associated with CYC reviews

Approximately 137,800 CYC reviews have been initiated since 2 March 2026.

The manual review identified a number of clients affected by MSD processing delays. For some clients, this resulted in delayed payments, while in other cases the delay was resolved before their next payment was due. Of those impacted:

- 2,460 clients were receiving a main benefit; and

- 11,990 clients were receiving supplementary assistance, including NZ Superannuation and Veteran's Pension clients, and non-beneficiary clients[9].

Following the review and correction of entitlement, affected clients received an estimated $0.85 million in arrears payments relating to main benefits and a further $1.7 million relating to supplementary assistance.

The overall average arrears payment for these clients is estimated at $180 per client.[10]

For clients receiving a main benefit:

- The average arrears payment was $390.
- The highest payment was almost $3,000.

For clients receiving supplementary assistance (e.g. NZ Superannuation and Veteran's Pension receiving Accommodation Supplement or Disability Allowance):

- The average arrears payment was $140.
- The highest arrears payment was around $2,800.

The manual review also found that many suspensions occurred for reasons other than MSD processing delays. This was particularly evident among non-beneficiary clients, where more than half of the suspensions were correct, and payments were not restarted. This is consistent with one of the key purposes of mandatory CYC reviews, which is to confirm that clients remain eligible for the assistance they receive and are being paid the correct amount. It indicates that a significant proportion of clients who did not continue with the review process no longer required the assistance, or were no longer entitled to it.

Processing delays were further compounded by a separate IT issue identified during MSD's review of the CYC processing delays. A routine system patch

[9] Some of these clients were also affected by the WEP suspensions issue. Therefore, the figures should not be added together as there is overlap between the two groups.

[10] The financial impact was estimated by reviewing ad hoc payments and determining the reason for each payment. These figures provide an indication of the overall impact and may not align exactly with an individual client's payment history. The estimate includes arrears payments that could be attributed to CYC related payment delays. It excludes more complex arrears payments that were not directly related to CYC, and cases where a CYC related arrears payment could not be confidently identified. The overall financial impact and average arrears payments are based on the subset of clients where a CYC related arrears payment could be identified.

(primarily fixing critical system vulnerabilities) disrupted an established email notification process, which meant that some clients may not have known that a new letter from MSD was waiting in MyMSD or that action was required.

This increased client contact volumes and manual processing activity during a period of significant operational pressure associated with the CYC delays.

MSD has remediated the issue

MSD increased processing capacity by directing resources to address the processing delays, and prioritised reviews where clients may have been affected by delays.

Where clients missed payments because of processing delays, MSD reviewed their entitlement, corrected payments, and issued arrears in line with normal practice.

The review has provided MSD with a clearer understanding of the extent of client impacts arising from processing delays and the factors that contributed to them. It has also highlighted limitations in existing reporting, which meant a significant manual review of individual client records was required to understand the full extent of the impact.

Recommendations

The following recommendations have been developed based on the findings outlined in this report. The recommendations are intended to strengthen MSD's planning, implementation, oversight and risk management practices in respect of policy and legislative changes.

Recommendation one – amend the Social Security Act 2018, to ensure there is explicit exclusion of WEP for NZ Superannuation and Veteran's Pension clients going through the mandatory CYC process.

Recommendation two – review and strengthen internal quality assurance processes in respect of policy and legislation development to ensure all parts of the process are aligned and reflected accurately to enable implementation.

This should include a clear requirement for sign-off by a person of appropriate seniority who is independent from the particular policy. Taking this approach will ensure there is an objective assessment to confirm that the policy, as drafted, accurately reflects Ministers' underlying intent and that the legislation, as drafted, is consistent with the approved policy.

Recommendation three – where significant operational changes occur following changes to policy or legislation, strengthen post implementation support activities.

Post implementation activities should operate for a specified period, providing a centralised approach, with relevant representatives from across the business, to consider, assess and respond to any operational queries, client complaints, systems issues and emerging risks.

Recommendation four – when planning for significant changes, it is important that any modelling draws on relevant information based on current practise and factors in significant areas of uncertainty. Without the latter, it may lead to unforeseen operational challenges following implementation. Any modelling and assumptions should be independently challenged to ensure they are robust.

Appendix one

MINISTRY OF SOCIAL DEVELOPMENT
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Terms of reference

Mandatory review provisions – a retrospective

Purpose and scope

This review has been commissioned to establish the facts surrounding how Winter Energy Payments to clients in receipt of New Zealand Superannuation and Veterans Pensions were suspended as part of the recently introduced mandatory review, or change in circumstances, activities.

The review will enable the Ministry of Social Development (MSD) to understand how this occurred, why it was not detected and addressed sooner through existing controls, and or oversight mechanisms, and the number of clients affected. This review will consider other matters that are relevant to its primary purpose including the processing delays associated with the confirming your circumstances (CYC) process.

Mandatory review provisions

Mandatory reviews were originally intended to be included in the Social Security (Modernisation) Amendment Bill, which was passed in May this year. However, some of the mandatory review changes were brought forward to support implementation of the Borders Initiative. As a result, the Social Security (Mandatory Reviews) Amendment Act 2025 (the Act) was progressed separately and enacted as Budget night legislation in May 2025.

The Act introduced annual mandatory reviews, or CYC, for a range of benefits and supplementary assistance payments. Mandatory reviews replaced a range of other checks of clients' circumstances, conducted in different ways using discretionary legislative provisions.

The Act came into effect on 2 March 2026. These reviews are required to ensure that clients continue to meet the eligibility requirements for the assistance they receive and to ensure payments remain accurate and up to date.

Clients who receive the following assistance are required to complete a CYC, or mandatory review within 52-weeks of when their benefit commenced, or within 52-weeks from when the client's last mandatory review was completed:

- New Zealand Superannuation with a Non-Qualifying Partner

- Disability Allowance, including clients who receive New Zealand Superannuation or Veterans Pensions, or non-beneficiary clients
- Accommodation Supplement, including clients who receive New Zealand Superannuation or Veterans Pensions, or non-beneficiary clients, but excluding clients receiving Youth Payments or Youth Parent Payments
- Supported Living Payment, including those receiving Supported Living Payment on the grounds of caring
- Emergency Benefit and Emergency Maintenance Allowance with an expiry date longer than 52 weeks or no expiry date
- Orphans Benefit / Unsupported Childs Benefit.

Winter energy payments

When the Act was drafted, provisions were included for clients receiving New Zealand Superannuation and Veterans Pension to ensure that certain payments were not included among the supplementary benefits that must be suspended, as it was intended that those payments continue to be paid.

Specific provisions to ensure Winter Energy Payment (WEP) was administered appropriately, were omitted from the development process. As a result, when some New Zealand Superannuation or Veterans Pension clients had other supplementary assistance payments suspended as part of the mandatory review process, their WEP payments were suspended too.

This is not consistent with the intended treatment of WEP. Clients who remain eligible for their main benefit, including New Zealand Superannuation and Veterans Pensions, would generally be expected to continue receiving WEP.

Ensuring policy decisions are made, and legislation is designed, developed, enacted, and implemented consistent with those decisions is critical to maintaining the trust and confidence of both the public and Ministers. As such, this review has been commissioned to help us understand how this occurred and to identify what improvements should be implemented in response.

Improvements arising from this review will be incorporated into the way MSD develops, designs and implements policy and legislation going forward.

Understanding what happened

As a core part of MSD's activities, it is important that we understand how this matter occurred. This will involve us considering the:

- approach to policy development, including the intent
- approach to the design and development of the legislation
- steps taken by MSD to operationalise the Act, including changes to systems and processes

- arrangements in place which support the development of policy and legislation through to implementation of operational changes, to ensure the integrity of our actions is maintained
- arrangements in place to monitor and identify unintended impacts following implementation, including whether there were opportunities to identify and address the issue earlier, and any factors that contributed to the time taken to do so
- quantify the extent of client impact, including how many people were affected, any resulting financial hardship or other consequences
- what remediation actions have already occurred, including any further actions that that may be required.

What we will do

Given the nature of this review, we will consider a range of artefacts relating to the matters that have occurred. This includes, but is not limited to processes and practices undertaken by MSD to support:

- policy development
- the legislation
- operationalisation of mandatory reviews.

We will also consider how MSD has responded to these matters, including remediation actions and communication with affected clients.

In addition to understanding the specific circumstances of this matter, the review will identify lessons and opportunities to strengthen future policy and legislative development and implementation activities. This may include recommendations relating to governance, assurance, accountability, and ways of working.

MSD is committed to ensuring that all clients continue to receive the financial assistance to which they are entitled to receive now, and into the future.

We will engage with representatives from the business who supported policy and legislative development and operationalised mandatory reviews.

Our findings

We will discuss our findings with you regularly throughout the engagement. Our findings will be shared with you during w/c 7 September, to enable the report to be shared with the Minister for Employment and Social Development on 10 September.

Peer review

As this review is being conducted internally by Workplace Integrity, to ensure the findings are truly independent and objective, the outcome of this review will be externally peer reviewed by David Smol, Professional Director and Chair of the MSD Risk and Audit Committee.

Approvals

Completion of this review is supported by Debbie Power, Chief Executive, and Janet Green, General Manager Workplace Integrity.

Dated - 25 August 2026