

Aide-mémoire



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Cabinet paper

Date: 7 December 2017 **Security Level:** Cabinet Sensitive

For: Hon Phil Twyford, Minister of Housing and Urban Development

File Reference: REP/17/12/1268

FAMILIES PACKAGE (INCOME TAX AND BENEFITS) BILL: APPROVAL FOR INTRODUCTION

Cabinet Committee Cabinet
Please note: this Cabinet paper has not gone through the Cabinet Legislation Committee

Date of meeting Monday, 11 December

Minister Hon Grant Robertson, Minister of Finance

Proposal This Cabinet Paper seeks approval for the Introduction of the Families Package (Income Tax and Benefits) Bill to the House on 14 December 2017 and seeks agreement that the Bill be passed through all stages and enacted under urgency on 14 December 2017.

Key issues We recommend that you **support** the proposal.
The Families Package (Income Tax and Benefits) Bill (the Bill) reflects the policy decisions made on the Families Package to date [CAB-17-MIN-0516 refers], including the recent decision made by the Minister of Finance and the Minister for Social Development that clients be given the opportunity to opt-out of receiving the Winter Energy Payment indefinitely.

The Cabinet Paper also provides a copy of the disclosure statement and notes the components of the Families Package that have potential inconsistencies with the New Zealand Bill of Rights Act 1990, including the Winter Energy Payment.

This aide-memoire provides some clarifying information about the enactment date of the Accommodation Supplement boundary changes.

Our advice Officials have worked collaboratively on the Bill and consider it reflects all policy decisions made to date on the Families Package.

The disclosure statement and assessment of consistency with the New Zealand Bill of Rights Act 1990 accurately reflects the

Ministry of Social Developments' assessment of the Bill.

Passing the Families Package legislation under urgency before Christmas will provide the certainty needed for both the Ministry of Social Development and Inland Revenue to rapidly build and test the systems and processes required to deliver the Package. It will also ensure a better experience for families receiving these payments, as there will be more time to develop communication plans, train staff and test systems.

If the 1 July components of the Families Package legislation were delayed in order to go through the Finance and Expenditure Select Committee (FEC) early next year, it would pose significant risk to delivery on 1 July 2018.

On this basis, we recommend you support the proposal that the Bill be passed through all stages and enacted under urgency on 14 December 2017.

Accommodation Supplement boundaries

Note that the legislation proposes to amend the definitions of AS Areas and section 611 of the Social Security Act 1964, to refer to the 2017 Statistics New Zealand boundaries, as defined by the Government Statistician at 26 June 2017. This will remove the requirement that AS Area boundaries be updated when Statistics New Zealand updates boundaries.

Note that the legislation proposes that the amendment to fix the boundaries to the 2017 Statistics New Zealand boundaries be enacted from the day after the legislation is passed (from 15 December 2017), but that the Ministry of Social Development is not able to update its systems until 1 April 2018.

This approach is required because the definitions of Accommodation Supplement boundaries need to be changed before Statistics New Zealand updates its boundaries on 1 January 2018. Further advice on this was outlined in previous advice provided to you (REP/17/12/1267).

9(2)(f)(iv)

