LEG-26-MIN-0082

Cabinet Legislation Committee

Minute of Decision

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Social Security (Modernisation) Amendment Bill: Approval for Introduction

Portfolio **Social Development and Employment**

On 14 May 2026, the Cabinet Legislation Committee:

1 **noted** that the Social Security (Modernisation) Amendment Bill (the Bill) is proposed to be passed under Budget night urgency (all stages);

Automated Decision-Making (ADM)

2 **noted** that future uses of ADM will be assessed against the ADM Standard as part of the Ministry for Social Development's (MSD) Privacy Human Rights and Ethics Framework;

3 **agreed** to amend the Social Security Act 2018 (the Act) to include what the ADM Standard should consider (i.e. bias and discrimination, legal and policy considerations, fraud considerations; transparency, human oversight, and compliance and assurance);

4 **agreed** that the Act require MSD to consult on the ADM Standard with the Human Rights Commission and any other suitable agencies or groups as identified by MSD to ensure the interests of vulnerable communities and other interested parties, in addition to the requirement to consult with the Privacy Commissioner;

Mandatory reviews

5 **agreed** that independent review benefits are reviewed on separate cycles (i.e. not grouped together with other specified benefits) except for the Unsupported Child's Benefit (UCB) and Orphan's Benefit (OB), which will be reviewed alongside the Disability Allowance (DA) paid in respect of or for the UCB/OB child;

6 **agreed** that when UCB or OB is suspended, varied, or cancelled in the mandatory reviews process, MSD must suspend or cancel, continue or vary (where applicable) any other benefit or special assistance paid in respect of or for the UCB/OB child including DA (except for Childcare Subsidy (CCS) Out of School Care and Recreation Subsidy (OSCAR), Child Disability Allowance (CDA), Guaranteed Childcare Assistance Payment (GCAP), or any main benefit);

7 **agreed** that MSD must notify clients of their mandatory review if their benefit is suspended in the same way that they would be if their benefit was not suspended, except if the client is in custody, in prison or on remand, or absent from New Zealand;

8 **agreed** that clients receiving the Youth Payment (YP) or Young Parent Payment (YPP) will no longer be subject to mandatory reviews for DA from 1 July 2026;

9 **agreed** that when a universal review benefit that is a main benefit is suspended, varied, or cancelled in the mandatory reviews process, MSD must suspend or cancel, continue or vary (where applicable), all other benefits and special assistance (excluding OB, UCB, CCS, OSCAR, CDA, GCAP, New Zealand Superannuation (NZS) other than at a Non-Qualifying Partner rate, or Veteran's Pension (VP));

10 **agreed** to exclude the Emergency Benefit and Special Benefit from the requirement to automatically continue a specified benefit at the same rate when a client returns their mandatory review and confirms the information is correct;

11 **agreed** that MSD is not required to undertake or complete a mandatory or medical review or the end of school year process where relevant if the beneficiary has died;

Medical reviews and end of school year (EOSY)

12 **agreed** that clients will be required to provide a medical certificate (for clients receiving Jobseeker Support – Health Condition, Injury or Disability (JS-HCID), DA, or Supported Living Payment – Caring (SLP-Carer)) or other medical evidence (where appropriate) before MSD can grant or continue a medical benefit, and that the evidence will determine the period of medical coverage;

13 **agreed** to introduce a regulation-making power that allows the Governor-General, through Order in Council, to make regulations which specify circumstances and periods for a deferral when a cohort of clients will be deferred from the requirement to provide a medical certificate or medical evidence for a period up to 52 weeks;

14 **agreed** to allow MSD to require a person applying for or receiving any medical benefit to undergo a medical examination, at any time, for the purpose of establishing or reviewing their eligibility;

15 **agreed** that clients receiving JS-HCID or SLP-HCID as well as Residential Care Subsidy (RCS), Residential Support Subsidy (RSS), or the hospital rate of payment are not required to provide a medical certificate or other medical evidence until the Monday after they leave their residential facility or hospital;

16 **agreed** that when a client receiving RCS, RSS, or the hospital rate of payment leaves their residential facility or hospital, and their medical benefit is suspended, MSD can resume their payments from the suspension date to provide an extension of up to 40 working days from the suspension date if the client contacts MSD during the suspension period, and MSD is satisfied that the client has a good and sufficient reason for the delay;

17 **agreed** that if a main benefit is suspended as a part of the medical review or EOSY process, MSD must suspend all other benefits excluding OB, UCB, CCS, OSCAR, CDA, GCAP, or any other main benefit (unless that benefit itself is affected by the medical review or EOSY);

18 **agreed** that that when DA, CDA or the Accommodation Supplement is suspended or cancelled as a part of the medical review or EOSY process, if the client also receives Temporary Additional Support (TAS), MSD must also suspend TAS;

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19 **agreed** to the inclusion of regulation-making powers in the Bill that enable transitional and savings provisions concerning amendments made by the Bill to address any unintended outcomes from implementation, with a sunset provision to revoke this power after three years;

20 **authorised** the Minister of Social Development and Employment to approve the final drafting of clause 35 of the Bill, updated as necessary to reflect discussions at the Cabinet Legislation Committee about the reference to 'Cabinet authorisation';

21 **authorised** the Parliamentary Counsel Office to make editorial corrections, or other non-substantive (policy neutral) drafting changes, to the Bill in preparation for introduction to the House of Representatives;

22 **approved** the Social Security (Modernisation) Amendment Bill [PCO 27132/1.24] for introduction;

23 **agreed** that the Government propose that the Bill be enacted by 1 July 2026, with a staggered implementation.

Sam Moffett
Committee Secretary

Present:
Rt Hon Winston Peters
Hon Erica Stanford
Hon Louise Upston (Chair)
Hon Brooke van Velden
Hon Nicole McKee
Hon James Meager
Hon Scott Simpson
Hon Mike Butterick
Stuart Smith MP
Todd Stephenson MP
Jamie Arbuckle MP

Officials present from:
Officials Committee for LEG