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LGL/SQC/SEC/AP

19 February 2001

The Minister of Foreign Affairs and Trade

**NEW ZEALAND/AUSTRALIA SOCIAL SECURITY AGREEMENT: LEGAL
ADVICE ON HUMAN RIGHTS IMPLICATIONS**

Purpose

To brief you on Crown Law's conclusion that, while the draft New Zealand Social Security Agreement with Australia gives rise to some issues under the Human Rights Act ("HRA") and the New Zealand Bill of Rights Act 1990 ("BORA"), it is unlikely in the ultimate analysis that there is any inconsistency between the Agreement and those two statutes.

Background

Withheld under s. 9(2)(b)

96X(h)

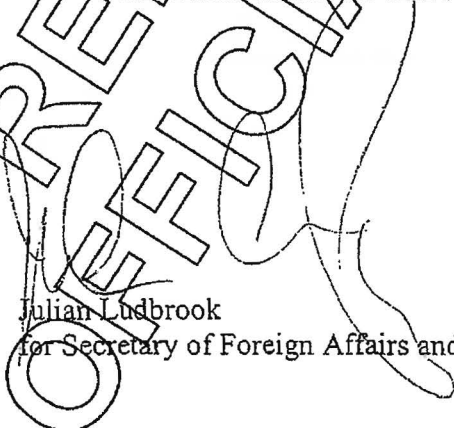
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9(2)(h)

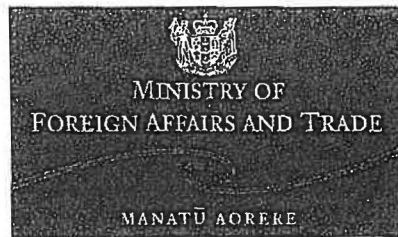
Recommendation

12 It is recommended that you:

note the conclusion of the Crown Law Office that it is unlikely that there is any inconsistency between the provisions of the proposed Social Security Agreement with Australia and the HRA and BORA.

Noted

Julian Ludbrook
for Secretary of Foreign Affairs and Trade



AUS/NZ/2/5/1

19 February 2001

The Minister of Foreign Affairs and Trade

ANZ SOCIAL SECURITY: RELATED BACKGROUND DATA

Purpose

To provide, for your information and for referral to the Prime Minister, a selection of background factual material which may be helpful to have on hand when dealing with media and other inquiries on social security next week.

Background

2 The Department of the Prime Minister and Cabinet has asked the Ministry of Foreign Affairs and Trade to provide a package of factual background material to assist the Prime Minister in responding to questions from the media and others following the 26 February announcement of new social security arrangements with Australia. The material comprises:

- **Historical summary** of Australia-New Zealand social security arrangements.
- **Latest immigration figures** ("Trans-Tasman Population Flows") which show that, according to New Zealand data, there were 38,248 permanent and long-term departures from New Zealand to Australia in the year to December 2000. This was 12.9 percent more than in 1999.
- Latest data on *New Zealand-born* people in the **Australian labour market**, showing that this group has a comparable unemployment rate to that of the Australian-born but a significantly higher overall rate of participation in the labour force (reflecting the relative youthfulness of the New Zealand community in Australia).
- Table showing **changes to benefit rules** for New Zealanders going to Australia and Australians coming to New Zealand (note that although New Zealand is not replicating the Australian migration measures, there will nevertheless be some changes to Australian entitlements when the new bilateral social security agreement enters into force on 1 July 2002).

referred to the PM
20/2/01

- **Comparison of Australian and New Zealand benefit rates.**
- **Terms of Reference for the Joint Review of Social Security Arrangements** (initiated by the two Prime Ministers in August 1999).

Communications Implications

3 Prime Ministers Clark and Howard will announce the new social security arrangements at a joint press conference at Parliament on Monday 26 February. The Department of the Prime Minister and Cabinet is overseeing the media strategy, including coordination of Ministerial offices. The Department of Work and Income has prepared a public information exercise involving an 0800 service and booklet.

Recommendation

4 A copy of this submission is attached for reference to the Prime Minister for her information, if you agree.

Yes/No
Yes


L J Wood
for Secretary of Foreign Affairs and Trade

AUSTRALIA-NEW ZEALAND SOCIAL SECURITY ARRANGEMENTS

HISTORICAL SUMMARY

New Zealand has had a bilateral social security agreement with Australia since 1948. By 1969, this had become a full "host country" agreement under which New Zealanders enjoyed immediate access to all Australian benefits and Australians enjoyed similar privileges in New Zealand. However, Australia became dissatisfied with the arrangement when in the 1980s migration flows from New Zealand to Australia increased markedly.

2 Adjustments in 1989 and 1994 included the introduction of stand-down periods (now two years) prior to new arrivals being eligible for benefits in the other country, and an annual reimbursement system between the Governments. New Zealand is to pay Australia NZ\$169 million in 2001/02 towards the cost of old age, veterans, invalid and single parent benefits received by New Zealanders in Australia.

3 Australia remained concerned at the social security burden of migrant New Zealanders and the issue became a serious irritant in the trans-Tasman relationship. Increasingly, the existing agreement also faced operational difficulties due to divergences in the two countries' social security systems in the 1990s. In August 1999 the two Prime Ministers agreed to a thorough review of bilateral social security arrangements. Australia claimed its social security costs for migrant New Zealanders were close to A\$1 billion per year, while New Zealand pointed to the very strong contribution its citizens made to the Australian economy, including tax payments of around A\$2.5 billion per year.

4 In October 2000 negotiations commenced with a view to devising more durable and stable arrangements for the future. As a way forward, it was acknowledged that mutual obligations should be confined to longer term benefits covered by a bilateral agreement and that policy on access to the broader range of benefits remained a matter for each Government.

5 Present social security arrangements are covered by an agreement concluded in Wellington on 4 July 1994 and subsequently amended on 7 September 1995 and 2 July 1998 (together referred to as "the existing Agreement"). The new trans-Tasman social security arrangements to be announced on 26 February 2001 will comprise a more modern bilateral cost-sharing agreement and a series of new policy measures that Australia will introduce to restrict the access of New Zealanders to other social security benefits not covered by the new agreement.

Australia Division
Ministry of Foreign Affairs and Trade

February 2001

Trans-Tasman Population Flows

- Access under the TTTA is not reciprocal in all respects. While New Zealand allows entry under the TTTA to Australian citizens and permanent residents Australia allows TTTA entry to New Zealand citizens only.
- The latest Statistics New Zealand data indicate there were 38,248 permanent and long-term departures from New Zealand to Australia in the year to December 2000. This is 12.9 percent more than in 1999. Australia was the destination for 51 percent of the 74,306 permanent and long-term departures in 2000 (the next largest destination was the United Kingdom, with 15,443 departures).
- The following table showing long-term trends uses mostly Australian data. New Zealand figures for departures include returning Australian citizens and permanent residents, and do not indicate country of birth. New Zealand figures for permanent and long-term arrivals from Australia are higher than Australian statistics as they include returning New Zealanders and Australian permanent residents as well as Australian citizens.

Trans-Tasman Population Flows 1991 - 2000 (June Years)

Year	New Zealand permanent arrivals in Australia (Australian data)				Australian permanent arrivals in New Zealand	
	Total	New Zealand born	non-New Zealand born	proportion born outside New Zealand	Australian citizen departures for NZ (Australian data)	Permanent & long-term arrivals in New Zealand (NZ data)
1991-92	8,206	7,162	1,044	12.7%	7,059	12,873
1992-93	8,356	6,639	1,717	20.5%	6,770	11,666
1993-94	9,620	7,706	1,914	19.9%	7,220	13,324
1994-95	13,620	10,440	3,180	23.3%	7,075	12,646
1995-96	16,238	12,220	4,018	24.7%	7,083	13,101
1996-97	17,508	13,035	4,473	25.5%	6,668	12,545
1997-98	19,397	14,682	4,715	24.3%	6,736	11,488
1998-99	24,686	18,650	6,036	24.5%	4,305	9,579
1999-00	31,615	21,871	9,744	30.8%	5,208	10,770

Trade and Economic Analysis Division
Ministry of Foreign Affairs and Trade

February 2001

New Zealand-born in the Australian labour market - December 2000

	Australian-born	New Zealand-born	Arrived <76	Arrived 76-80	Arrived 81-85	Arrived 86-90	Arrived 91-95	Arrived > 96
Employed Full-time	5080.0	200.2						
Employed Part-time	1874.2	53.2						
Total Employed	6953.0	253.4	41.3	43.1	30.1	48.3	30.1	60.5
Unemployed Looking for F/T work	350.7	14.0						
Unemployed Looking for P/T work	124.1	3.7						
Total Unemployed	474.8	17.7	2.0	1.5	1.7	3.2	2.7	6.7
Total Labour Force	7437.8	271.1	43.3	44.6	31.8	51.4	32.8	67.1
Total Not in the Labour Force	3516.3	63.2	15.3	9.4	5.3	15.8	8.2	9.2
Population aged 15+ years	10954.1	334.3	58.6	54.0	37.1	67.2	41.0	70.3
Unemployment Rate	6.4%	6.5%	4.7%	3.3%	5.2%	6.1%	8.3%	9.9%
Participation Rate	67.9%	81.1%	73.9%	82.6%	85.7%	76.5%	80.0%	87.9%

Source: Australian Bureau of Statistics Labour Force Survey

Note: arrival date figures are indicative only.

New Zealanders Going To Australia

NZ Benefit/Pension	Current	Date of Change	Proposed:		
			Permanent Residence	SCV Holders only after D.O.A.	Aus Benefit/Pension
Community Wage/IYB	2 years Aust Res	D.O.A.	2 years Aust Res	No access	Newstart Allce/ Youth Allce
Community Wage Sickness	2 years Aust Res	D.O.A.	2 years Aust Res	No access	Sickness Allce
D.P.B. (Sole Parent only)	6 months Aust Res	1/7/2002	2 years Aust Res (unless event happens in Aust d.o. event)	No access	PPS
Widows (over 50, no deps)	2 years	1/7/2002	2 years Aust Res	No access	Widows Allce
Widows/Widowers with dep children	Immediate access	1/7/2002	2 years Aust Res	No access	PPS
DPB (to car for sick/frail)	2 years	D.O.A.	2 years Aust Res	No access	Carer payment
DPB (Older women alone)	2 years	D.O.A.	2 years Aust Res	No access	Widows Allce
T.R.B. (before 1/4/01)	2 years	D.O.A.	2 years Aust Res	No access	Mature Age Allce
Invalids (NZ qualification)	Immediate access	1/7/2002	10 years Aust Res	No access	DSP
Invalids (Severely Disabled)	Immediate access	No change	Immediate access	Immediate access	DSP
Invalids-Partner (NZ qualified with children)	Immediate access	1/7/2002	Immediate access	No access	Parenting Payment married Partner Allce Partner Allce
Invalids-Partner (NZ qualified without children)	2 years	1/7/2002	2 years Aust Res	No access	Partner Allce
Invalids-Partner (Severely disabled)	Immediate access	No change	Immediate access	Immediate access	Carer

with children					
Invalids-Partner (Severely disabled without children)	2 years	1/7/2002	2 years Aust Res	Immediate access	Carer
Family Assistance	Immediate	D.O.A.	Immediate	Immediate	Family assistance
Emergency Benefit	2 years	D.O.A.	2 years	No access	Special benefit
Community Services Card (Age/NZS/B Severe)	Immediate	No change	Immediate	Immediate?	Commonwealth Seniors Health Card/Health Care Card
Community Services Card (Others)	2 years	D.O.A.	2 years	No access	Health Care Card
VP/NZ Super (qualified)	Immediate	No change	Immediate	Immediate	Age Pension
VP/NZ Super Partners- male NQS	2 years	D.O.A.	2 years	No access	PP married/partner/news tart
VP/NZ Super Partners – female NQS without children	2 years	D.O.A.	2 years	No access	Partner/newstart
VP/NZ Super Partners – female NQS with children	Immediate	1/7/2002	Immediate	No access	PP married
Student Alice / Student Loan	2 years	No change	2 years	2 Years?	Aus Study Payment

Australians Coming to NZ

Australian Benefit/Pension	Current	Date of Change	Proposed:	NZ Benefit/Pension
Newstart Youth Allowance	2 years	No change	2 years	Community Wage Unemployment, IYB
Newstart-NQS partner Age /DSP	Immediate access	No change	Immediate access	Spouse inclusion NZS & IB
Sickness Allowance	2 years	No change	2 years	Community wage sickness
Parenting Payment Single - widows with children	Immediate access	1/7/2002	Children born in NZ	Widows
Parenting Payment Single - widowers with children	Immediate access	1/7/2002	10 years prior NZ Res etc	DPB for widowers
Parenting Payment Single - Other sole parents	6 months	1/7/2002	10 years prior NZ Res etc	DPB
Widows Allowance/Widows B	Immediate access	1/7/2002	Only if meets NZ dom criteria	Widows Benefit (overs or DPB Women Alone)
Carer Payment - others	Immediate access	No change	Immediate access	DPB Caring
Career Payment - Spouse of DSP (Severely disabled)	Immediate access	No change	Immediate access	IB inclusion
Career Payment - Spouse of DSP (Not severely disabled)	Immediate access	1/7/2002	2 years	Community Wage or DPB caring
Carer Payment Age	Immediate access	No change	Immediate access	NZS/NQS
Mature Age Allowance	2 years	No change	2 years	Community wage
DSP - Severely	Immediate	No change	Immediate	IB
DSP - Not severely	Immediate	1/7/2002	10 years NZ Res	IB
Aus Study	2 years	No change	2 years	Student Allowance / Loan
Family Assistance	Immediate	No change	Immediate	Family Support etc
Special Benefit	Immediate	No change	Immediate	Emergency Benefit
Health Cards	Immediate	No change	Immediate	C.S.C
Age Pension - Male or female over 65	Immediate	No change	Immediate	NZS
Age Pension - Female under 65	Immediate	1/7/2002	2 years or until 65	Community wage until 65

Parenting Payment married – Age/DSP (severely disabled)	Immediate	No change	Immediate	Spouse inclusion
Parenting Payment married – DSP / Other	Immediate	1/7/2002	2 years	Community wage
Parenting Payment married – Newstart/Sickness	2 years	No change	2 years	Community wage
Partner Allowance – Age/DSP (severely)	Immediate	No change	Immediate	Spouse inclusion
Partner Allowance – DSP (other)	Immediate	1/7/2002	2 years	Community wage
Partner Allowance – Newstart/Sickness	2 years	No change	2 years	Community wage

*D.O.A. – Date of Appointment
P.P.S. – Parenting Payment Single
N.Q.S. – Non Qualified Spouse.

Australia / New Zealand Benefit Rate Comparison

This table shows a comparison between the Australian and New Zealand rates. In most instances the Australian rate is higher than the New Zealand rate. The table is set out showing the Australian Benefit type and its New Zealand equivalent i.e. AGE/NZS; marital status; the core weekly Australian rate; the core weekly Australian rate converted to New Zealand dollars; the core weekly New Zealand rate and the difference between the two rates. The exchange rate used to convert A\$ to NZ\$ was .8213 as at 15 Feb 2001. The Australian weekly benefit rates were obtained from the Centrelink web page on 15 Feb 2001.

BFT TYPE	STATUS	ACTUAL AUS RATE	AUS RATE NZ\$	NZ RATE (as at 1/4/00)	DIFF
AGE / NZS	Sin (share)	197.05	239.92	249.52 Gross	9.05
AGE / NZS	Sin (alone)	197.05	239.92	271.49 Gross	31.57
AGE / NZS	Mar (each)	164.45	200.23	206.58 Gross	5.35
DSP / IB	sin >18 home	120.40	146.60	185.79 Net	39.19
DSP / IB	sin >18 ind	164.45	200.23	185.79 Net	-14.44
DSP / IB	sin <18 home	136.46	166.14	150.35 Net	-15.79
DSP / IB	Sin <18 indep	164.45	200.23	150.35 Net	-49.88
DSP / IB	Mar (each)	164.45	200.23	154.83 Net	-45.40
WIDB / WID	One child	197.05	239.92	212.90 Net	-27.02
WIDB / WID	Two child	197.05	239.92	232.27 Net	-7.65
PPS / DPB	One child	197.05	239.92	212.90 Net	-27.02
PPS / DPB	Two child	197.05	239.92	232.27 Net	-7.65
NA / CW	Sin (over 25)	175.40	213.56	148.64 Net	-64.92
NA / CW	Mar (each)	158.20	192.62	123.86 Net	-68.76
NA / CW	Mar, 1 child	158.20	192.62	131.62 Net	-61.00
NA / CW	Mar, 2 child	158.20	192.62	131.62 Net	-61.00

Key

Australian Benefit Abbreviations

AGE: Age Pension
 DSP: Disability Support Pension
 WIDB: Widows B Pension
 PPS: Parenting Payment Single
 NA: Newstart Allowance

New Zealand Benefit Abbreviations

NZS: New Zealand Superannuation
 IB: Invalids Benefit
 WB: Widows Benefit
 DPB: Domestic Purposes Benefit
 CW: Community Wage

Note: these comparisons should be treated with caution. Australia and New Zealand have different abatement rules, supplementary payments, tax credits and tax regimes that affect net total incomes. If these were taken into account the picture could change.

Terms of Reference for Review of the Social Security Arrangements between New Zealand and Australia

Introduction

In their Joint Communiqué of 4 August 1999 the Prime Ministers of Australia and New Zealand announced that a full review would be undertaken of bilateral social security arrangements. The following terms of reference have been agreed prior to the Prime Ministers' planned March 2000 meeting, in accordance with the terms of the Communiqué.

Purpose

New Zealand and Australia will seek more stable, durable and equitable social security arrangements that will provide a better strategic fit for our wider CER relationship, both now and as it develops in future years.

To this end New Zealand and Australia will undertake a full review of social security arrangements between the two countries with a view to developing a sustainable long-term solution to current problems.

The review will cover the terms on which each country will provide access to social security for migrants from the other country and provide, or contribute to the cost of, social security for migrants to the other country.

Scope

Australia and New Zealand will work together to:

- reach a shared understanding of the impact of trans-Tasman migration on the social security costs of each country, taking into account the broader economic implications of trans-Tasman migration for each country;
- determine the benefits that will be addressed by a new Agreement and the reasons for their inclusion;
- determine the access to social security that each country will provide for migrants to the other country;

Continued on next page

Terms of Reference for Review of the Social Security Arrangements between New Zealand and Australia,

Continued

Scope (continued)

- determine the criteria for any preferential access to benefits covered by a new Agreement;
- determine the extent and manner in which the country of former residence will contribute to the social security of those in the destination country;
- develop more practicable arrangements for determining the social security costs, including the administrative costs, that will be met by each country; and
- develop a method to improve the efficiency and effectiveness of the administrative arrangements.

Glossary

For the purposes of these Terms of Reference.

"Social security" means all payments payable under the social security laws of Australia and New Zealand.

"Arrangement" means any understanding between Australia and New Zealand that is formalised either under the new Agreement or by some other means.

"Agreement" means the bilateral social security agreement between Australia and New Zealand.

Processes

Officials from the Australian Department of Family and Community Services (FaCS) and the New Zealand Ministry of Social Policy (MSP), in close consultation with their colleagues in other relevant agencies, will undertake the review.

The review will be chaired jointly by senior officials appointed by FaCS and MSP respectively.

Formal talks will be held alternatively in Canberra and Wellington, and working groups will meet as and when required to address issues identified during the review.

Continued on next page

Terms of Reference for Review of the Social Security Arrangements between New Zealand and Australia,

Continued

Processes (continued)

If the Ministry and the Department fail to reach agreement on any matter that could jeopardise the success of the review, they will inform their respective Departments of the Prime Minister and Cabinet who will consult on the matter.

The Ministry and the Department will co-operate in the exchange of information that is requested for the purposes of the interim Agreement or the negotiation of the new arrangements. If information is unavailable within the time agreed, the Ministry or the Department from whom the information was requested will notify the other in writing of the reason for the delay or why the information is unobtainable.

Timelines

The review is to be completed with a final report to be presented to respective governments by 30 June 2000, with a view to both countries agreeing on and starting to implement the changes in arrangements stemming from the review before the Prime Ministerial meeting in March 2001.

23 February 2001

The Minister of Foreign Affairs and Trade

AUSTRALIA NEW ZEALAND SOCIAL SECURITY AGREEMENT: TIMING OF SIGNATURE

Purpose

To provide guidance on the practice followed for the presentation of treaties to Parliament for consideration under the international treaty examination process and reasons favouring signature prior to tabling in Parliament.

Background

2 Questions were raised in POL on Wednesday on (i) the practice which had been followed in the past relating to the timing of tabling of treaties in Parliament for consideration under the international treaty examination process and (ii) reasons favouring signature of the Australia New Zealand Social Security Agreement prior to rather than following its tabling in Parliament.

(i) Practice

3 The practice since the new international treaty examination process was established is for multilateral treaties subject to a two-step process of treaty action (ie signature and ratification) to be tabled for consideration following their actual signature. This practice reflects the fact that the signature of such treaties is the first of two steps, and is not itself the final treaty action which binds the state. Accordingly, tabling after signature allows Parliament the opportunity to comment before binding action is taken.

4 In the case of bilateral treaties, only those of particular significance are subject to the treaty examination process. The Singapore CEP Agreement was the first such

The Prime Minister
The Deputy Prime Minister
The Minister of Finance
The Minister of Immigration
The Minister of Social Services and Employment

Referred

agreement to be submitted to Parliament and it was tabled for consideration prior to its actual signature. In the event, consideration by the Select Committee was also completed prior to its actual signature.

5 Most bilateral treaties become binding on signature. For them, it would be appropriate (if they are judged sufficiently significant to go through the treaty examination process) for them to be presented and considered before signature or before binding treaty action is undertaken. This is the approach also taken with multilateral treaties subject to a one-step process (eg accession, acceptance). But for bilateral treaties which have a two-step process as was the case for the Singapore CEP Agreement (signature/ratification) and is the case also for the Social Security Agreement with Australia (signature, exchange of notes on completion of domestic processes), it would be consistent with the approach taken for equivalent multilateral treaties to present them following signature, absent special considerations such as might have been seen as applying with the Singapore CEP Agreement.

6 In the case of two-step multilateral treaties, this approach in part recognises that a country considering becoming a party cannot at the signature stage hope to be able to change the text; the choice is to take it or leave it as it is. With a bilateral treaty, the same may not be so true but there are other considerations that argue that for them also presentation to Parliament after signature is more appropriate.

(ii) Reasons for Signature in Advance of Tabling

7 Under present constitutional conventions, the power to conduct foreign relations, including the power to conclude treaties, rests with the Executive arm of Government. It is consistent with this that the Executive should be able to negotiate and sign a treaty prior to its being presented to Parliament, provided that signature does not of itself constitute the final treaty action. That is not to say that the Executive should not be as transparent, open and consultative as possible in exercising this treaty-making role. One of the ideas presented in the paper submitted to Cabinet late last year was the regular provision of information on treaties under negotiation and the provision of briefings as necessary.

8 There are however occasions when the nature of a negotiation requires some degree of confidentiality, at least as regards detail, in order to preserve the negotiating coin of the Government. The negotiation of this agreement with Australia usefully illustrates this consideration. In negotiations of this kind, each country will pursue an outcome most advantageous to it. Exposure of the full negotiating strategy in advance of securing the commitment of the other party to the outcome through signature could jeopardise its willingness to proceed with signature.

9 Additionally, one negotiating partner is entitled to be confident that the other negotiating partner has the authority and will to reach a negotiated outcome. A practice of presenting treaties for consideration prior to signature might undercut this authority, since it could be interpreted to suggest that the treaty might still be open for negotiation until the actual text is finally signed and that the process is open to influence by Parliament in addition to the Executive. This could make the successful conclusion of a

bilateral negotiation difficult as the bilateral negotiating partner would become uncertain as to who it was negotiating with. It is important that the Executive be able to negotiate with authority and the negotiating partner be confident that the Executive has that authority; absent this, the negotiating position of the Executive may be weakened.

10 This is not to deny the opportunity to Parliament to express difficulty or opposition to a proposed treaty action. But it is consistent with their respective roles that the Executive can first conclude a negotiation before presenting the result for Parliament's consideration. Parliament's role is then to examine the treaty in its totality and on that basis to offer comments to the Executive before final decisions are taken and binding treaty action undertaken.

(iii) Australian Practice

11 We have checked with the Australians concerning their own sequencing practice. This is for treaties to be signed following approval by the Executive Council and before tabling in and consideration by Parliament under their similar treaty examination process. We understand that there have been few if any exceptions to this. The Australians have no difficulty with whatever sequencing we might opt for, but would themselves propose to follow their own usual practice of signature before tabling in Parliament.

12 The Australians did mention the need, if a different sequence was followed by New Zealand, for assurances to be provided that in tabling before signature the normal principle of confidentiality between the parties pending signature would be protected - or agreement reached in advance to take into account any concerns in this area. They could see no likely problems in finding a way forward in respect of the present agreement given that details of its contents were due in any event to be released on Monday. This would need however to be squared away with the relevant agencies in the Australian Government, should we decide to adopt a practice different from Australia (and our own more general practice) and table in advance of signature.

13 On the possible timing of signature should we for example wish to proceed with this in advance of tabling, we understand that their Executive Council met yesterday (22 February) but it is not known if it considered and approved the Agreement. If it did, the Australians would be ready to sign the Agreement as soon as it is prepared (printed, bound and sealed); this can normally be done in a matter of days.

Recommendation

14 It is recommended that you:

note the advice in this submission concerning the usual practice under the treaty examination process of signature prior to presentation to and consideration by Parliament and the advantages seen in adherence to this practice in relation to the Australia New Zealand Social Security Agreement;

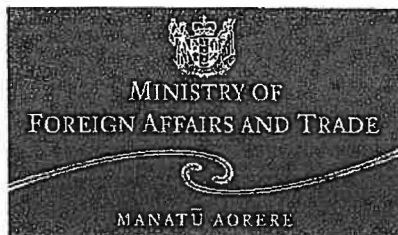
Noted

agree that a copy of this note be forwarded to the Prime Minister, Deputy Prime Minister, Minister of Finance, Minister of Immigration and Minister of Social Services and Employment as background for Cabinet's discussion on Monday.

Yes/ No

John Wood
for Secretary of Foreign Affairs and Trade

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AUS/NZ/2/5/1

1 March 2001

The Acting Minister of Foreign Affairs and Trade

ANZ SOCIAL SECURITY: EVENING POST ARTICLE, 28 FEBRUARY 2001

Purpose

To clarify the role of the Ministry of Foreign Affairs and Trade in the development of new social security arrangements with Australia.

Background

2 The *Evening Post* ran an article on 28 February about a problem with the text of the Government's information booklet on the new social security arrangements with Australia. There had been some confusion on the issue of eligibility of returning New Zealanders for the widows and domestic purposes benefit in New Zealand. The article ended by saying that the Minister of Social Services, Mr Maharey, "pointed the finger at the Ministry of Foreign Affairs and Trade for the mistake in the booklet."

3 We do not know whether the *Evening Post* accurately reflected Mr Maharey's views on this matter but thought we should clarify for our own Ministers the role of the Ministry of Foreign Affairs and Trade. In August 2000, the Prime Minister directed that this Ministry should become lead agency for the negotiations with Australia. We have tried to fulfil this mandate by facilitating and coordinating Departments' input to the exercise, consultation with Ministers, and our discussions with the Australian Government.

4 We do not, however, consider that the Ministry of Foreign Affairs and Trade has had a blanket responsibility for all aspects of the process, particularly as we have moved past the phase of negotiations with Australia and on to preparations for implementation, including the provision of public information:

on 18 December 2000 Cabinet formally "confirmed the designation of the Department of Work and Income as the lead agency for the public information campaign" [CAB (00) M42/4E(1)].

5 The information booklet was developed by officials during January and February in a collective exercise led by Work and Income. With colleagues from other Departments we reviewed many drafts of the text, contributing comments and suggestions. At the end of the process, on 11 February 2001 we responded to Work and Income's request for endorsement of the final text by advising them that *"We have been happy to offer whatever comments we can, but do not have the expertise to guarantee that the booklet 'accurately states the changes in policy as they affect New Zealanders living in New Zealand'. We rely on our expert colleagues in MSP and DWI to verify the detailed guidance for beneficiaries. We'll send you back the form with the other signatures straight away but would prefer not to add MFAT's."*

Communications Implications

5 None. For Ministers' information only.


Recommendation

6 I recommend that you note this submission

Yes/No

and refer it to the other Ministers with Power to Act in the social security negotiations.

Yes/No


Neil Walter
Secretary of Foreign Affairs and Trade

