



Cabinet Social Outcomes Committee

Minute of Decision

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Tightening Access to Jobseeker Support and Emergency Benefit for 18 and 19 Year Olds

Portfolio **Social Development and Employment**

On 17 September 2025, the Cabinet Social Outcomes Committee:

Background

- 1 **noted** that as part of the Budget 2025 process, Cabinet agreed:
 - 1.1 from July 2027, to tighten eligibility for young people to receive Jobseeker Support and Emergency Benefit to make it clear that single 18 and 19 year olds are expected to be supported by their parents if they are not in employment, education, or training;
 - 1.2 that a parental assistance test for single 18 and 19 year olds will be introduced in July 2027 as one of the eligibility criteria for Jobseeker Support (Work Ready, and Health Condition, Injury or Disability) and Emergency Benefit;

[CAB-25-MIN-0126.61]

- 2 **agreed** that the policy in paragraph 1 be implemented in November 2026, rather than July 2027;

Parental Assistance Test

- 3 **agreed** that the Parental Assistance Test will consist of:
 - 3.1 a parental income test; and
 - 3.2 a parental support gap test;
- 4 **agreed** that the cohort that the Parental Assistance Test will apply to is:
 - 4.1 single 18 and 19 year olds;
 - 4.2 18 and 19 year olds who are in a relationship (married or in a civil union or de-facto relationship);
- 5 **agreed** that 18 or 19 year olds who have a dependent child or children will not be subject to a Parental Assistance Test;

- 6 **noted** that in April 2025, Cabinet agreed that the Parental Assistance Test will apply to:
- 6.1 Jobseeker Support Work Ready;
 - 6.2 Jobseeker Support Health Condition, Injury or Disability;
 - 6.3 Emergency Benefit (when the equivalent benefit is Jobseeker Support);
- [CAB-25-MIN-126.61]
- 7 **agreed** that the Parental Assistance Test will also apply to:
- 7.1 Jobseeker Support Student Hardship;
 - 7.2 Jobseeker Support on Ground of Hardship;
- 8 **agreed** that a parent under this policy will include:
- 8.1 a natural parent;
 - 8.2 an adoptive parent;
 - 8.3 a step-parent (when married or in a civil union or de-facto relationship with the natural or adoptive parent of the 18 or 19 year old);
- 9 **agreed** that two people will be considered parents for the Parental Assistance Test, with only one person being considered a parent in situations where the 18 or 19 year old declares that they only have one parent that they can reasonably be expected to rely on for support and the Ministry of Social Development determines that there is a parental support gap with the second parent;
- 10 **agreed** that a step-parent can only be considered if it is determined that the 18 or 19 year old cannot reasonably be expected to rely financially on the natural or adoptive parent;
- 11 **noted** that the Minister for Social Development and Employment intends to maintain the existing settings of who is included as a dependent child under welfare assistance, and make no changes to settings relating to the definition of dependent children in Working for Families or Child Support;

Parental Income Test

- 12 **agreed** that the period that parental income will be considered, for the purposes of the parental income test, will be the parent/s income over the past 52, 26, or four weeks, depending on what period the Ministry of Social Development (MSD) determines best represents the parent/s ability to financially support the 18 or 19 year old for the next 26 weeks;
- 13 **agreed** that the parental income test will have a parental income limit set at the gross income cut-out point for a couple with dependent children receiving Supported Living Payment (currently \$65,529 per year), which will ensure that the parental income limit remains equal to the cut-out point following the Annual General Adjustment;
- 14 **agreed** that if the parental income is above the income limit and there is no parental support gap, the 18 or 19 year old would not be able to access a specified benefit;

- 15 **agreed** that if the 18 or 19 year old's parental income is at or below the limit, and the 18 or 19 year old meets the other eligibility criteria, they will be able to access a specified benefit;

Parental support gap test

- 16 **agreed** that the parental support gap test will require an 18 or 19 year old to declare they cannot reasonably be expected to rely on their parent/s for financial support;
- 17 **agreed** that if MSD determines that the 18 or 19 year old cannot reasonably be expected to rely on their parents for financial support, then the young person can access a specified benefit if they are otherwise eligible;
- 18 **agreed** that where MSD or another government agency has established a parental support gap, MSD can use that information to satisfy the requirements for the parental support gap test;

Authorisation

- 19 **noted** that in April 2025, Cabinet authorised the Minister for Social Development and Employment, alongside the Minister of Finance when the decision is financial, to make further policy decisions required to design and implement the policy in paragraph 1 [CAB-25-MIN-0126.61];
- 20 **authorised**:
- 20.1 the Minister for Social Development and Employment, in consultation with other Ministers as appropriate, to make further detailed policy design decisions to finalise the initiative in preparation for legislation; and
- 20.2 the Minister of Finance and Minister for Social Development and Employment to jointly make any associated financial decisions;

Financial Implications

- 21 **noted** that the operating balance fiscal impact for the above changes to the Budget 2025 initiative to tighten eligibility of Jobseeker Support and Emergency Benefit for single people aged 18 and 19 is fiscally neutral, as the non-departmental operating impact of \$48.625 million is offset by departmental savings in the Vote Social Development appropriations, the Improved Employment and Social Outcomes Support MCA, and the Community Support Services MCA across the forecast period;
- 22 **agreed** to the following changes in spending to provide for the costs associated with the policy changes above, with the following impact(s) on the operating balance and/or net core Crown debt:

Vote Social Development	\$m – increase/(decrease)				
	2024/25	2025/26	2026/27	2027/28	2028/29 & Outyears
Operating Balance and Net Core Crown Debt Impact	-	-	(56.271)	27.335	28.936
Net Core Crown Debt Impact only	-	-	(0.274)	(14.738)	(14.322)
No Impact	-	-	(6.181)	8.182	8.415
Total	-	-	(62.726)	20.779	23.029

- 23 **approved** the following changes to appropriations to give effect to the policy decisions above:

Vote Social Development Minister for Social Development and Employment	\$m – increase/(decrease)				
	2024/25	2025/26	2026/27	2027/28	2028/29 & Outyears
Benefits or Related Expenses:					
Hardship Assistance	-	-	9.286	(25.714)	(24.988)
Jobseeker Support and Emergency Benefit	-	-	(55.447)	81.860	82.844
Non-Departmental Other Expense:					
Debt Write-downs	-	-	(0.082)	(4.421)	(4.297)
Non-Departmental Capital Expenditure:					
Recoverable Assistance	-	-	(0.274)	(14.738)	(14.322)
Multi-category Expenses and Capital Expenditure					
Improved Employment and Social Outcomes Support (MCA)					
Departmental Output Expense:					
Administering Income Support (funded by revenue Crown)	-	-	(12.157)	(12.156)	(12.156)
Community Support Services (MCA)					
Departmental Output Expense:					
Developing and Managing Community Services (funded by revenue Crown)			(4.052)	(4.052)	(4.052)
Total Operating	-	-	(62.452)	35.517	37.351
Total Capital	-	-	(0.274)	(14.738)	(14.322)

Legislative implications

- 24 **noted** that amendments to the Social Security Act 2018 and associated regulations are required to implement the policy changes under SOU-25-SUB-0126, and there may be consequential changes to other legislation;
- 25 **noted** that:
- 25.1 the policy will be given effect through the Budget 2025 Initiatives Bill, ^{s 9(2)(f)(iv)}
- 25.2 the Minister for Social Development and Employment intends to submit an updated Bid for the 2026 Legislation Programme, seeking to introduce the Bill in mid-2026 with a commencement date from November 2026;

- 26 **invited** the Minister for Social Development and Employment to issue drafting instructions to the Parliamentary Counsel Office to give effect to decisions above, and then to seek approval from Cabinet to introduce legislation.

Jenny Vickers
Committee Secretary

Present:

Hon David Seymour
Hon Nicola Willis (part of item)
Hon Simeon Brown
Hon Louise Upston (Chair)
Hon Mark Mitchell
Hon Matt Doocey
Hon Nicole McKee
Hon Casey Costello
Hon Karen Chhour
Hon Nicola Grigg

Officials present from:

Office of the Prime Minister
Officials Committee for SOU
Office of the Minister for Social Development and Employment
Office of the Minister for Seniors
Office of the Minister of Police