

Office of the Minister for Social Development and Employment

Chair

Cabinet Legislation Committee

SOCIAL SECURITY AMENDMENT REGULATIONS (NO 2) 2025

Proposal

- 1 This paper seeks Cabinet approval to submit the Social Security Amendment Regulations (No 2) 2025 (Amendment Regulations) to the Executive Council, which will allow territorial authorities to determine eligibility for the new Local Government Rates Rebate Scheme abatement threshold for SuperGold Card cardholders.

Policy

Background

- 2 The SuperGold Card (SGC) is a concession card for New Zealand residents who are 65 or over, or who qualify for New Zealand Superannuation (NZS) or a Veteran's Pension (VP).
- 3 The Social Security Regulations 2018 (SSR) allow the SGC to be used, usually by being sighted, in connection with business discounts, free or discounted council services and free off-peak travel on public transport.
- 4 As part of the 2023 Coalition priorities, the Government committed to explore options to build on the Local Government Rates Rebate Scheme for SGC cardholders.
- 5 As part of Budget 2025, Cabinet has agreed:
 - 5.1 to increase the income abatement threshold to the Rates Rebate Scheme for SGC cardholders only to \$45,000, effective 1 July 2025
 - 5.2 that, in line with the existing scheme, the income abatement threshold for the Rates Rebate Scheme for SGC cardholders be increased on 1 July 2026, and on every following 1 July, by Order in Council by an amount that reflects the upward movement of the All Groups index of the New Zealand Consumers Price Index for the calendar year ending the previous 31 December
 - 5.3 to make the necessary amendments to the Social Security Regulations 2018 to allow the use of the SGC in determining eligibility for the expanded scheme.
- 6 The Department of Internal Affairs (DIA) is the lead agency for the Rates Rebate Amendment Bill. This Bill will amend the Rates Rebate Act 1973 to increase the income abatement threshold to the Rates Rebate Scheme for SGC cardholders to \$45,000 effective from 1 July 2025 [CAB-25-MIN-0126].

Proposed amendments

- 7 This paper accompanies the Rates Rebates Amendment Bill led by DIA. A key design feature of the scheme is to require applicants to hold a SGC to qualify for the higher rebate threshold at the point of application. Amendments are required to the Social Security Regulations 2018 to allow the use of the SGC in determining eligibility for the expanded scheme. While councils are not required to verify the information they receive through applications for the rates rebate scheme, they must be satisfied that the application is complete. In order to do so, councils may choose to sight a ratepayer's SGC as part of the application process to confirm eligibility for the higher rebate threshold in certain instances.
- 8 This approach may help with the use and uptake of the SGC.
- 9 This use of the SGC is not supported by legislation. To enable councils to sight the SGC to be satisfied that an applicant is eligible for the higher threshold, the Amendment Regulations amend the SSR to:
 - 9.1 authorise the use of the SGC to provide evidence to territorial authorities (city and district councils), of SGC cardholders' eligibility for an increased income abatement threshold for rates rebates; and
 - 9.2 authorise the territorial authority to demand or request the cardholder's SGC for the purposes of assessing this eligibility.
- 10 The Amendment Regulations will come into force on 1 July 2025.

Timing and 28-day rule

- 11 The Executive Council date will be on 26 May 2025. The Amendment Regulations will need to be Gazetted by 30 May 2025 to comply with the 28-day rule before the Regulations come into force on 1 July 2025.

Compliance

- 12 The Amendment Regulations comply, where relevant, with:
 - 12.1 the principles of the Treaty of Waitangi;
 - 12.2 advice from the Treaty Provisions Officials Group on any Treaty of Waitangi provisions;
 - 12.3 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;
 - 12.4 the principles and guidelines set out in the Privacy Act 2020;
 - 12.5 relevant international standards and obligations;
 - 12.6 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

BUDGET SENSITIVE

- 13 DIA is engaging with Ministry of Justice on the consistency of the Rates Rebate Amendment Bill with the New Zealand Bill of Rights Act 1990.

Regulations Review Committee

- 14 We have not identified any grounds for the Regulations Review Committee to draw the Amendment Regulations to the attention of the House under Standing Order 327.

Certification by Parliamentary Counsel

- 15 The Parliamentary Counsel Office has certified that the Amendment Regulations are in order for submission to the Executive Council (TBC).

Impact Analysis

- 16 The Ministry for Regulation has determined that this proposal is exempt from the requirement to provide a Regulatory Impact Statement on the grounds that it has no or only minor economic, social, or environmental impacts.
- 17 The Climate Implications of Policy Assessment (CIPA) team has also been consulted and confirms that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

Publicity

- 18 As part of the legislative requirement, the Social Security Amendment Regulations (No 2) 2025 will be notified in the New Zealand Gazette at a minimum of 28 days before they come into force. The Amendment Regulations will be available on www.legislation.govt.nz.
- 19 The wider policy change to increase the income abatement threshold to the Rates Rebate Scheme for SGC cardholders only to \$45,000 (effective 1 July 2025) will be announced through Budget 2025 by the Minister for Local Government and the Minister for Seniors. The change will also be communicated councils and older rate payers through various communications channels following the Budget 2025 announcement.

Proactive release

- 20 This paper will be proactively released, subject to any necessary redactions under the Official Information Act 1982, within 30 business days of decisions being confirmed by Cabinet (CO (23) 4).

Consultation

- 21 This paper was developed by the Ministry for Social Development. The Department of Internal Affairs and the Treasury were consulted. The Department of the Prime Minister and Cabinet has been informed.

Recommendations

- 22 It is recommended that the Committee:

BUDGET SENSITIVE

- 22.1 **note** that as part of Budget 2025, Cabinet has agreed to make the necessary amendments to the Social Security Regulations 2018 to allow the use of the SGC to determine eligibility of the expanded scheme
- 22.2 **authorise** the submission to the Executive Council of the Social Security Amendment Regulations (No 2) 2025
- 22.3 **note** that the Social Security Amendment Regulations (No 2) 2025 will come into force on 1 July 2025.

Authorised for lodgement

Hon Louise Upston

Minister for Social Development and Employment