

In Confidence

Office of the Minister for Social Development and Employment

Cabinet Legislation Committee

Social Security (Mandatory Reviews) Amendment Regulations 2025

Proposal

- 1 This paper seeks authorisation for a submission to the Executive Council of the Social Security (Mandatory Reviews) Amendment Regulations 2025 (Amendment Regulations).
- 2 Amendment Regulations are required in order for the Ministry of Social Development (MSD) to implement the Social Security (Mandatory Reviews) Amendment Act 2025 by 2 March 2026. This supports the implementation of the mandatory reviews component of the Budget 2025 Automated Decision-Making package, which aims to make the welfare system more efficient. This will support the Government's target of reducing the number of people on Jobseeker Support by 50,000 by 2030 by ensuring that MSD is regularly reviewing entitlement and rates of benefit.

Previous policy decisions

- 3 The Social Security (Mandatory Reviews) Amendment Act 2025 was passed in June 2025 and will come into effect on 2 March 2026. From this date the Social Security Act will require MSD to review specified benefits at least once every 52 weeks (mandatory reviews).
- 4 Cabinet has agreed that aspects of the mandatory reviews process will use Automated Decision-Making to administer, where appropriate [ECO-25-MIN-0002 refers]. This will comply with MSD's existing Automated Decision-Making Standard and Privacy Human Rights and Ethics Framework.
- 5 Amendments to the Social Security Regulations 2018 are required to specify which benefits are subject to mandatory reviews and prescribe the circumstances in which MSD is not required to undertake a mandatory review.
- 6 The Social Security (Mandatory Reviews) Amendment Act 2025 introduced regulation making powers that enable the Governor General via Order in Council to:
 - 6.1 specify which benefits are subject to mandatory reviews, and
 - 6.2 prescribe circumstances for the exception from the requirement for MSD to undertake a mandatory review.
- 7 Cabinet previously agreed that the specified benefits are:
 - 7.1 Supported Living Payment;
 - 7.2 Emergency Benefit with an expiry date beyond 52 weeks or no expiry date;

- 7.3 Accommodation Supplement (except for those receiving Youth Payment and Young Parent Payment);
 - 7.4 Disability Allowance (except Jobseeker Support or Sole Parent Support clients who have confirmed their disability related costs in the past 44 weeks at the time their main benefits reapplication notice is sent);
 - 7.5 New Zealand Superannuation (NZS) with a non-qualified partner (NQP) (grandparented) [CAB-25-MIN-0014 refers].
- 8 Cabinet previously agreed that the prescribed circumstances for exceptions would be if:
- 8.1 the client is hospitalised for more than 13 weeks;
 - 8.2 the client is in residential disability care or rest home care;
 - 8.3 the client resides in, or is present in and cannot reasonably leave an area in respect of which a state of local or national emergency is in force;
 - 8.4 an epidemic notice is in force in the area the client resides in or is present in and cannot reasonably leave [CAB-25-MIN-0014 refers].
- 9 Cabinet's agreed policy (paragraphs 7 and 8 above) was that the exclusionary circumstances would appear in the list of specified benefits. However, they are implemented instead in the 'prescribed circumstances' regulation (176B). This implementation approach differs from Cabinet's agreement but achieves the same policy intent.
- 10 The specified benefits set out in section 176A of the Amendment Regulations are:
- 10.1 Supported Living Payment;
 - 10.2 Emergency Benefit;
 - 10.3 Accommodation Supplement;
 - 10.4 Disability Allowance;
 - 10.5 New Zealand Superannuation.¹
- 11 The prescribed circumstances in which there is an exception to the requirement to undertake a mandatory review is in 176B of the Amendment Regulations, where the beneficiary's specified benefit is:
- 11.1 Supported Living Payment on the grounds of health condition, injury or disability received by a person living outside of New Zealand under a reciprocity agreement

¹ For New Zealand Superannuation beneficiaries, the Amendment Regulations will require MSD to only review beneficiaries receiving New Zealand Superannuation with a Non-Qualified Partner (grandparented) (already subject to periodic reviews) once every 52 weeks, including when they are temporarily overseas.

- 11.2 Emergency Benefit received by a person with an expiry date that is exactly, or is less than, 52 weeks after commencement
- 11.3 Accommodation Supplement received by a person also receiving a Youth Payment or Young Parent Payment
- 11.4 Disability Allowance received by a person also receiving Jobseeker Support or Supported Living Payment who have confirmed their disability related costs in the past 44 weeks at the time their main benefits reapplication notice is sent
- 11.5 New Zealand Superannuation recipients who are not receiving a Non-Qualified Partner rate of New Zealand Superannuation, or
- 11.6 The prescribed circumstances outlined in paragraphs 7 above.

Timing and 28-day rule

- 12 If approved, the Amendment Regulations will be submitted to the Executive Council by 10 November 2025. This timing is consistent with the 28-day rule as it will enable the Regulations to be gazetted 28 days before they come into force.
- 13 The Amendment Regulations will come into force on 2 March 2026.

Compliance

- 14 The Amendment Regulations comply, where applicable, with each of the following:
 - 14.1 the principles of the Treaty of Waitangi;
 - 14.2 advice from the Treaty Provisions Officials Group on any Treaty of Waitangi provisions;
 - 14.3 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993;
 - 14.4 the principles and guidelines set out in the Privacy Act 2020;
 - 14.5 relevant international standards and obligations; and
 - 14.6 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

Regulations Review Committee

- 15 s 9(2)(h) 

Certification by Parliamentary Counsel

- 16 The Amendment Regulations have been certified by the Parliamentary Counsel Office as being in order for submission to Cabinet.

Impact Analysis

- 17 A Regulatory Impact Statement was prepared in respect of the policy decisions relating to mandatory reviews, and it is publicly available. The Regulatory Impact Statement was reviewed by a panel of representatives from MSD. It received a 'partially meets' rating against the quality assurance criteria for the purpose of informing Cabinet decisions. This assessment recognised that the analysis could have been strengthened in some areas, and consultation would have been useful.
- 18 The Ministry for Regulation has confirmed no further regulatory impact analysis is required for this paper.

Publicity

- 19 As part of the legislative requirements, the Orders and Amendment Regulations 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.

Proactive release

- 20 I intend to proactively release this Cabinet paper within the standard 30 working days timeframe.

Consultation

- 21 The following departments were consulted: the Ministries for Ethnic Communities, Pacific Peoples, and Women; Ministries of Business, Innovation and Employment, Education, Health, Housing and Urban Development, Justice, Youth Development and the Ministry of Disabled People – Whaikaha; Departments of the Prime Minister and Cabinet, Internal Affairs and Inland Revenue; Health New Zealand – Te Whatu Ora; Kainga Ora; Oranga Tamariki; Te Puni Kokiri; the Public Service Commission; the Social Investment Agency; Te Arawhiti; the Treasury; the Office of the Privacy Commissioner; Veteran's Affairs; Statistics New Zealand.

Recommendations

I recommend that the Cabinet Legislation Committee:

- 1 **note** that the Social Security (Mandatory Reviews) Amendment Regulations 2025 come into effect on 2 March 2026 and will:
 - 1.1 specify which benefits are subject to mandatory reviews; and
 - 1.2 prescribe circumstances for the exception from the requirement for the Ministry of Social Development to undertake a mandatory review.
- 2 **note** that Cabinet has previously agreed that the specified benefits are:
 - 2.1 Supported Living Payment;

- 2.2 Emergency Benefit with an expiry date beyond 52 weeks or no expiry date at all;
 - 2.3 Accommodation Supplement (except for those receiving Youth Payment and Young Parent Payment);
 - 2.4 Disability Allowance (except Jobseeker Support or Sole Parent Support clients who have confirmed their disability related costs in the past 44 weeks at the time their main benefits reapplication notice is sent); and
 - 2.5 New Zealand Superannuation (NZS) with a Non-Qualified Partner (NQP) (grandparented) [CAB-25-MIN-0014];
- 3 **note** that Cabinet have previously agreed that the prescribed circumstances for exceptions would be:
- 3.1 if the client is hospitalised for more than 13 weeks;
 - 3.2 the client is in residential disability care or rest home care;
 - 3.3 the client resides in, or is present in and cannot reasonably leave an area in respect of which a state of local or national emergency is in force; or
 - 3.4 an epidemic notice is in force in the area the client resides in, or is present in and cannot reasonably leave [CAB-25-MIN-0014];
- 4 **note** the final drafting of the Amendment Regulations differs in wording from the decisions taken by Cabinet but achieves the same policy intent;
- 5 **note** the use of Automated Decision-Making to administer aspects of mandatory reviews will be assessed against MSD's existing Automated Decision-Making Standard and Privacy Human Rights and Ethics Framework;
- 6 **authorise** the submission of the Social Security (Mandatory Reviews) Amendment Regulations 2025 to the Executive Council.

Authorised for lodgement

Hon Louise Upston

Minister for Social Development and Employment