

BUDGET - SENSITIVE

Gerrard Carter
Legislation Coordinator
Cabinet Office
Parliament Buildings
WELLINGTON

Dear Mr Carter

2021 Legislation Programme

Further to Cabinet Office Circular CO (20) 10, I enclose ^{9(2)(f)(iv) OIA} bids for the 2021 Legislation Programme. ^{9(2)(f)(iv) OIA}

^{9(2)(f)(iv) OIA}

1. Social Security (Removal of Subsequent Child Policy) Amendment Bill

^{9(2)(f)(iv) OIA}

As requested, enclosed is a duplicate copy of each bid. My Office will provide you with electronic versions of the bid documents. Please contact my Private Secretary, Nick Fitzpatrick, on ^{9(2)(a) OIA} if you have any questions. You may also contact ^{9(2)(a) OIA} from the legal team at the Ministry of Social Development, if you have any queries regarding the content of the legislative bid templates.

Yours faithfully,

Hon Carmel Sepuloni
Minister for Social Development and Employment, Minister for Disability Issues



Report

Date: 21 January 2021

Security Level: BUDGET - SENSITIVE

To: Hon Carmel Sepuloni, Minister for Social Development and Employment,
Minister for Disability Issues

Legislation Programme 2021 - Final Bids

Purpose of the report

- 1 This report attaches completed bid documents and a covering letter for your Social Development and Employment, and Disability Issues portfolios for your submission to the Cabinet Office for the 2021 Legislation Programme.
- 2 9(2)(f)(iv) OIA [REDACTED]

Recommended actions

It is recommended that you:

- 1 **note** you are required to lodge legislative bids for the 2021 Legislation Programme with the Cabinet Office by 10am on Friday, 29 January 2021
- 2 **note** the Cabinet Office have advised that multiple bids within a portfolio must be ranked and provided under a single covering letter authorised by the responsible Minister [CO (20) 10 refers]
- 3 **note** we previously provided you with advice summarising the proposed legislative bids for the 2021 Legislation Programme, and you agreed to develop 9(2)(f)(iv) OIA bids [REP/20/12/1184 refers]

9(2)(f)(iv) OIA [REDACTED]

- 5 **note** the following Social Development and Employment bids are attached:
 - Social Security (Removal of Subsequent Child Policy) Amendment Bill

9(2)(f)(iv) OIA [REDACTED]

9(2)(f)(iv) OIA

- 7 **note** that the Cabinet Office Guidance requires you to signal your highest priority legislative intentions for the 53rd Parliament

9(2)(f)(iv) OIA

Agree / Disagree

- 9 **endorse** the attached bids for the 2021 Legislation Programme

Yes / No

- 10 **sign** the attached covering letter which, alongside the attached bids, your Office will deliver to the Legislation Coordinator in the Cabinet Office by 10am on Friday, 29 January 2021.

Leah Asmus
Policy Manager
Welfare System Policy

Date

Hon Carmel Sepuloni
Minister for Social Development and Employment
Minister for Disability Issues

Date

Background

- 3 Cabinet Office Circular CO (20) 10 sets out requirements for the preparation of legislative bids from Ministers for bills placed on the 2021 Legislation Programme.
- 4 Ministers should seek a place on the annual Legislation Programme for:
 - Bills that are currently before the House or a select committee
 - Bills that are currently undergoing policy development work, or are being drafted, and have a place on the previous (2020) Legislation Programme
 - Policy proposals that may result in a bill in the 53rd Parliament (including bills likely to be proposed in Law Commission reports).
- 5 The Cabinet Office guidance requires you to rank multiple bids within one portfolio. Ministers and agencies are required to signal their highest priority legislative intentions for the 53rd Parliament, where possible.

9(2)(f)(iv) OIA



Proposed Bill	9(2)(f)(iv) OIA	Legislative priority
Social Security (Removal of Subsequent Child Policy) Amendment Bill		Category 2 must be passed in 2021

9(2)(f)(iv) OIA



9(2)(f)(iv) OIA

Highest priority legislative intentions for the 53rd Parliament

- 14 As noted in our previous advice, there is a new requirement for Ministers and agencies to signal their highest priority legislative intentions for the entirety of the 53rd Parliament, where possible. The Cabinet Office has suggested this should include priority bids seeking major changes to legislation.
- 15 You indicated you would like further advice on your highest priority legislative intentions for the 53rd Parliament. 9(2)(f)(iv) OIA

9(2)(f)(iv) OIA

Next steps

- 22 We recommend you sign the attached covering letter. Your Office will then follow the steps set out in Cabinet Circular CO (20) 10 so that the covering letter and bids are delivered to the Legislation Coordinator in the Cabinet Office by 29 January 2021 at 10am.

File ref: REP/21/1/002

Author: (Out of scope) Graduate Policy Analyst, Welfare System Policy)

Responsible manager: (Leah Asmus, Manager, Welfare System Policy)

In Confidence

Office of the Minister for Social Development and Employment

Cabinet Legislation Committee

Social Security (Removal of Subsequent Child Policy) Amendment Bill: Request for Priority in the 2021 Legislation Programme

Summary information

1 Key details for this bid are as follows:

- | | | |
|-----|------------------------------------|---|
| 1.1 | Portfolio of sponsoring Minister: | Social Development and Employment |
| 1.2 | Department responsible: | Ministry of Social Development |
| 1.3 | Departmental contact: | Leah Asmus, 9(2)(a) OIA |
| 1.4 | Proposed title of Bill: | Social Security (Removal of Subsequent Child Policy) Amendment Bill |
| 1.5 | Proposed ranking within portfolio: | 9(2)(f)(iv) OIA |
| 1.6 | Estimated number of clauses: | 15-20 |
| 1.7 | Complexity: | Low |
| 1.8 | Proposed priority of Bill: | Category 2 (must be passed in 2021). |

Policy

- 2 The Social Security (Removal of Subsequent Child Policy) Amendment Bill (the Bill) will make amendments to the Social Security Act 2018 and Social Security Regulations 2018, to remove the additional dependent child policy (commonly known and referred to in this paper as the subsequent child policy).
- 3 The Government has committed to overhauling the welfare system to ensure it is fair and accessible for all New Zealanders [SWC-18-MIN-0016 refers]. Change is needed to ensure our welfare system better supports New Zealanders and is fit for purpose. Additionally, better support for parents has been a key short-term focus area of the welfare overhaul work programme.
- 4 The subsequent child policy of the Social Security Act 2018 currently impacts eligibility for Sole Parent Support and places obligations on parents to return to work earlier if they have an additional child while receiving a main benefit.

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5 The subsequent child policy has not achieved its intended purpose of improving outcomes for families, has created inequities in the welfare system for children and their parents, undermines the value of parenting, and disproportionately impacts Māori and women.

6 In July 2020, the Cabinet Social Wellbeing Committee [SWC-20-MIN-0101 refers]:

6.1 agreed to the removal of the subsequent child policy, to be given effect from November 2021;

6.2 invited the Minister for Social Development to issue drafting instructions to the Parliamentary Counsel Office; and

6.3 noted the Minister for Social Development will report to the Cabinet Legislation Committee in due course with a Bill to amend the Social Security Act 2018.

7 The removal of the subsequent child policy is intended to achieve:

7.1 increased flexibility for affected parents to spend time with their children in the first 1,000 days of the child's life (which is a critical time period for a child's long-term development);

7.2 increased equity and simplicity in the welfare system;

7.3 eligibility for additional (albeit minimal) financial assistance for some clients; and

7.4 a likely reduction in stress and therefore positive impact on mental health and wellbeing.

8 This initiative is an important part of the broader welfare overhaul work on reviewing obligations and sanctions of the Social Security Act 2018. It aligns with the welfare overhaul commitments of the Government, including to support those who are able to be earning, learning, caring or volunteering.

Need for legislation

9 Legislation is needed to implement this initiative, as the changes cannot be given effect by any other means. This will also require transitional provisions to support clients who are directly affected by the policy change, though note their rate of benefit will not change as a direct result of the policy change.

10 The Bill should be given a priority of Category 2 (must be passed in the year). This reflects the need to have the legislation passed in time for the new law to take effect from the implementation date agreed by Cabinet—November 2021.

Compliance

11 It is anticipated that the Bill will comply with each of the following:

11.1 the principles of the Treaty of Waitangi;

11.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;

11.3 the principles and guidelines set out in the Privacy Act 1993;

11.4 the relevant international standards and obligations; and

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11.5 the *Legislation Guidelines (2018 edition)*, which are maintained by the Legislation Design and Advisory Committee.

Binding on the Crown

12 The Social Security Act 2018 is binding on the Crown. Therefore, the amendments proposed in this Bill will similarly be binding on the Crown.

Consultation

13 Consultation with relevant government departments has taken place on this policy proposal.

14 Although no direct consultation on this policy issue was undertaken with the public, the removal of the subsequent child policy was recommended in the Welfare Expert Advisory Group's (WEAG) advice to the Government on the overhaul of the welfare system. The WEAG undertook broad and inclusive consultation, during which they heard the views of over 3,000 people.

15 There is no plan to release an exposure draft of the Bill as the proposals are not considered to be overly complex or technical to justify this step.

16 Agreement from government caucus and other parties represented in Parliament will be sought prior to introduction of the Bill.

17 The Legislation Design and Advisory Committee has not been consulted on the removal of the subsequent child policy, due to its low complexity and size of the Bill (15 to 20 clauses).

Associated regulations

18 The Bill will require changes to the Social Security Regulations 2018 to remove provisions relating to the subsequent child policy.

Timeline

19 As outlined above, the subsequent child policy should be removed in time for the change to come into effect from November 2021 (as agreed by the Cabinet Social Wellbeing Committee). The following timeline is proposed:

<i>Step</i>	<i>Proposed date</i>	<i>Consistency assurance</i>
Date on which final policy approvals will be obtained from Cabinet.	22 July 2020 (SWC) 27 July 2020 (Cabinet)	9(2)(g)(i) OIA Cabinet has agreed for the policy to be removed from November 2021. Work is already under way to implement the change, and this timeline will ensure

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		that the necessary legislative amendments are made in time for the implementation date.
Date on which final drafting instructions were or will be sent to the Parliamentary Counsel Office	22 January 2021	The Parliamentary Counsel Office has begun drafting the Bill.
Date by which the Bill will be released for exposure draft (if an exposure draft is planned).	N/A	No exposure draft is planned.
Date by which the Bill will be provided to the Ministry of Justice (or the Crown Law Office if applicable) for an assessment of consistency with the New Zealand Bill of Rights Act 1990.	23 February 2021	This will provide sufficient time for the Ministry of Justice to consider the Bill prior to consideration by LEG.
Dates on which the Bill will be before LEG and Cabinet for approval for introduction.	11 March 2021 (LEG) 15 March 2021 (Cabinet)	This aligns with PCO guidelines for timing.
Date by which any policy decisions for associated regulations will be before Cabinet (if required).	11 March 2021 (LEG) 15 March 2021 (Cabinet)	The Social Security Regulations 2018 will need to be amended to remove references to the subsequent child policy, and this will be addressed by the Bill. The removal of this policy will not require any additional amendments to the Social Security Regulations 2018.
Date requested for introduction of the Bill.	18 March 2021	
First reading	23 March 2021	
Date of report back from select committee.	23 July 2021	Given the relatively small number of issues in the Bill, it is anticipated that four months would be sufficient time for Select Committee consideration of the Bill.
Date on which final policy approvals will be obtained from Cabinet for any	N/A	No intention to introduce any SOP at this stage.

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substantive SOP to Bill (if already introduced).		
Date on which final drafting instructions were or will be sent to Parliamentary Counsel Office or other drafter for any substantive SOP to Bill (if already introduced).	N/A	No intention to introduce any SOP at this stage.
Date by which final drafting instructions for any associated regulations will be sent to the Parliamentary Counsel Office.	Same date as final drafting instructions for the Bill (22 January 2021)	As noted above, the Bill will address required amendments to the Social Security Regulations 2018.
Date of enactment.	Prior to 11 October 2021	Transitional provisions will come into effect prior to the commencement date. The enactment date will allow for a 28 day transition period before 8 November 2021.
Date of commencement.	8 November 2021	

Recommendations

- 20 The Minister for Social Development and Employment recommends the Committee:
- 20.1 note the Cabinet Social Wellbeing Committee agreed to the removal of the subsequent child policy, to be given effect from November 2021 [SWC-20-MIN-0101 refers];
 - 20.2 note the Social Security (Removal of Subsequent Child Policy) Amendment Bill implements the removal of the subsequent child policy from the Social Security Act 2018 and Social Security Regulations 2018, which will better support affected parents and their children;
 - 20.3 approve the inclusion of the Social Security (Removal of Subsequent Child Policy) Amendment Bill in the 2021 Legislation Programme, with a priority of Category 2 – must be passed in the year;
 - 20.4 note the Parliamentary Counsel Office has begun drafting the Social Security (Removal of Subsequent Child Policy) Amendment Bill;
 - 20.5 note the Social Security (Removal of Subsequent Child Policy) Amendment Bill should be introduced no later than 18 March 2021; and
 - 20.6 note the Social Security (Removal of Subsequent Child Policy) Amendment Bill should be passed prior to 11 October 2021, to allow for a 28-day transition period before the commencement date of 8 November 2021.

Authorised for lodgement

Hon Carmel Sepuloni
Minister for Social Development and Employment

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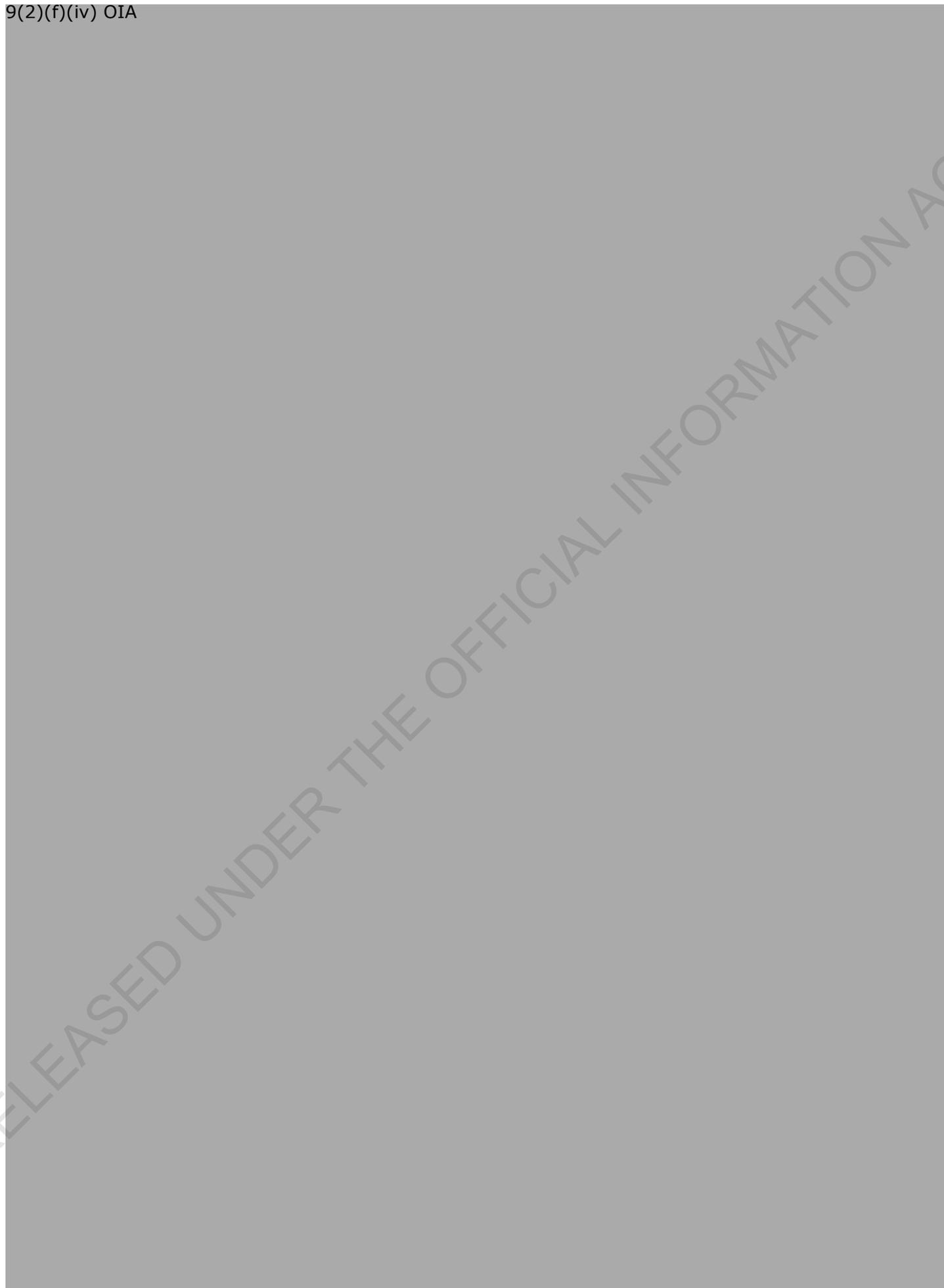
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