



Cabinet Social Wellbeing Committee

Minute of Decision

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Agreement on Social Security between South Korea and New Zealand

Portfolio Social Development

On 3 April 2019, the Cabinet Social Wellbeing Committee:

- 1 **noted** that, subject to any minor and technical changes that may arise as a result of legal verification, officials have finalised the texts of the Agreement on Social Security between the Government of the Republic of Korea and the Government of New Zealand (the Agreement);
- 2 **approved** the text of the Agreement, attached to the paper under SWC-19-SUB-0027;
- 3 **agreed** that New Zealand sign the Agreement;
- 4 **noted** that the Minister of Foreign Affairs has determined that the Agreement is not a major bilateral treaty of particular significance and therefore is not subject to the Parliamentary treaty examination process under Standing Order 397;
- 5 **noted** that the New Zealand Privacy Commissioner has presented a report to the Minister of Social Development and the Minister of Justice stating that he is satisfied that the Agreement provides adequate privacy protection, and that it is reasonable to sign the Agreement and issue an Order in Council;
- 6 **noted** that once Cabinet approval has been obtained, the Ministry of Social Development will work with the Ministry of Foreign Affairs and Trade to arrange for both countries to sign the Agreement;
- 7 **noted** that once the Agreement has been signed by both countries, funding has been secured, and implementation processes which are expected to take approximately 12 months have been completed, the Parliamentary Council Office can prepare the Order in Council which will bring the Agreement into effect;
- 8 **noted** that the Agreement will generate gross fiscal savings of \$0.394 million in 2020/21, rising to \$0.521 million in the 2023/24 and outyears;

- 9 **noted** the following impacts on appropriations and that these savings will be returned to the Crown through the Budget 2020 process:

Vote Social Development Minister for Social Development	\$m - increase/(decrease)			
	2020/21	2021/22	2022/23	2023/24 & outyears
Benefits and Other Related Expenses: New Zealand Superannuation	(0.394)	(0.446)	(0.479)	(0.521)
Total	(0.394)	(0.446)	(0.479)	(0.521)

- 10 **noted** that it is estimated that implementation costs will be approximately \$2.112 million in 2019/2020 and 2020/21, and funding for these costs is subject to a Budget 2019 bid, which if successful will mean that the earliest date that people can start using the Agreement will be mid-2021;
- 11 **noted** that if the Budget 2019 bid is not successful or prioritisation against other Ministry or Ministerial priorities is not feasible, a Budget 2020 bid will be prepared, which would mean delaying implementation of the Agreement by a year, which would mean that the earliest date that people can start using the Agreement will be mid-2022;
- 12 **noted** that there are also on-going administration costs of \$0.062 million, which the Ministry of Social Development will fund from within existing baselines;
- 13 **invited** the Minister for Social Development to instruct the Parliamentary Counsel Office to prepare the required Order in Council that will give effect to the Agreement, once implementation processes have been completed.

Jenny Vickers
Committee Secretary

Present:

Rt Hon Jacinda Ardern
Rt Hon Winston Peters
Hon Grant Robertson
Hon Phil Twyford
Hon Chris Hipkins
Hon Andrew Little
Hon Carmel Sepuloni (Chair)
Hon Dr David Clark
Hon Nanaia Mahuta
Hon Stuart Nash
Hon Jenny Salesa
Hon Damien O'Connor
Hon Tracey Martin
Hon Aupito William Sio
Hon Julie Anne Genter
Jan Logie, MP

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Office of the Chair
Officials Committee for SWC

Hard-copy distribution:

Minister for Social Development