



Cabinet Economic Policy Committee

Minute of Decision

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Recognising Housing Contributions from all Boarders

Portfolio **Social Development and Employment**

On 29 January 2025, the Cabinet Economic Policy Committee:

Commencement date

- 1 **noted** that in Budget 2024, Cabinet agreed that housing contributions from all boarders will be counted in the assessment of housing subsidies from 1 April 2026 [CAB-24-MIN-0148.74];
- 2 **agreed** to count the housing contribution from all boarders in the assessment of housing subsidies and income-tested assistance under the Social Security Act 2018 (SSA) and assistance that uses the SSA's definition of income from 2 March 2026, instead of April 2026;

Allowing for mandatory reviews and the use of Automated Decision-Making

- 3 **agreed** to broaden the provisions in section 363A of the SSA to support the use of Automated Decision-Making for mandatory reviews of benefits, as outlined in the submission under ECO-25-SUB-0002;
- 4 **noted** that the use of Automated Decision-Making in this process will be assessed against the Automated Decision-Making Standard as part of the Ministry of Social Development (MSD) Privacy Human Rights and Ethics Framework;
- 5 **agreed** to introduce a mandatory review for all clients who receive the following specified benefits as part of delivering the Boarders' Contributions Initiative, so that information on boarders in a household is kept up to date and regularly reviewed:
 - 5.1 Supported Living Payment – Health Condition or Disability;
 - 5.2 Supported Living Payment – Caring Emergency Benefit with an expiry date beyond 52 weeks or no expiry date at all;
 - 5.3 Accommodation Supplement;
 - 5.4 Disability Allowance; and
 - 5.5 New Zealand Superannuation with a Non-Qualified Partner;

- 6 **agreed** that the mandatory review of specified benefits will occur every 52 weeks unless the client qualifies for an exception, exemption, or extension;
- 7 **agreed** that the mandatory review settings will include the following key features:
- 7.1 the client's review date will be every 52 weeks since their last review was completed, or 52 weeks from when their benefit commenced for clients who have not yet had a review;
 - 7.2 the Accommodation Supplement will be reviewed as part of a client's Supported Living Payment or Emergency Benefit mandatory review;
 - 7.3 the Disability Allowance will have its own mandatory review and review date;
 - 7.4 the review of the Accommodation Supplement for Jobseeker Support or Sole Parent Support clients will happen at their main benefit reapplication;
 - 7.5 clients will be notified about their mandatory review at least 20 working days before their review date;
 - 7.6 MSD will not automatically notify clients of a mandatory review where a client's benefit has stopped and is not being paid;
 - 7.7 clients will be presented with information about each of their circumstances that impact their benefit eligibility and rate, and will be required to confirm whether the information is correct or not;
 - 7.8 if the client confirms that the information MSD presented is correct, their benefit will automatically continue, and their review date is reset (except for Emergency Benefit);
 - 7.9 if the client does not respond to their review, their benefit will be automatically stopped on their review date;
 - 7.10 if a benefit is stopped due to the review not being completed, the client will have eight weeks to respond to the review, otherwise they will have to reapply for that benefit, except for clients receiving New Zealand Superannuation with a Non-Qualified Partner who will have two years;
 - 7.11 MSD will process the review if a client confirms they have a change in circumstances;
- 8 **agreed** that when a client has an engagement with MSD that confirms all of the same circumstances as their mandatory review, their review date will move to 52 weeks from that engagement (except for Emergency Benefit and Disability Allowance);
- 9 **agreed** that if a client's disability costs have not been reviewed in the previous 44 weeks when the relevant review notice is due to be sent, then MSD would be required to complete a mandatory review of the client's Disability Allowance;
- 10 **agreed** that if a client is the primary client, their mandatory review will include their partner and it will be the primary client's responsibility to confirm all the information in the review;

- 11 **agreed** to exceptions where MSD would not be required to review a group of clients and/or a group of clients would not be required to respond to a review if they fall into one of the following situations or circumstances:
 - 11.1 a client is in hospital for more than 13 weeks;
 - 11.2 a client is getting residential disability care or rest home care;
 - 11.3 there is a major system outage that prevents MSD and/or the clients from meeting the review requirements;
 - 11.4 the client resides in, or is present in, and cannot reasonably leave, an area in which a state of local or national emergency is in force;
 - 11.5 the client resides in, or is present in, and cannot reasonably leave, an area that is or may be affected by an outbreak of a quarantinable disease in respect of which an epidemic notice has been given and is in force;
- 12 **agreed** that MSD could exempt an individual client from a mandatory review for that review period when a client contacts MSD and MSD is satisfied that the client's circumstances mean the client is not able to respond to the review in time;
- 13 **agreed** that a review date can be extended by up to 20 working days if MSD determines a client needs more time to respond to the review;
- 14 **agreed** that on the implementation date, automation will be used to apply any changes to Accommodation Supplement and Temporary Additional Support as a result of information collection about boarder contributions;
- 15 **agreed** that the decisions in paragraphs 3 to 14 above will be in-principle until a funding source has been confirmed through Budget 2025;

Delegated authority

- 16 **authorised** the Minister of Housing, the Minister for Social Development and Employment, and the Associate Minister of Housing to make final decisions on the policy, including:
 - 16.1 confirming the treatment of renters in the legislation, so that it is clear when a person is treated as a boarder or a renter, and how contributions for each will be treated;
 - 16.2 the treatment of excess income where housing contributions from a boarder or renter exceed a person's accommodation costs (for SSA assistance) or market rent (for Social Housing tenants), and their impact on housing subsidies, other assistance under the SSA, and assistance that uses the SSA's definition of income;
- 17 **agreed** that the delegation referred to above operates retrospectively to authorise joint Ministers' previous decisions on the treatment of excess income from boarders and the treatment of payments from renters, without requiring reconfirmation of these decisions;
- 18 **authorised** the Minister for Social Development and Employment to make final decisions on the mandatory review policy;

Drafting instructions

- 19 **invited** the Minister for Social Development and Employment to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above decisions.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Winston Peters
Hon David Seymour
Hon Nicola Willis
Hon Brooke van Velden
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Dr Shane Reti
Hon Todd McClay
Hon Tama Potaka
Hon Simon Watts
Hon Andrew Hoggard
Hon Penny Simmonds
Hon Mark Patterson
Hon Chris Penk
Hon Nicola Grigg
Hon Andrew Bayly
Hon James Meager
Simon Court MP

Officials present from:

Office of the Prime Minister
Office of Hon Louise Upston
Office of Hon Simon Watts
Ministry of Social Development
Officials Committee for ECO