Cabinet Social Outcomes Committee

Minute of Decision

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Expanding Legislative Authority for Automated Decision-Making in the Welfare System

Portfolio **Social Development and Employment**

On 5 March 2025, the Cabinet Social Outcomes Committee:

1 **noted** that there is a limited Automated Decision-Making (ADM) authorising provision under the Social Security Act 2018 (the Act), and the Ministry of Social Development's (MSD) use of ADM for the treatment of some child support payments is subject to legislative safeguards, including the requirement for MSD to have an approved Standard in force at all times and for any use of ADM to be consistent with the Standard;

2 **agreed** that the Act be amended to expand the legislative authority for MSD using electronic systems in ADM to administer the welfare system;

3 **agreed** that the future use of automated exercising of statutory powers and functions, including decision-making, will continue to be safeguarded by the Automated Decision-Making Standard through the Act;

4 **agreed** in principle, subject to Budget 2025 decisions, that the Act and the Social Security Regulations 2018 be amended s 9(2)(h) [redacted] as outlined in paragraph 22 of the paper under SOU-25-SUB-0013 (including Mandatory Reviews, Medical Reviews and the End of School Year process);

5 **authorised** the Minister for Social Development and Employment (the Minister) to take final policy decisions to develop and implement all proposals outlined in the paper under SOU-25-SUB-0013;

6 **invited** the Minister to issue drafting instructions to the Parliamentary Counsel Office to:

6.1 expand the legislative authority to automate the exercise of statutory powers and functions, including decision making, under the Act;

6.2 s 9(2)(h) [redacted]

7 **noted** that the financial implications of the above decisions will continue to be refined through the Budget 2025 process, but are currently expected to lead to operating savings (total of $229.738 million over five years net of any operational costs) and capital savings ($1.698 million over ten years for recoverable assistance), and are being considered through Budget 2025;

The figure $229.738m is incorrect and should be read as $157.878m which was included in Budget 25.

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8 **noted** that the Minister will report to the Cabinet Legislation Committee in due course with a Bill to amend the Act, and associated regulations, to be introduced in 2025.

Tom Kelly
Committee Secretary

Present:
Rt Hon Winston Peters
Hon David Seymour
Hon Nicola Willis
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston (Chair)
Hon Mark Mitchell
Hon Tama Potaka
Hon Nicole McKee
Hon Casey Costello
Hon Chris Penk
Hon Penny Simmonds
Hon Nicola Grigg
Hon Scott Simpson
Hon Karen Chhour

Officials present from:
Officials Committee for SOU

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