



9 October 2025

Tēnā koe

Official Information Act request

Thank you for your email of 20 May 2025 requesting information about the Ministry of Social Development's (the Ministry's) bilateral social security agreements in place with other countries.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on each part of your request set out separately below – I sincerely apologise for the delay in getting this response to you and acknowledge that the Ministry did not meet our statutory obligation to provide you with this information within legislated timeframes.

Some items of your request are grouped together for clarity.

- *The total costs to the Ministry to administer the bilateral social security agreements each year for the past five years.*

The Ministry does not record the costs to administer the bilateral social security agreements we have with other countries. As such, I am refusing your request under section 18(g) of the Act as the information you had requested is not held by the Ministry and I have no grounds to believe that the information is either held by or closely connected to the functions of another department, Minister of the Crown or organisation.

- *The number of staff and contractors employed by the Ministry that have responsibilities to administer bilateral social security agreements with other countries.*

The administration of the bilateral social security agreements may fall under one of many responsibilities of staff members employed by the Ministry.

To provide you with this information, the Ministry would need to divert personnel from their core duties and allocate extra time to assess the responsibilities of each staff role to determine if they administer the bilateral social security agreement. The diversion of these resources would impair the Ministry's ability to continue standard operations and would be an inefficient use of the Ministry's resources. As such, your request is refused under section 18(f) of the Act, requires substantial

collation. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your requests given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

- *The total amount of deductions made from New Zealand benefits and entitlements paid by the Ministry under bilateral social security agreements, split by foreign country each year for the past five years.*
- *The number of people who have had their benefit or entitlement deducted each year over the past five years due to a bilateral social security agreement, split by foreign country and the type of benefit or entitlement (e.g. Supported Living Payment, New Zealand Superannuation, Veterans Pension, etc).*

Please find attached **Appendix One** containing the following tables:

- **Table One:** The number of Overseas Pension (OSP) deductions to Ministry of Social Development clients as at end of March between 2021 and 2025, where the client has a Special Banking Option active or a direct deduction.

Both tables are further broken down by benefit type and bilateral social security agreement country. Please note, Jersey and Guernsey fall under the same bilateral social security agreement.

- *The number of people that have been contacted by the Ministry each year over the past five years requesting their participation in a bilateral social security agreement.*

I am unable to provide you with this information as it is held in notes on individual case files. In order to provide you with this information, Ministry staff would have to manually review a substantial number of files. As such, I refuse your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

- *The number of complaints the Ministry has received in the last five years about bi-lateral social services agreements in place.*

I am also unable to provide you with this information as it is also held in notes on individual case files. Clients can lodge complaints through many channels at the Ministry and this information is not centrally recorded. In order to provide you with this information, Ministry staff would have to manually review a substantial number of files. As such, I refuse your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

On 4 June 2025, the Ministry emailed you to request refinement to the following parts of your request due to the broad scope of your initial request. On the same day, you advised that you were happy to narrow the following sections of your request to be in relation to the bilateral social security agreement with Australia, in particular relating to the Australian Pension and New Zealand Superannuation, and for information from 2010 onwards.

- *A copy of any privacy impact assessment carried out prior to and following the introduction of each social security agreement.*

No privacy impact assessment was required for our bilateral social security agreement with Australia, but the Ministry produces regular reporting on this agreement for the Office of the Privacy Commissioner as part of our ongoing assurance of this agreement.

As such, please find attached the following document:

- **Appendix Two** - Annual Report on Information Matching Activity for FY2023-24

Some sections of this document are marked as 'out of scope' as they do not relate to the agreement between Australia and New Zealand.

- *Any information the Ministry has that explains the steps the New Zealand government takes to ensure the protection of its citizens' information held by foreign governments as a result of bilateral social security agreements enforced by the Ministry on New Zealand citizens.*

The Social Welfare (Reciprocity with Australia) Order 2017 outlines the expectations to protect information as part of the agreement. This is publicly available on the New Zealand Legislation website, at the following link: www.legislation.govt.nz/regulation/public/2017/0086/latest/whole.html.

Please also find attached **Appendix Three and Appendix Four** containing the Administrative Arrangements and Supplementary Administrative Arrangements relating to the agreement between New Zealand and Australia. These documents outline information sharing and processing standards expected as part of the agreement.

You may also be interested in the previous Administrative Arrangements and Supplementary Administrative Arrangements from 2002, available on the New Zealand Treaties website at the following links:

- www.treaties.mfat.govt.nz/search/arrangement/302/0
www.treaties.mfat.govt.nz/search/arrangement/303/730
- *The date each of these bilateral social security agreements was put in place and the dates of any reviews or evaluations carried out. Please include copies of the reviews or evaluations where these have been carried out.*

The Order in Council was issued on the 8 May 2017 for the current Australian bilateral social security agreement and the agreement was put in place on 1 July 2017.

The following document is also released to you:

- REP/24/10/1008 – *Social Security Agreements: Scope for (9(2)(f)(iv)* – dated 1 November 2024.

Some information is withheld under section 6(a) of the Act where making available that information would be likely to prejudice the international relations of the Government of New Zealand.

Some information is withheld under section 9(2)(f)(iv) of the Act to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

Some information is withheld under section 9(2)(g)(i) of the Act to protect the effective conduct of public affairs through the free and frank expression of opinions. I believe the greater public interest is in the ability of individuals to express opinions in the course of their duty.

Some information is also marked as 'Out of Scope' as it does not relate to the social security agreement between Australia and New Zealand.

- *Any documentation or information that outlines policy alternatives considered and any advice considered in the decision to implement the bilateral social security agreements in their current form.*

I refer you to a previous OIA release from July 2021 on the Ministry's website which provides ten reports relating to changes to the bilateral social security agreement with Australia that came into effect in 2017:

- www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2021/july/20210709-1-2-request-for-ministerial-briefings-and-reports-2015-2017-related-to-changes-of-social-welfares-reciprocity-with-australia-order-2017.pdf.
- www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2021/july/20210709-2-2-request-for-ministerial-briefings-and-reports-2015-2017-related-to-changes-of-social-welfares-reciprocity-with-australia-order-2017.pdf

Please note, I have not reassessed the redactions in these documents as part of this response as the redactions are minor and the nature of the grounds means they are unlikely to be affected by the passage of time. However, if there is a particular document that takes your interest, and you would like those redactions reassessed, please let us know and we can log this as a new request for information.

I have located one further document in scope of your request that was not released as part of the previous response. Please find attached the following report:

- Report – *Social Security Agreement between New Zealand and Australia* – dated 20 May 2014.

Some information is withheld under section 6(a) of the Act where making available that information would be likely to prejudice the international relations of the Government of New Zealand.

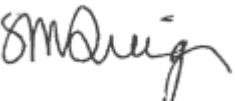
Some information is withheld under section 9(2)(h) of the Act in order to maintain legal professional privilege. The greater public interest is in ensuring that government agencies can continue to obtain confidential legal advice.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

If you wish to discuss this response with us, please feel free to contact OIA Requests@msd.govt.nz.

If you are not satisfied with my decision on your request, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

pp. 

Anna Graham
General Manager
Ministerial and Executive Services

**SUPPLEMENTARY ADMINISTRATIVE ARRANGEMENT
FOR THE APPLICATION OF THE AGREEMENT ON SOCIAL SECURITY BETWEEN
THE GOVERNMENT OF AUSTRALIA AND THE GOVERNMENT OF NEW ZEALAND**

Section 1

**Exchange of information between New Zealand and Australia on
Change in Circumstances of Mutual Benefit Recipients**

1. Under the terms of the Agreement on Social Security between the Government of Australia and the Government of New Zealand, signed on 8 December 2016 (the Agreement), the rate of benefit paid by New Zealand is generally dependent on the rate of payment made by Australia. Conversely, the rate of benefit paid by Australia is generally dependent on the rate of payment made by New Zealand. A change of circumstance for a person who is receiving both an Australian and a New Zealand benefit can affect continuing entitlement or the rate of payment of those benefits. It is therefore important that one country advises about any change in circumstance for a mutual benefit recipient, resident in that country, so that the other country can also determine continuing entitlement or rate payable.
2. For
 - a) information matching programme requests, the liaison agencies will exchange information electronically about changes of circumstances of mutual benefit recipient after the close of business for each agency on each working day;
 - b) ad hoc information requests, the initial information about benefit grant details will be provided on an individual basis and will not be included in the change of circumstances information exchange. Further information exchanges of information may occur on an individual basis, where necessary, to determine individual entitlement.
3. The liaison agencies will exchange information about change of circumstances relating to mutual benefit recipients as specified in paragraph 3 of Section 12 of the Administrative Arrangement for the Application of the Agreement between Australia and New Zealand on Social Security (the Administrative Arrangement).
4. The generating agency will obtain the information listed in paragraph 3 of Section 12 of the Administrative Arrangement from its own database. Where a change in circumstances has occurred for a mutual benefit recipient, the relevant information will be extracted to a file. This file will be created after the close of business for each agency on each working day. The file contains the Australian customer reference number, the New Zealand reference number and a date of birth which allows each agency to securely identify a benefit recipient.
5. The file is encrypted by one liaison agency and sent to the other via a secure electronic transmission link. Each agency will store a copy of the file in a secure archive.
6. Any individual Change in Circumstance record within the file that fails validation will be output in an exception report for manual action by the respective liaison agency. In the event that the file is corrupted in transit, the archive file will be retrieved and this copy is re-sent to the receiving agency.

7. The file received by the Australian liaison agency will be applied and the Australian system updated automatically or manually, as appropriate. Where a change of rate or entitlement occurs, the Australian liaison agency will notify their customers as required under Australian legislation.
8. The file received from the Australian liaison agency will be uploaded into the SWIFTT environment, which is the core benefit assessment and payment system used by the liaison agency of New Zealand. A batch process identifies what information should be updated in SWIFTT and what information is a core information change that should appropriately be updated in the Single Client Management system (SCMS). SWIFTT is automatically updated where appropriate. All other actions are downloaded to the New Zealand liaison agency for manual action.

New Zealand records will automatically update where there is a:

- change in the Australian notional rate;
- change in the Australian payment rate as a result of an Australian general increase in payment rates;
- change in the Australian payment rate as a result of Australian income and asset calculations;
- change in the Australian payment rate as a result of a monthly exchange rate amendment where a third country pension is also being paid;
- change in the rate of third country pension paid to a permanent resident of Australia;
- change in Australian residency status (e.g. from special category visa holder to Australian permanent resident); or
- cancellation of an Australian benefit. This will automatically suspend the New Zealand benefit and follow-up manual action will be taken to determine continuing entitlement.

All other changes are down-listed as exception reports for manual action.

During the upload to SWIFTT or exception report process, the client record will be checked to ensure that New Zealand Privacy Act 1993 compliance requirements have been met. Where there is no 'Section 103' indicator on a client record, there will be no automatic update. The record will be an exception to a down-list for a manual Section 103 action and all Change in Circumstances activity for this client will be held until the 103 process has been finalised.

At the end of the electronic exchange, the file and any backup files are destroyed within the time specified by either New Zealand or Australian privacy legislation, as appropriate.

9. Each message (Change in Circumstance record) within the file will contain the Australian and New Zealand reference numbers and codes defining the change in circumstance that has occurred.

It will be possible for a file to contain more than one change for a benefit recipient. Where there is more than one Change in Circumstances for a benefit recipient, the message header including the reference number match will be repeated along with the subsequent Change in Circumstances.

The file format is specific to the information exchange between New Zealand and Australia, authorised by the Agreement. The file is encrypted to ensure security of the transfer of information.

The Change in Circumstance file contains the following information:

- standard format file header;
- message header, indicating a new entry, for each Change in Circumstances record;
- Australian customer reference number;
- New Zealand reference number;
- individual Change in Circumstances record for each change for each benefit recipient;
- record footer, indicating the end of the entry; and
- file trailer.

The file header will contain:

- identification of the sending agency and the receiving agency;
- file number; and
- date and time stamp.

The file trailer will contain:

- a repeat of the file number; and
- the number of transactions within the entire Change in Circumstance file, to be used for internal validation.

Section 2

Review of the Supplementary Administrative Arrangement

This Supplementary Administrative Arrangement may be amended in writing at any time upon the competent authorities reaching consensus.

Section 3

Commencement

This Supplementary Administrative Arrangement will commence on the same day as the Agreement enters into force and will operate, with amendments which may only be made in writing by the competent authorities from time to time, for the duration of the Agreement.

Signed in duplicate at Wellington on the 20 day of June 2017 by the New Zealand side and at Canberra on 30th day of June 2017 by the Australian side.

FOR THE COMPETENT AUTHORITY
OF NEW ZEALAND

FOR THE COMPETENT AUTHORITY
OF AUSTRALIA

C

$$\frac{1}{2} \int_{\mathbb{R}^2} \left| \nabla \tilde{u}_\epsilon \right|^2 + \frac{1}{2} \int_{\mathbb{R}^2} \left| \nabla \tilde{v}_\epsilon \right|^2 \leq C$$

$$\left(\tilde{u}_\epsilon, \tilde{v}_\epsilon \right) \rightharpoonup \left(u_0, v_0 \right)$$

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MINISTRY OF
SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora

ANNUAL REPORT ON INFORMATION MATCHING ACTIVITY

**Between the Ministry of Social Development
and:**

**Australia
The Netherlands
Malta
United Kingdom
South Korea
Canada
Denmark
Greece
Ireland
Guernsey
Jersey**

**for the period
1 July 2023 to 30 June 2024**

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Introduction

1. This report is designed to meet the reporting requirements of the Office of the Privacy Commissioner. It provides information on the operation of the information matching programmes for countries that New Zealand has a social security agreement with, which are managed by the Ministry of Social Development's (MSD) Centralised Services.
2. The programmes included are shown in Table 1.

Country/Agency	Programme name
Australia	Australia (Centrelink)/MSD Change in Circumstances Australia (Centrelink/DIMIA)/MSD Periods of Residence
Netherlands	Netherlands/MSD Change in Circumstances Netherlands/MSD General Adjustment
Malta	Malta/MSD Social Welfare Reciprocity
United Kingdom (UK)	UK/MSD Social Welfare Reciprocity
Canada	Canada/MSD Social Welfare Reciprocity
Denmark	Denmark/MSD Social Welfare Reciprocity
Greece	Hellenic Republic/MSD Social Welfare Reciprocity
Ireland	Ireland/MSD Social Welfare Reciprocity
Jersey and Guernsey	Jersey and Guernsey/MSD Social Welfare Reciprocity
South Korea	Republic of Korea/MSD Social Welfare Reciprocity
Customs	Customs/MSD Periods of Residence
Inland Revenue	IR/MSD (Netherlands) Tax Information

Table 1 – Information matching programmes included in this report

3. The report covers the year ending 30 June 2024.

Background

4. Information matching is undertaken with other countries with which we have reciprocal programmes, to ensure clients who are eligible for certain types of financial assistance both in New Zealand and one of these countries, receive their correct entitlements.
5. The reciprocal programmes compare records when clients apply for assistance which affects corresponding entitlements in the other country, or have a change in circumstances, or payments which may affect those entitlements.
6. Generally, the amount of any overseas benefit or pension reduces New Zealand entitlements by a similar amount.

Programme Descriptions

Australia

7. Australia (Centrelink)/MSD Change in Circumstances Programme

This programme enables the transfer of information about applications for superannuation/pensions, changes in circumstances which may affect entitlements in either country, and general adjustments between MSD and Centrelink (the Australian Government agency administering social welfare payments). The programme commenced in 2002. Changes in circumstances are run daily and general adjustments are ad-hoc.

Clients who are entitled to an Australian Pension can receive their Australian pension and have their New Zealand entitlements reduced, or receive their full New Zealand Superannuation or Veterans Pension and have their Australian pension paid into a 'Special Banking Option' bank account, effectively reimbursing MSD via a direct debit arrangement.

8. Australia (Centrelink/DIMIA)/MSD Periods of Residence Programme

MSD may test the accuracy of Australian residency entitlement information provided by applicants for New Zealand benefits and pensions by matching a 10 percent sample of applicants for specified benefits and pensions. This was suspended from January 2012 to April 2014 while Centrelink investigated and addressed a privacy concern. The match has not been resumed, and MSD has no current plans to resume it.

9. Customs/MSD Periods of Residence Programme

Confirms periods of residence for clients applying for New Zealand Superannuation. MSD has controlled access to the Customs database 'CusMod' to confirm client departure and arrival dates. The programme also allows this information to be accessed and shared with Australia when requested, for the purpose of confirming eligibility in Australia. It commenced in 2002.

MSD access to the 'CusMod' database is restricted to certain staff, and MSD maintains and audits a register of all access.

Out of scope

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Out of scope

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Out of scope

Programme Activity

20. The number of clients in receipt of overseas pensions or benefits, or in receipt of portable entitlements, as at 30 June 2024 is shown in Table 2.

Country	Overseas pension deducted	Portable entitlement paid
Australia	24,456	64,008
The Netherlands	4,683	1,276
Malta	13	4
The United Kingdom ¹	58,453	NIL
Canada	4,079	945
Denmark	156	95
Greece	10	277
Ireland	500	167
Guernsey	140	20
Jersey	135	24
South Korea	144	187

Table 2 - NZS clients with overseas pensions deducted, or portable entitlements paid, as at 30 June 2024.

Australia

21. There was an increase of 36,048 (3.75%) in the number of records received from Australia, compared with 2022/23.

22. The number of New Zealand clients living in Australia and receiving New Zealand benefits and pensions increased by 3,751 (6.225%) compared with 2022/23, while the number of New Zealand based clients in receipt of an Australian pension increased by 61 (0.25%).

23. MSD staff did not access the Customs database during 2023/24.

¹ New Zealand does not pay portable entitlements in the United Kingdom; the terms of the Agreement with the UK do not provide for this.

24. The number of transactions received from and sent to Australia during 2023/24 are shown in Tables 3 and 4 below respectively. Where there are multiple changes in circumstances (including rate changes) on the same day, each change is counted as a separate transaction.

Transactions	Change in Circs	General Adjustment	Total
Received	840,821	156,440	997,261
Valid ²	12,933	176	13,109
Mismatch by SWN (purged)	711	65	776
Mismatched by DoB (purged)	179	15	194
Mismatch by CRN	381	123	504
Exceptions	221,695	12,775	234,470
Adverse action letters			5,185
Challenges			6,437

Table 3 - transactions and results of transactions received from Australia

	Change in Circs	General Adjustment³	Total
Transactions sent	648,464	82,398	730,862

Table 4 - transactions sent to Australia

25. The full data including a breakdown of these transactions by quarter, is attached as Appendix 1.

Out of scope

² Confirmed by client notification or the expiry of the statutory waiting period.

³ The figure reported for 2022/23 was incorrect. The correct figure was 84,563, making the total number of transactions sent to Australia in 2022/23 726,470.

Out of scope

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⁴ Sociale Verzekeringsbank Referentie – client number for the Netherlands.

⁵ This table shows annualised amounts assessed at a point in time, NOT the total Overseas Pension received or deducted for the financial year.

APPENDIX 1 – Australia

Change of circumstances transactions received from Australia							
		Quarter to	September 2023	December 2023	March 2024	June 2024	Total
Change in circumstances	Received	Daily	217,571	191,180	207,409	224,661	840,821
		General Adjustment	60,956	4	77,415	18,065	156,440
		Total	278,527	191,184	284,824	242,726	997,261
	Held valid s.181	Daily	2,441	2,334	2,881	5,277	12,933
		General Adjustment	19	11	100	46	176
		Total	2,460	2,345	2,981	5,323	13,109
Transactions purged	Mismatches by SWN	Daily	152	133	160	266	711
		General Adjustment	15	0	38	12	65
		Total	167	133	198	278	776
	Mismatches by DOB	Daily	17	32	76	54	179
		General Adjustment	2	0	12	1	15
		Total	19	32	88	55	194
Mismatches, Exceptions and Updates	Mismatches by CRN	Daily	90	58	101	132	381
		General Adjustment	50	0	63	10	123
		Total	140	58	164	142	504
	Exceptioned	Daily	60,947	49,519	51,961	59,268	221,695
		General Adjustment	2,250	0	7,831	2,694	12,775
		Total	63,197	49,519	59,792	61,962	234,470
	Automatically updated	Daily	152,693	137,929	149,656	158,562	598,840
		General Adjustment	58,487	3	69,221	15,203	142,914
		Total	211,180	137,932	218,877	173,765	741,754
	Held invalid s.181	Daily	947	846	1,810	1,092	4,695
		General Adjustment	178	1	211	100	490
		Total	1,125	847	2,021	1,192	5,185
	Purged invalid s.181	Daily	1,141	1,295	1,684	1,910	6,030
		General Adjustment	30	167	1	209	407
		Total	1,171	1,462	1,685	2,119	6,437

Change in circumstances transactions sent to Australia						
Change in circumstances	Quarter to	September 2023	December 2023	March 2024	June 2024	Total
	Daily	141,850	156,119	143,027	207,468	648,464
	General Adjustment	0	0	3,347	79,051	82,398
	Total	141,850	156,119	146,374	286,519	730,862

Section 181 letters and outcomes						
Section 181 Notice Status	Quarter to	September 2023	December 2023	March 2024	June 2024	Total
	Letters sent	1,909	1,685	1,839	2,059	7,492
	Permission Assumed	1,809	1,698	1,814	2,026	7,347
	Permission confirmed	0	1	1	1	3
	Disputed	0	0	0	0	0
	Dispute rejected	0	0	0	0	0
	Dispute accepted	0	0	0	0	0

Glossary of terms for Australian data matches:

Transactions received - total number of data items exchanged between New Zealand and Australia. Where a person has three different changes on a single day (e.g., a client gets married, has a rate review because of this, and moves into the new spouse's house) this will count as three transactions.

Held Trans valid 181 - both the information exchange and the section 181 Notice procedure are triggered by the same initiating event, that is, the entry of an Australian CRN (unique identifier) in the New Zealand system. Until a client has had an opportunity to review the match, as provided in the section 181 Notice process, the exchange cannot be validated. A client's valid section 181 status is determined by a flag on their record, which is activated by either client notification or the expiry of the statutory waiting period. To allow for international postage, Work and Income waits 14 days before assuming that a client's lack of response is consent. Any information received from Australia in this time is held in a buffer and only entered into the system once the 14-day period has expired.

Transactions purged - these are transactions which, for various reasons, are not uploaded onto the Work and Income system.

Mismatches by SWN - where Centrelink has entered a client's New Zealand Social Welfare Number (SWN) incorrectly there is a chance that the client has not been correctly identified in the match. This is information which MSD should not retain and it is therefore purged from the system. The number of times this occurs is recorded but the triggering information is not retained.

Mismatched by DOB - a SWN entered correctly but on the wrong Australian client record will not match for date of birth. In addition, if the data held on either the New Zealand or Australian system is incorrect, the record will reject for the same reason. This mismatch is attributable partially to data entry error and partially to discrepancies between the New Zealand and Australian systems. This data is purged without being used on the system.

Mismatches/Exceptions/Updates - this category holds all those records which are actioned by SPS.

Mismatches by CRN - these are where the most prevalent cause of a mismatch is data entry by New Zealand. The mismatched records are downlisted for further investigation, to allow the record to be corrected and the match to continue.

NOTE: the correction of the CRN on the New Zealand record automatically creates a second section 181 Notice, carrying the corrected information. The 14-day waiting period resumes from the date of generation of this new Notice.

Total exceptioned records—this is an indicator of all of those records which have been downlisted and will require manual action to complete.

Total automatically updated—an indicator of the number of records for which the SWIFT system is able to complete an action without the need for human intervention.

Trans held invalid s.181—the number of records for which a CIC has rejected for any of the mismatch reasons given above and the information is held in a buffer (hold file).

Trans purged invalid s.181—the number of records for which information resulting from invalid matches to which New Zealand is not entitled is purged from the system. A record of the number of purged cases is kept but the information itself is not retained.

To Australia—a running count of transactions sent to Australia from New Zealand.

Out of scope

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Out of scope

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ADMINISTRATIVE ARRANGEMENT

FOR THE APPLICATION OF THE AGREEMENT ON SOCIAL SECURITY BETWEEN

THE GOVERNMENT OF AUSTRALIA AND THE GOVERNMENT OF NEW ZEALAND

In accordance with Article 21 of the Agreement on Social Security between the Government of Australia and the Government of New Zealand, signed on 8 December 2016, the Competent Authorities hereby make the following Administrative Arrangement in order to implement that Agreement. This Administrative Arrangement is set out in Sections.

Section 1

Terminology

1. In applying this Administrative Arrangement:

actual rate

- (a) in relation to Australia means:
 - (i) for a person who is present long-term in New Zealand, the rate of Australian benefit payable to the person after proportionalisation and, where applicable, the deduction of any third country pension as specified in the Agreement; and
 - (ii) for a person who is present long-term in Australia, the rate of Australian benefit payable to the person after the deduction of any New Zealand benefit, and, where applicable, any third country pension, as specified in the Agreement;
- (b) in relation to New Zealand means:
 - (i) for a person who is present long-term in Australia, the rate of New Zealand benefit payable to the person after proportionalisation and, where applicable, the deduction of any third country pension and the application of any limitation of that rate to the rate of Australian benefit as specified in the Agreement; and
 - (ii) for a person present long-term in New Zealand, the rate of New Zealand benefit payable to the person after the deduction of any Australian benefit and, where applicable, any third country pension as specified in the Agreement;

Agreement means the Agreement on Social Security between the Government of Australia and the Government of New Zealand signed on 8 December 2016;

Arrangement means this Administrative Arrangement;

assumed rate in relation to Australia means an estimate of the actual rate of New Zealand benefit for a person who is present long-term in Australia, as calculated by the Australian liaison agency.

Liaison Agency means:

- (a) in relation to Australia, the Department of Human Services, International Programme; and
- (b) in relation to New Zealand, International Services, a service of the Ministry of Social Development in Wellington;

migration information means information relating to a person's arrival in Australia or New Zealand and departure from that country, including:

- (a) the person's full name, date of birth, and sex;
- (b) the person's passport number or numbers and nationality, if available; and
- (c) the date on which the person arrived in, or, as the case may be, departed from that country;

notional rate

- (a) in relation to Australia means the rate of Australian benefit that would be payable to a person who is present long-term in Australia if:
 - (i) for a SCV holder the person was not entitled to a New Zealand benefit and/or a third country pension; and
 - (ii) for a permanent resident of Australia, the person was not entitled to a New Zealand benefit; and
- (b) in relation to New Zealand means the rate of New Zealand benefit that would be payable to a person who is present long-term in Australia before the application of the limitation of that rate to the rate of Australian benefit as specified in the Agreement;

SCV holder means the holder of a special category visa under the Migration Act of 1958 of Australia who is not a permanent resident of Australia.

2. Any other term defined in the Agreement, when used in this Arrangement, has the same meaning as in the Agreement.

Section 2 **Communication between Liaison Agencies**

1. Communications concerning the operation of the Agreement and of this Arrangement will be sent to and from, as the case requires, the appropriate liaison agency.
2. The liaison agencies will be able to communicate directly with each other and with their clients.
3. Where possible, information will be sent between liaison agencies by secure electronic transmission.

Section 3 **Preparation of Forms and Documents**

1. Forms and any other documents required for the implementation of the Agreement or this Arrangement will be prepared by the liaison agencies after consultation between them.
2. The liaison agencies will decide the procedures necessary to implement the Agreement and this Arrangement.
3. Any subsequent changes to forms, other documents or procedures necessary to implement the Agreement and this Arrangement will be decided after consultation between the liaison agencies.

Section 4

Lodgement and Processing of Claims

1. Claims for benefits, appeals, any related documents and any notification or other communication by a person will be lodged with:
 - (a) in Australia, the Australian competent institution; and
 - (b) in New Zealand, the New Zealand competent institution.
2. Where a claim for a benefit under the legislation of one country is lodged with the competent institution of the other country in accordance with paragraph 1 of this Section, the competent institution or the liaison agency receiving the claim, without delay, will:
 - (a) stamp the claim form with the date of receipt;
 - (b) check the claim for completeness and, if incomplete, arrange for the outstanding details to be obtained;
 - (c) verify the claimant's identity and validate the personal details contained in the claim form on the basis of the documents supplied by the claimant, in accordance with the requirements of the respective liaison agencies and, where required, make certified copies of original documents; and
 - (d) in the case of a claim for a disability related benefit, arrange for the completion of the agreed medical report.
3. Where a claim for a benefit under the legislation of one country is lodged with the competent institution of that country and the person is, or may be, in receipt of a benefit from the other country, the liaison agency receiving the claim will,
 - (a) in relation to Australia:
 - (i) if the Australian claim is granted, apply the assumed rate of New Zealand benefit in the assessment of the claim; or
 - (ii) if the Australian claim is rejected, send a liaison to the New Zealand liaison agency indicating the determination and, if the person may be entitled to a New Zealand benefit under the Agreement, the notional rate of Australian benefit that would have been paid to the person had they been entitled to an Australian benefit; and
 - (b) in relation to New Zealand, send a liaison to the Australian liaison agency requesting confirmation of the proportional rate of Australian benefit as specified in the Agreement.
4. Where a request is received under subparagraph 3(b) of this Section, the Australian liaison agency will determine the proportional rate of Australian benefit and send the information to the New Zealand liaison agency in a liaison.
5. In all cases, where a claim is received in accordance with paragraph 2 of this Section, the liaison agency receiving the claim will:
 - (a) complete a liaison indicating, in particular:
 - (i) periods of residence in Australia, New Zealand and third countries determined in the assessment of a claim for benefit from that country;
 - (ii) the annual rate of any third country pensions that the person is already receiving in the currency of that third country;
 - (iii) whether the person is also applying for any third country pension;

- (iv) in the case of the Australian liaison agency, the notional and actual rate of Australian benefit;
- (v) in the case of the New Zealand liaison agency, the notional and actual rate of New Zealand benefit;
- (vi) whether or not it intends to request payment of a debt under Article 19(1) of the Agreement from arrears of a benefit that may be paid by the other liaison agency; and

(b) send to the other liaison agency:

- (i) the application form;
- (ii) any supporting documentation required by the other liaison agency, including in the case of a claimant for a disability related benefit, agreed medical reports and medical documentation; and
- (iii) a completed liaison.

6. Upon determination of a claim transmitted in accordance with subparagraph 5(b) of this Section, the relevant liaison agency will notify the other liaison agency of that determination and send the necessary details in a liaison.

7. When a request has been made in accordance with subparagraph 5(a)(vi) of this Section, the relevant liaison agency will, upon grant of benefit, withhold any arrears payable and forward the arrears to the requesting agency in accordance with Article 19(3) of the Agreement.

Section 5 **Grants of Third Country Pensions**

Where a SCV holder in receipt of a benefit from both countries who is present long-term in Australia is granted a third country pension,

- (a) the Australian liaison agency will:
 - (i) apply the assumed rate of New Zealand benefit in the assessment of the change in ongoing actual rate of Australian benefit due to the third country pension,
 - (ii) where applicable, use the assumed rate of New Zealand benefit in the calculation of any arrears debt under the legislation of Australia due to grant of the third country pension, and
 - (iii) notify the New Zealand liaison agency of the rate of the third country pension in the currency of the third country in a liaison;
- (b) the New Zealand liaison agency will, on receipt of the liaison, review the rate of New Zealand benefit payable in accordance with the New Zealand legislation and notify the Australian liaison agency of the change to the actual rate of New Zealand benefit due to the third country pension in a liaison; and
- (c) the Australian liaison agency will, on receipt of the liaison, apply the actual rate of New Zealand benefit in the assessment of the actual rate of Australian benefit and make any necessary adjustment in accordance with the Australian legislation.

Section 6 **Information on Residence**

1. Where there is doubt, after having applied the definitions in Article 5 of the Agreement, as to whether a person is, or was at any time, a resident of New Zealand or Australia or a third country, the liaison agency that has the concern will contact the other liaison agency to consult on the matter.
2. When the liaison agencies have reached a decision, the liaison agency that initiated the consultation, will write to the other liaison agency setting out the terms of the decision.
3. For the purposes of Article 16(2) of the Agreement, the decision will be deemed to have finalised when the other liaison agency confirms in writing that the notification has been received and the decision has been accepted.

Section 7 **Medical Examinations**

1. A liaison agency, at any time, may request the other liaison agency to arrange for the medical examination of a person who is in the territory of the other liaison agency.
2. Where a request is made under paragraph 1 of this Section, the other liaison agency will arrange for the completion of the agreed medical report and send it to the requesting liaison agency.
3. Each liaison agency will meet the costs of any medical examination or assessment that has been made in its territory.
4. Where one liaison agency determines a claimant for disability related benefit to be severely disabled, but the other does not agree with the decision, the following action will be carried out:
 - (a) a suitably qualified representative of each agency will discuss the respective decisions to establish the reasons for the difference;
 - (b) each liaison agency will ensure the other has access to all relevant information on which the assessment made; and
 - (c) where possible, consensus should be reached on the assessment of the case in question.
5. In the event that consensus is not reached, each liaison agency will implement its own decision on the severely disabled status of the claimant and will advise the other liaison agency in writing of the reasons for that decision.

Section 8 **Remittance of Recovered Amounts from Arrears**

1. Where a liaison agency has requested recovery of an overpayment of a debt under Article 19 of the Agreement the other liaison agency will withhold such amounts from benefits payable by it as decided between the liaison agencies.
2. Periodically, as decided between the liaison agencies, the liaison agencies will pay each other the amount recovered of all debts for which recovery is made under this section during the period concerned, and, at the same time, will send a list to the other agency giving:
 - (a) the names, reference numbers and date of birth of all the persons to whom the debts relate; and
 - (b) the amounts actually recovered in the appropriate recovery period in respect of each debt.

3. The relevant liaison agency will, on receipt of the remitted amounts, recover its debt and, where applicable, send any remaining amounts to the benefit recipient.

Section 9 **Recovery of Debt**

1. For the implementation of Article 19 of the Agreement, the liaison agency that requests the recovery of a social security debt, will send the other liaison agency the following information:
 - (a) the name, date of birth, benefit type, client reference number, reason for overpayment, period of the debt, date of establishment of the debt and, where known, the address of the debtor;
 - (b) the amount of the debt to be recovered in both Australian and New Zealand currencies, and the exchange rate used for the conversion and the date of the conversion; and
 - (c) a certificate certifying that the debt complies with all the criteria and contains all the details specified in paragraph 1(a) of Part B of the Schedule to the Agreement.
2. Periodically, as decided between the liaison agencies, the liaison agencies will pay each other the amount recovered of all debts for which recovery is made under this section during the period concerned, and, at the same time, will send a list to the other agency giving:
 - (a) the names, reference numbers and date of birth of all the persons to whom the debts relate; and
 - (b) the amounts actually recovered in the appropriate recovery period in respect of each debt.

Section 10 **Minimum Recovery Amounts**

1. The minimum amounts to be recovered under Article 19 of the Agreement will be Australian \$400 or the New Zealand equivalent.
2. The liaison agencies from time to time may determine, in writing, to vary the minimum amount of debt to be recovered.

Section 11 **Appeals and Related Documents**

A competent institution or liaison agency that receives appeals and related documents under the legislation of the other liaison agency will:

- (a) stamp the document with the date of receipt;
- (b) record the receipt of the documents in its own liaison agency; and
- (c) send the documents within 14 days to the other liaison agency.

Section 12 **Exchange of Information**

1. A liaison agency may request information under Article 18 of the Agreement, subject to the limitations of Article 20 of the Agreement, about any individual who is an applicant for, or a recipient of a benefit as defined in the Agreement or under the social security laws of either New Zealand or Australia. The other liaison agency will supply the information in as timely manner as is possible.
2. Information may be exchanged on an ad-hoc basis or under a regular information matching programme. Details of arrangements for processing information about changes in circumstances of mutual benefit recipients are contained in the Supplementary Administrative Arrangement.
3. The types of information that may be requested or exchanged under this Section are as follows:
 - (a) In every instance, this information will accompany a change of circumstance record:
 - (i) Work and Income Reference Number,
 - (ii) Australian Customer Reference Number, and
 - (iii) Date of birth;
 - (b) And may include any of the following change of circumstances:
 - (i) Change of name,
 - (ii) Change in marital status,
 - (iii) Death of client or spouse or partner,
 - (iv) Change in the number of dependent children (inclusion or exclusion),
 - (v) Change of address,
 - (vi) Change of bank account details,
 - (vii) Change in country of presence,
 - (viii) Change of service status (e.g. benefit suspended, cancelled, expired, resumed or declined) and reason for the change,
 - (ix) Cancellation of service due to death of the primary client,
 - (x) Change in rate of benefit or pension payable,
 - (xi) Change in third country pension,
 - (xii) Accumulation of 10 years residence in New Zealand,
 - (xiii) Change of Australian residency status (e.g. SCV holder to Australian permanent resident),
 - (xiv) General increase details and rate reviews, or
 - (xv) Change of income;
 - (c) An effective date or date of event will be provided for each change of circumstance.

4. Provided that the liaison agencies have obtained any necessary consents from their respective Privacy Authorities, the liaison agencies may determine in writing to add, amend or delete items of information to be exchanged to or from the list in paragraph 3 of this Section.

Section 13 **Exchange Rates**

The exchange rates to be used are the exchange rates normally used by each liaison agency.

Section 14 **Statistical Information**

The competent authorities or liaison agencies will exchange statistics on an annual basis regarding the payments which each has made under the Agreement; these statistics will include data on the number of beneficiaries and the cash value of benefits paid, by the type of benefits.

Section 15 **Mutual assistance and processing standards**

1. The liaison agencies will cooperate in achieving the standards set out in this Arrangement for the processing of claims lodged under the Agreement and in all other aspects of the operation of the Agreement.
2. The liaison agencies will implement any measures deemed necessary and appropriate to improve the operation of the Agreement.

Section 16 **Review of the Arrangement**

This Arrangement may be amended in writing at any time upon the competent authorities reaching consensus.

Section 17 **Commencement**

This Arrangement will commence on the same day the Agreement enters into force and will operate, with amendments which may only be made in writing by the competent authorities from time to time, for the duration of the Agreement.

Signed in duplicate at Wellington on the 20 day of June 2017 by the New Zealand side and at Canberra on 30th day of June 2017 by the Australian side.

FOR THE COMPETENT AUTHORITY
OF NEW ZEALAND

FOR THE COMPETENT AUTHORITY
OF AUSTRALIA



report

Date: 20 May 2014

Security Level: IN CONFIDENCE

To: Hon Paula Bennett, Minister for Social Development

Social Security Agreement between New Zealand and Australia

Purpose of the report

- 1 The purpose of this report is to provide you with an update on the negotiations with Australia on the Social Security Agreement (the SSA).
- 2 We would like to discuss the following issues with you:
 - s6(a) [REDACTED]
 - the age at which New Zealand Superannuation (NZS) is payable under the SSA given that Australia is increasing the age of eligibility for the Australian Age Pension (AAP).

Executive summary

s6(a)
3

- 4 The Australian Federal Court recently made a decision on eligibility for DSP that was different to the way that both countries had been interpreting the SSA. s6(a) [REDACTED]

¹ "Host" country is the country to which the person moves to reside.

5 s6(a) [REDACTED] . We agreed s6(a) [REDACTED] that we would seek your direction on New Zealand's response will agree to these two proposals.

6 Australia has also announced that it is raising the age of eligibility for AAP to 70 by 2035. We are seeking your view on whether to change the age of entitlement for NZS under the SSA so that it matches the age of eligibility for AAP. Unless this change is made, Australians who have no prior connection with New Zealand could move here at age 65 and become eligible for NZS under the SSA. s6(a) [REDACTED]

Recommended actions

It is recommended that you:

1 s6(a) [REDACTED]

2 agree to discuss the s6(a) [REDACTED] proposed change to the age of eligibility for NZS under the SSA with officials from the Ministry of Social Development.

Agree / Disagree

Agree / Disagree

Sacha O'Dea
General Manager
Older People's and International Policy

Date

Hon Paula Bennett
Minister for Social Development

Date

The SSA includes age and disability-related benefits

- 7 The SSA provides that people get dual payments – one from Australia and the other from New Zealand according to the proportion of the individual's working life spent in each country. It covers the following benefits:
 - NZS, Veteran's Pension (VP) and SLP for New Zealand; and
 - AAP and DSP for Australia.

The age of entitlement to the AAP is rising

- 8 Australia is raising the age of entitlement for AAP from 65 to 67. The age will increase by six months every two years starting from 1 July 2017 and settling at age 67 on 1 July 2023. On 13 May 2014, the Australian Government also announced that the AAP age will continue to rise from 67 to 70 by 2035.

Only 'severely disabled' people can receive disability payments under the SSA

- 9 Under the SSA, DSP and SLP are paid to people who are 'severely disabled'. This means that people must be unable to work for eight hours or more a week or be unable to benefit from a programme of assistance or rehabilitation for the next two years. By contrast, both the New Zealand and Australian domestic criteria require that a person must be severely restricted in his or her capacity for work for 15 or more hours a week for the next two years.

Despite the more stringent criteria the number of SLP clients in Australia is relatively high

- 10 Overall SLP numbers in New Zealand are slowly flattening, but by contrast SLP numbers in Australia under the SSA have steadily increased. However, the following figures at the end of March of each year illustrate that the rapid growth of SLP numbers in Australia has slowed over the past three years.

	2009	2010	2011	2012	2013	2014
SLP recipients	3,191	3,967	4,913	5,409	5,500	5,764
Annual SLP cost	\$17.635m	\$23.150m	\$28.995m	\$32.703m	\$34.165m	\$35.727m

New Zealand and Australian officials have been negotiating technical amendments to the SSA

- 11 We have been revising the SSA, which has been in operation since 2002², in order to update some provisions which are currently out of step with New Zealand and Australian legislation (eg New Zealand legislation concerning civil union and same-sex couples, and reduced residence requirements for benefit entitlement). There are also some errors and anomalies that need to be fixed. We have agreed s6(a) on the majority

² This SSA replaced a previous 'host country' SSA under which New Zealand did not pay benefits to former New Zealand residents living in Australia. Instead, former New Zealand residents could access certain Australian benefits (AAP, DSP and Parenting Payment Single for widows and widowers only). Former Australian residents who moved to New Zealand also had access to the equivalent New Zealand benefits.

of the technical amendments and will finalise the outstanding technical amendments by email over the next two months.

s6(a)



12 s6(a)



Proposal one – s6(a)



13 s6(a)



14 s6(a)



15 s6(a)



16 s6(a)



Proposal two – s6(a)



17 s6(a)



18 s6(a)



3 s6(a)



19 s6(a)

Proposal three – s6(a)

20 s6(a)

21 s6(a)

There are no issues with agreeing to Australia's first proposal

22 s6(a)

The first proposal clarifies the original intent of the SSA and therefore there are no issues or costs associated with agreeing to it.

We want to discuss Australia's other two proposals with you

23 s6(a)

We have identified possible options to respond to the Australian proposals. We want to discuss these with you before providing Australian officials with a response.

We also wish to discuss whether we should increase the age of eligibility for those that need the SSA to qualify for NZS

24 The increasing age of entitlement for AAP will have an impact for New Zealanders in Australia. Under the current SSA rules, if a New Zealander in Australia is ineligible for payment of AAP⁶, they will also be ineligible for payment of NZS. Once the age of eligibility for AAP begins to increase, a person living in Australia will not be eligible for payment of NZS until they have reached the age of entitlement to AAP. This is consistent with the original policy intent of the SSA where a New Zealander resident in Australia is only able to receive NZS at a rate comparable to the amount of AAP that a lifelong Australian would receive.

25 However, unless a change is made to the age of entitlement for NZS under the SSA, we will be required to pay NZS to Australians at age 65 who have never lived in New Zealand

This is because, under the SSA, periods of residence in Australia can be counted as periods of residence in New Zealand to help a person meet the residence criteria for NZS.

⁴ "Host" country is the country to which the person moves to reside.

⁵ "Home" country is the country in which the person resided before moving to the host country.

⁶ The rate of AAP is income and asset tested.

26 Therefore we seek your view on an amendment to the SSA which would require that where a person needs to use the SSA to qualify for NZS (eg if they are residing in Australia or if they are residing in New Zealand but don't meet the New Zealand residence criteria in their own right) they will only be eligible for payment of NZS if they meet the age of entitlement to AAP.

27 We had a similar issue with the previous 1995 SSA where the age of entitlement for AAP for men was 65 and for women was 60, but rising to 65 between 1994 and 2014. At the same time, the age of entitlement for NZS for both men and women was rising from 60 to 65 between 1994 and 2004. We solved the issue of matching differing ages of entitlement in the 1995 SSA by limiting the age of eligibility to the later age required either under the legislation of New Zealand or the legislation of Australia.

28 This amendment would not apply to returning New Zealanders who qualify for NZS because they would meet the NZS residence criteria without the aid of the SSA.⁷

Risks

29 The Trans-Tasman Travel Arrangement (TTTA) essentially provides that Australians and New Zealanders can travel to and live and work in one another's country without restriction. The TTTA is not expressed in the form of any binding bilateral treaty between New Zealand and Australia, but rather is a series of immigration procedures applied by each country and underpinned by joint political support. s6(a)

30 s6(a)

31 If policy rather than technical changes to the SSA are proposed, the SSA may become subject to the Parliamentary Treaty Examination process. Under the process certain treaty actions (essentially those related to multilateral treaties and major bilateral treaties of particular significance) must, after Cabinet's approval, be presented to the House for examination, before the Executive takes binding treaty action. The Minister of Foreign Affairs determines whether a bilateral treaty is a major bilateral treaty of particular significance. The process of examination of international treaties by the House takes time and this would need to be factored into our planning. Commitments cannot be entered into in advance of examination by the House. s6(a)

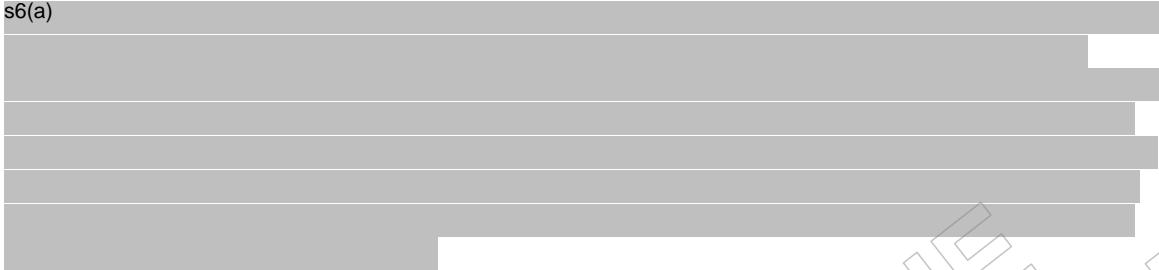
32 If agreed to, information on the change to the age of eligibility for NZS under the SSA will need to be managed carefully. Publicity may also be generated by the fact that qualifying people will be able to receive NZS in any country except Australia at the age of 65, regardless of the pension age in that country.

⁷ The residence criteria require that a person must be ordinarily resident in New Zealand on the date they for NZS and have been resident and present in NZ for at least 10 years since the age of 20, with five years being since the age of 50.

Consultation with other agencies

33 We have consulted with the Ministry of Foreign Affairs and Trade (MFAT) and the Treasury, and have informed the Department of the Prime Minister and Cabinet.

34 s6(a)



Next steps

35 Once we have your view on whether we proceed with the Australian proposals and our proposal to raise the age of eligibility for NZS under the SSA, we will need to advise Australian officials of the decision and finalise the text of the SSA.

36 We will then need to complete an Information Matching Privacy Impact Assessment (IMPIA) report, showing that the information exchange provisions in the SSA comply with the New Zealand Privacy Act 1993. We provide the Privacy Commissioner with completed copies of the finalised IMPIA, Agreement and Administrative Arrangement.

37 The Privacy Commissioner is required to report to you and the Minister of Justice on whether the information exchange provisions in the SSA comply with the New Zealand Privacy Act 1993 before submitting a paper to Cabinet for their agreement to the proposed changes to the SSA.

38 You will also need to seek the Minister of Foreign Affairs' view on whether the changes decided on are substantial enough to be subject to the Parliamentary Treaty Examination process. If the Minister of Foreign Affairs decides that the Treaty Examination process is appropriate then this will occur after Cabinet has considered the changes.

File ref: A7384612

Report



MINISTRY OF SOCIAL
DEVELOPMENT
TE MANATŪ WHAKAHIAKO ORA

Date: 1 November 2024 **Security Level:** In Confidence

To: Minister for Social Development and Employment

File Reference: REP/24/10/1008

Social Security Agreements: s9(2)(f)(iv)

Purpose of the report

- 1 This report provides you with:
 - information on the social security agreements (SSAs) network and s9(2)(f)(iv)
 - an initial response to your request for advice on s9(2)(f)(iv) the SSA with Australia and s6(a)
 - Out of scope
- 2 We provide a high-level overview of options that could be further explored and assessed, and seek your direction on which of these options you want to pursue.

Key points

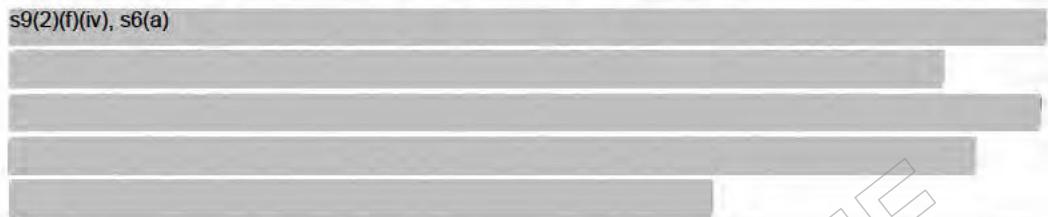
s9(2)(f)(iv)

SSA with Australia

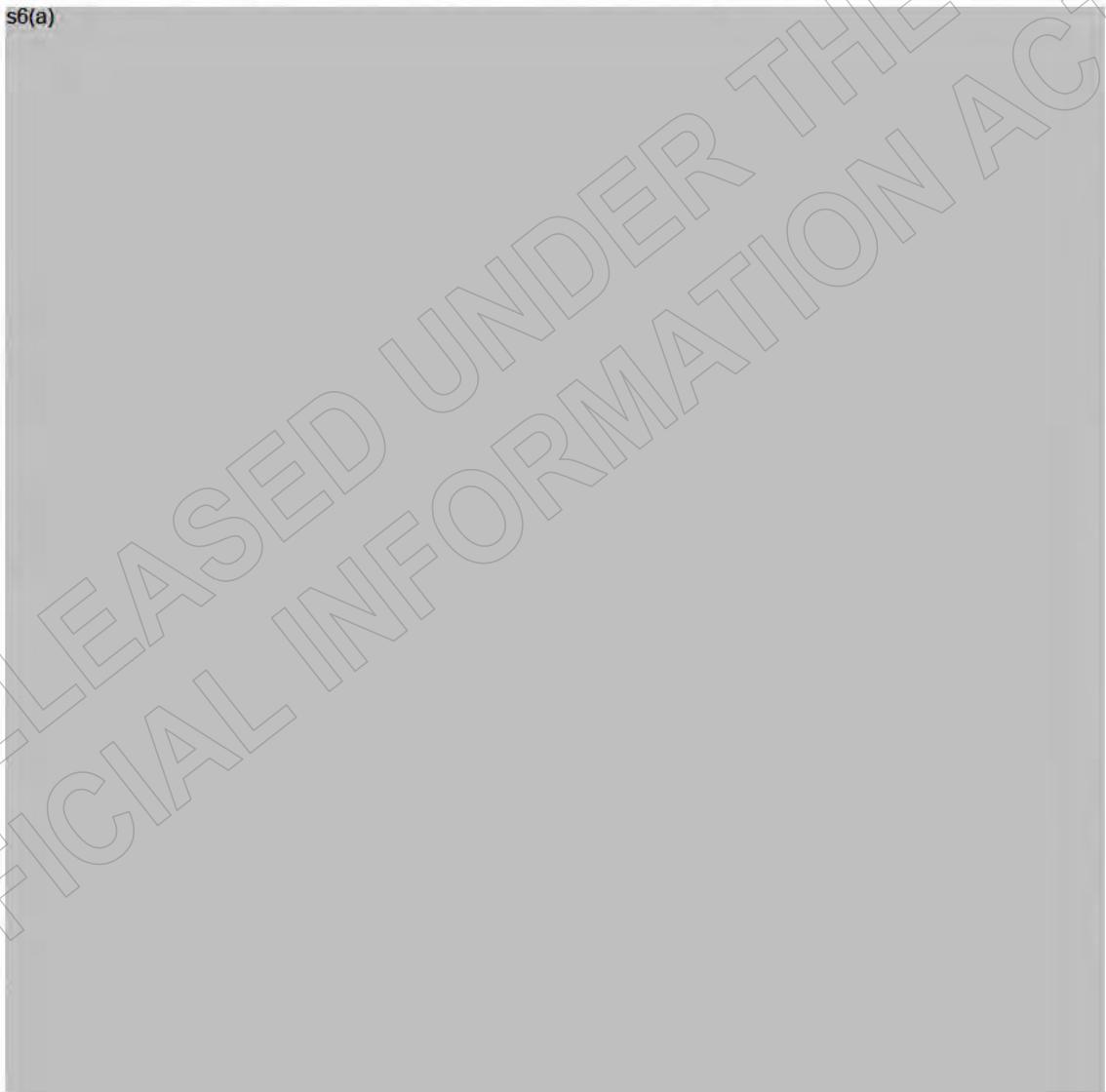
- New Zealand and Australia have different pension systems. Australia income and asset tests its state pension and its equivalent of KiwiSaver (Superannuation Guarantee) is compulsory and funded entirely by contributions from employers.
- s6(a) Both countries share the cost of pensions, and payments for the severely disabled, for trans-Tasman migrants. The Australian pension income and asset test reduces Australia's pension payments into New Zealand,

but the SSA provides for reciprocity in this regard. The SSA allows New Zealand to limit its payments into Australia to no more than the amount of Australian pension which would otherwise be payable under the Australian pension income and asset test.

• s9(2)(f)(iv), s6(a)



• s6(a)



RELEASED UNDER THE
OFFICIAL INFORMATION ACT

• s6(a)



- Australia has recently relaxed its immigration rules for New Zealanders going to Australia. s6(a)
[REDACTED]
- Due to the large numbers of New Zealanders in Australia (670,000) and relatively small number of Australians in New Zealand (75,000), and in light of the wide range of collaboration between the two countries, s6(a)
[REDACTED]
[REDACTED]
- s6(a)

Out of scope

© RELEASED UNDER THE
OFFICIAL INFORMATION ACT

Recommended actions

It is recommended that you:

SSA with Australia

1 **agree** to:

1.1 s9(2)(f)(iv) [REDACTED] (recommended)

YES NO

OR

1.2 s6(a) [REDACTED]

YES NO

OR

1.3 s6(a) [REDACTED]

YES NO

OR

1.4 s6(a) [REDACTED]

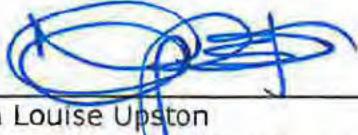
YES NO

Out of scope

1 November 2024

Date

Emma King
Policy Manager
International Policy


Hon Louise Upston
Minister for Social Development and
Employment


Date

Background

3 On 23 September 2024 at the MSD Officials meeting you asked us about Australian pension payments into New Zealand³ You also asked about New Zealand's SSA network and how often and how amendments to SSAs are made.

What are SSAs and why do we have them?

SSAs coordinate social security systems

4 New Zealand has SSAs with Australia, the UK, the Netherlands, Canada, Greece, South Korea, Ireland, Malta, Jersey and Guernsey and Denmark.³ SSAs make it easier for New Zealanders to move to these countries in retirement or to move in and out of New Zealand during their working lives without losing entitlement to NZS. The SSAs help to ensure that New Zealanders receive a pension from any SSA countries they have lived in.

5 SSAs are based on the concept of shared responsibility for pension coverage. Partner countries make concessions against their social security qualification rules so that people covered by the SSA may access payments for which they might otherwise fail to qualify.

6 New Zealand's SSAs are either:

- 'cost-sharing' under which each country pays its pension and benefits into the other country, or
- 'host country' under which pensions and benefits are not exported and migrants receive a payment from the 'host country' (the SSA with the UK is our only remaining host country SSA).

7 SSAs have two key functions:

- *They help fill gaps in benefit protection for workers who have divided their careers between New Zealand and another country.* People who have lived in more than one country may find that they do not have enough residence or contributions⁴ under a social security scheme to qualify for a pension payment (most countries have a minimum contribution period of at least ten years). To help overcome this problem, SSAs have 'totalisation' provisions which allow residence or contributions in one partner country to count as residence or

³ Out of scope

⁴ Contributions in this context refers to contributions a person has made to their pension from their wages or salary.

- contributions in the other partner country for the purposes of qualifying for a pension (once the person qualifies their pension will be based on their actual residence or contributions).
- *SSAs eliminate dual social security taxation, the situation that occurs when a worker from one country works in another country and is required to pay social security taxes to both countries on the same earnings.* This aspect of SSAs is less relevant to New Zealand because our system is based on residence rather than contributions.

Key provisions of New Zealand's SSAs

- 8 The key provisions of our SSAs are (for a more detailed overview refer to Appendix 1):
 - persons covered by the SSAs can use both New Zealand residence, and residence or contributions in the partner country,⁵ to help them qualify for pension payments from either country
 - NZS or Veteran's Pension is paid to qualifying residents in the partner country at a rate of 1/540th for each month of residence in New Zealand between the ages of 20 and 65
 - persons covered by the SSAs who are resident in New Zealand can access the partner country's payments
 - residents of SSA partner countries are able to apply for payments covered by the SSAs (normally applicants need to be resident in New Zealand on the date of application)
 - data on persons covered by the SSAs can be shared between the countries (allowing us to better track partner country pensions that should be direct deducted).⁶

SSAs are a component of New Zealand's 'portability' system

- 9 SSAs are one of three provisions that allow NZS to be paid overseas. The other provisions are general portability and special portability for the Pacific.

⁵ Where we have a SSA with a country that has a contributory system the SSA will allow a period of residence in New Zealand to count as a period of contributions in the other country, and a period of contributions in the other country to count as a period of residence in New Zealand.

⁶ The direct deduction is in sections 187 to 191 of the Social Security Act 2018 and provides that 'The rate of the benefit or benefits that would otherwise be payable under the NZ benefits legislation to a person affected by the receipt of an overseas pension must be reduced by the amount of the overseas pension'.

- 10 The general portability provisions allow a person to receive NZS in any country not covered by a SSA at a rate of 1/540th of the pension for every month of residence in New Zealand between the ages of 20 and 65. Applicants must be ordinarily resident and present in New Zealand on the date of application.
- 11 The special portability arrangement allows a person to receive NZS in one of 22 Pacific countries. Payment is 50 percent of NZS after 10 years residence in New Zealand, rising to 100 percent after 20 years residence in New Zealand. Applicants must be resident in New Zealand, the Cook Islands, Niue or Tokelau on the date of application.

SSAs are international treaties

- 12 SSAs are treaties between partner countries. Section 380 of the Social Security Act 2018 enables '...effect to be given in New Zealand law to an agreement, or an alteration to an agreement, with the Government of another country providing for reciprocity in respect of matters relating to social security monetary benefits...'.
- 13 Cabinet must approve the signing of a SSA, and SSAs of particular importance are referred to a Select Committee for consideration before they are signed. Section 380 provides that SSAs are brought into force in New Zealand by Order in Council, and that they may modify the provisions of the Social Security Act, the Veterans' Support Act and the New Zealand Superannuation and Retirement Income Act.

Overview of New Zealand's SSA with Australia

SSAs between New Zealand and Australia date back to 1948

- 14 The SSA with Australia is our most important SSA. The first SSA between New Zealand and Australia was introduced in 1948. By 1969, the SSA had become a full 'host country' SSA⁷ through which New Zealanders in Australia could gain immediate access to Australian social security benefits, and Australians had the same access to New Zealand benefits. In 1994 an annual reimbursement provision was introduced whereby the New Zealand government reimbursed the Australian government for the cost of Australian benefits paid to New Zealanders and vice versa. Due to the fact that there were many more New Zealanders in Australia than Australians in New

⁷ Under a host country SSA benefits are not exported. Instead a migrant is able to receive the pension of the host country. This type of SSA has largely been superseded by 'cost-sharing' SSAs under which each SSA partner pays its pensions into the other partner country.

Zealand, the reimbursement was one sided with New Zealand paying approximately \$160 million in 2000/2001 and Australia paying \$1.5 million.

15 Despite the reimbursement provisions, in the late 1990s Australia was dissatisfied with the ongoing imbalance in the population flows and the level of social security payments it was making to New Zealanders ^{s6(a)}

. Australia claimed that the social security cost for New Zealanders living there was AUD 1 billion per year (approximately NZD 1.1 billion). Consequently, in 1999, the Prime Ministers of New Zealand and Australia agreed to a review of the SSA.⁸

The current SSA with Australia has limited coverage

16 At an Australia/New Zealand prime ministerial meeting in February 1999 a joint prime ministerial task force was established to develop new bilateral social security arrangements. The Australia and New Zealand Joint Review on Social Security comprising of officials from both countries agreed that the aims of the review of the SSA were to:

- meet the long-term income support needs of trans-Tasman migrants
- be equitable to both countries
- have reliable, workable and less complex administrative arrangements
- be consistent with the principles underlying the Trans-Tasman Travel Arrangement (TTA) and Closer Economic Relations (CER).

17 The negotiations towards a new SSA were completed in February 2001. Coverage of this SSA is limited to:

- for New Zealand – NZS, Veteran's Pension and Supported Living Payment for the severely disabled
- for Australia – Age Pension (AAP), disability support pension for the severely disabled and carer payment in respect of the partner of a person who is in receipt of a disability support pension.

18 In February 2001, Australia also introduced measures that restricted access to certain Australian benefits for New Zealanders who do not have Australian permanent residence status or Australian citizenship. ^{s6(a)}

⁸ Prime Ministers Jenny Shipley and John Howard.

19 The Australian government has recently made a commitment to ensure that no New Zealander will be left 'permanently temporary' in Australia. Consequently, it introduced a new policy that from 1 July 2023, New Zealand citizens who arrived in Australia after 2001 will have direct access to apply for Australian citizenship (i.e. they will no longer need to go through the step of obtaining permanent residence first). This significantly reverses the changes of 2001. ^{s6(a)}

Payment arrangements under the SSA

20 New Zealand currently pays 65,000 people NZS and benefits in Australia under the SSA (annual value approximately \$605 million). Australia is paying pensions to around 24,500 NZS and Veteran's Pension recipients resident in New Zealand (annual value around \$166 million).

21 Under the SSA a person will generally be entitled to two pensions - one from New Zealand and one from Australia. Generally, the two pensions, when added together, will equal the amount of pension the person would have received had they lived all their life in one country.

22 If a person lives in Australia, the proportion of their New Zealand pension will normally be based on their periods of residence in New Zealand from age 20 until pension age. It may then be 'topped up' by Australia to the amount of Australian pension they would be entitled to had they only ever lived in Australia. However, the amount of New Zealand pension payable in Australia is also limited to no more than the amount of Australian pension which would otherwise be payable under the income or assets tests (this is known as the capping provision). This can mean that only a reduced New Zealand pension is payable or, if no Australian pension is payable under the income or assets tests, then no New Zealand pension is paid.

23 If a person lives in New Zealand, the proportion of their Australian pension will normally be based on their periods of residence in Australia from age 20 until pension age, and their income and assets.⁹ It may then be 'topped up' by New Zealand to the amount of New Zealand pension they would be entitled to had they only ever lived in New Zealand (refer to Appendix 2 -

⁹ In the Australian system benefits, including AAP, are income and asset tested. The income and assets tests apply to payments made to both Australian and overseas residents. The system also includes the superannuation guarantee for which employers are required under federal law to pay superannuation contributions on their employees' behalf to approved super funds. The current contribution rate is 11.5 percent per annum. On retirement a person's superannuation guarantee counts for the AAP income and assets tests.

Trans-Tasman client journey). Due to the effect of the income and asset test some people may receive no AAP, or a very small amount of AAP.

In 2017 a 'pension age' was introduced into the SSA

24 Between 1 July 2017 and 1 July 2023 Australia gradually increased its pension age from 65 to 67. In 2017, a pension age was introduced into the SSA s6(a)

25 In her Cabinet paper the then Minister for Social Development and Employment noted that if a change was not made to the SSA, the totalisation provisions would result in New Zealand being required to pay NZS at age 65 to:

- Australians and New Zealanders, who are 65 and 66, and move to New Zealand and who only meet the residential criteria for NZS through the totalisation provisions in the Agreement
- New Zealanders and Australians in Australia who are 65 and 66 who have prior residence in New Zealand of at least one year.¹⁰

26 It was estimated that the cost of not having a pension age in the SSA i.e. the cost of paying NZS to returning New Zealanders and Australians moving to New Zealand at ages 65 and 66 would be \$8.2 million a year (based on estimated numbers of 1,900 people aged 65 and 66 moving to New Zealand per year).

27 The Minister also noted that updating the SSA meant that the 'equity principle' mentioned in a February 2001 media statement of the Australian and New Zealand Prime Ministers would be maintained. Where a person needs to use the Agreement to qualify for NZS (e.g. if they are residing in Australia, or if they are residing in New Zealand but do not meet the New Zealand residence criteria in their own right), they will only be eligible for payment of NZS if they meet the age of eligibility for the AAP.

s6(a)

28 s6(a)

¹⁰ The SSA provides that a person must have at least one year of residence in either country in order to be covered by its provisions.

s6(a)

29 s6(a)

s6(a)

The SSA is

30 One of the aims of the Australia and New Zealand Joint Review on Social Security was that the new SSA should be equitable for both countries. In this context 'equitable' was defined as a fair sharing of social security costs between the two countries. Consequently, the SSA has been finely tuned to ensure the most equitable outcomes possible at a national level.

31 As previously noted, the SSA was ^{s6(a)} developed in the context of New Zealand's multifaceted relationship with Australia, and being cognisant of the range of areas in which New Zealand collaborates with Australia.

32 ^{s6(a)} Both countries share the cost of pensions and payments for the severely disabled for trans-Tasman migrants. ^{s6(a)}

s6(a)

33 s6(a)

34 s6(a)

s9(2)(g)(i)

Potential options to s9(2)(f)(iv)

35 s6(a)

The initial

options we have identified are:

- s9(2)(f)(iv)

s6(a)

36 s6(a) [REDACTED]

37 s6(a) [REDACTED]

38 s9(2)(g)(i) [REDACTED]
s6(a) [REDACTED]

39 s6(a) [REDACTED]

40 s6(a) [REDACTED]

41 In order to provide you with a detailed assessment of s6(a) [REDACTED]
[REDACTED] New Zealand's bilateral relationship with Australia, we would
need to consult the Department of Prime Minister and Cabinet, the Ministry
of Foreign Affairs and Trade, Treasury and Immigration New Zealand. We
recommend that you consult with relevant Ministers prior to us undertaking
consultation with these agencies.

42 s6(a) [REDACTED]
[REDACTED]
[REDACTED] s9(2)(g)(i)
[REDACTED]
[REDACTED]
[REDACTED]

43 s6(a) [REDACTED]

s6(a)



44 A preliminary assessment of the options is presented below. We have made an initial assessment of these options using the agreed aims for the 2000 review of the SSA noted above:

- meet the long-term income support needs of trans-Tasman migrants
- be equitable to both countries
- have reliable, workable and less complex administrative arrangements
- be consistent with the principles underlying the TTTA and CER.¹¹

s6(a)



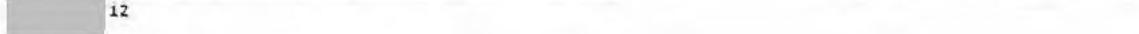
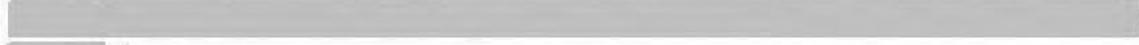
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s6(a)

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¹¹ Including to strengthen the broader relationship between Australia and New Zealand, development closer economic relations, eliminate barriers to trade, and facilitate the free movement of people across the Tasman.

s6(a)

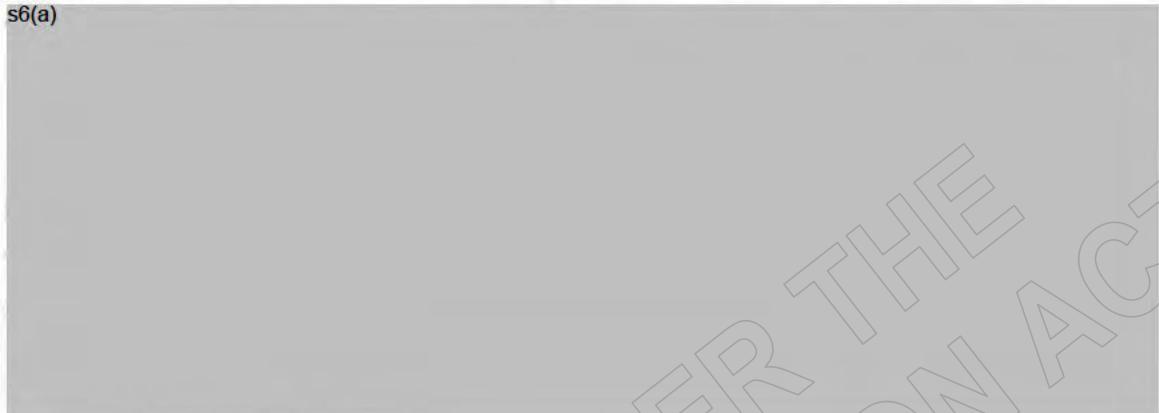


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s6(a)



47 s6(a)



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s6(a)



49 s6(a)



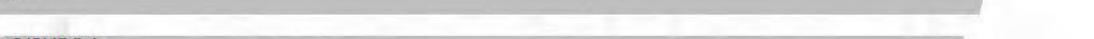
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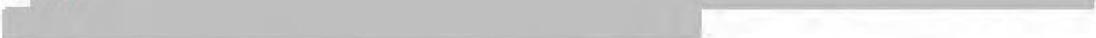
s9(2)(f)(iv)



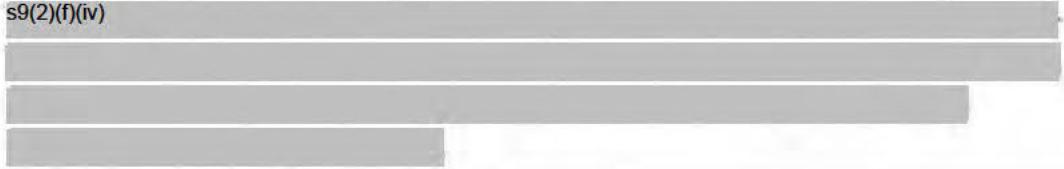
52 s9(2)(f)(iv)



12 s6(a)



53 s9(2)(f)(iv)



Out of scope

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Consultation

73 At this stage we have not consulted with other interested agencies such as MFAT and MBIE.

Next steps

74 Should you agree to s9(2)(f)(iv) the next steps would be to:

- Out of scope
-
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75

s6(a)

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Appendices

- Appendix 1: Key features of New Zealand's Social Security Agreements
- Appendix 2: Trans-Tasman client journey.

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Author: Steven Bailey, Senior Policy Analyst, International, Disability and Generational Policy

Responsible manager: Emma King, Policy Manager, International, Disability and Generational Policy

Appendix 1: Key features of New Zealand's Social Security Agreements

Key features	Description	Rationale/ Background	Australia	Out of scope
Cost-sharing SSA model	Is the standard international model for SSAs. Each country pays its pensions and benefits into the other country.	New Zealand Government announced in 1988 that it was prepared to negotiate reciprocal SSAs on a country-by-country basis and that these agreements could incorporate payment of NZ benefits in the other country. This was part of the move to provide seamless social security coverage for those who immigrated from, or emigrated to, countries other than Australia and the UK.	Yes	
Host-country SSA model	Applies to the current UK SSA, and the Australian SSA until 2001. Ensures people with the required period of NZ residence can receive UK benefits and pensions in the UK.	Underscored by the principle that a person transferring permanently from one country to another should accept the responsibilities of the country they move to and be entitled to benefits at the rates and conditions prescribed by that country.	Current SSA No – earlier SSAs Yes	
SSAs modify domestic legislation	Section 380 of the Social Security Act 2018 provides that a SSA can modify that Act, the Veterans' Support Act and the NZSRI Act to give effect to the SSA.	The SSAs must modify domestic legislation in order to include provisions like totalisation, proportionalised payments and applications from overseas residents, which provide	Yes	

		seamless coverage for people covered by a SSA.		Out of scope
Totalisation	Enables periods of residence or monetary contributions in one partner country to count as residence or contributions in the other partner country, for the purposes of qualifying for a pension.	People who have lived in more than one country may find that they do not have enough residence or contributions under a social security scheme to qualify for a pension payment (most countries have a minimum contribution period of at least ten years). The totalisation provision helps to fill the gaps in benefit protection for workers who have divided their careers between NZ and another country.	Yes	
Pension age	'Pension age' is a provision which ensures that a person cannot receive a pension under a SSA unless they have reached the pension qualification age in both partner countries.	Where the pension ages differ in partner countries this provision ensures that a migrant to the country with the lower pension age is not able to totalise to receive that country's pension before they would qualify for a pension in their home country.	Yes	
Direct deduction	The direct deduction reduces NZ entitlements by the amount of any overseas pension a person receives. In general it does not apply to NZ payments overseas.	This is the way NZ takes into account any overseas payments a person receives to prevent them being paid twice for the same period of residence or contributions. The policy is considered (by NZ) to result in an equitable outcome for overseas pensioners and lifelong NZ residents.	SSA has direct deduction provisions for certain circumstances	

Capping Provision	A feature specific to the Australia-New Zealand SSA. Ensures the amount of NZS payable in Australia is limited to no more than the amount of Australian pension ('AAP') which would otherwise be payable under the AAP income or asset test.	The new Government wanted this provision included when the SSA was renegotiated in 2001 given it provides cost-savings to the New Zealand taxpayer. This is because, generally, if an individual's NZS exceeds the amount of income and asset tested AAP they are eligible for, the New Zealand Government retains the excess amount.	Yes	Out of scope
Index linking	Pensions or benefits paid under a SSA are increased in line with inflation.	Index linking allows pensions and benefits to maintain their value as the cost of living increases.	Yes	
Exchange of information	SSAs include provisions which allow the partner countries to exchange client information (known as 'mutual assistance').	Information about mutual clients needs to be exchanged so that a SSA can be administered effectively. The Social Security Act sets out how the mutual assistance must be set up and operated. The Act also provides that a SSA cannot be brought into force unless the Privacy Commissioner has reported to Ministers on whether the mutual assistance provisions comply with the information privacy principles in the Privacy Act.	Yes	
Proportional payments	Payments to qualified residents of SSA partner countries are generally based on residence in	NZ is prepared to pay NZS and some benefits overseas, but the level of these payments should reflect the recipients residence period in NZ. The SSA payment	Yes	

	<p>NZ between the ages of 20 and 65.</p> <p>formula generally mirrors that of the general portability provisions. The direct deduction does not apply to proportionalised payments. The proportion paid by NZ and any other country the person has lived in should add up to roughly one full pension.</p>	
<p>Overseas residents can apply for payments</p>	<p>The SSAs allow people resident in a SSA country to apply for NZ benefits covered by the SSA and vice versa.</p>	<p>Generally a person must be resident and present in NZ to be able to apply for a pension or benefit. The SSAs modify this aspect of domestic legislation. Some countries also have restrictions around overseas residents applying for pensions. This modification is a key part of the SSAs providing seamless coverage as without it a person would have to remain in NZ until the age of 65 to apply for NZS.</p>
<p>Reciprocity</p>	<p>The provisions in SSAs should be reciprocal.</p> <p>SSAs are designed to coordinate the social security schemes of two or more countries in order to overcome, on a reciprocal basis, the barriers that might otherwise prevent migrant workers from receiving benefits under the system of any of the countries in which they have worked.</p>	<p>Yes</p> <p>Yes s6(a)</p>

Appendix 2: Trans-Tasman client journey

