



Cabinet Social Outcomes Committee

Minute of Decision

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Changes to Welfare Settings to Support People into Employment and Off-Benefit: 26-week Reapplications for Jobseeker Support

Portfolio Social Development and Employment

On 7 August 2024, the Cabinet Social Outcomes Committee:

Establishing a 26-week reapplication process for Jobseeker Support

- 1 **agreed** that Jobseeker Support benefits will expire at 26 weeks;
- 2 **agreed** to the following settings for the 26-week reapplication process that:
 - 2.1 must be completed before the expiry (unless an exemption or extension applies) to have the Jobseeker Support benefit regranted;
 - 2.2 comprises three mandatory components:
 - 2.2.1 an eligibility check;
 - 2.2.2 an appropriate employment engagement;
 - 2.2.3 a review of, and/or setting of appropriate activities in line with obligations (completed at either the eligibility check or employment engagement); and
 - 2.3 will apply to clients on Jobseeker Support and any partners who are included in the client's Jobseeker Support benefit, with the exception of where a partner does not have work-test obligations, in which case the decision in paragraph 2.2.2 will not apply;
 - 2.4 where a partner who is required to complete an appropriate employment engagement fails to complete the engagement prior to benefit expiry (unless an exemption or extension applies), the benefit will not be regranted (the amount of benefit payable to both the primary and the partner is stopped) regardless of the primary client's compliance with the components in paragraph 2.2;
 - 2.5 the existing and any new exemptions and discretionary timeframe extensions that apply to the 52-week expiry and reapplication process (and will be retained for Sole Parent Support) will apply to the new 26-week expiry and reapplication process;
 - 2.6 requires a legislative notice period to clients of no less than 20 working days of their benefit expiry date in line with current requirements;

- 3 **noted** that to complete the 26-week reapplication process and have the Jobseeker Support benefit regranted, a client must complete all requirements for reapplication and confirm their reapplication with the Ministry of Social Development (MSD) prior to benefit expiry (unless an exemption or extension applies);
- 4 **agreed** that MSD may determine that components of a client's reapplication stated in paragraph 2.1 have been satisfied (in part or full) by utilising existing engagements up to eight-weeks prior to the start of a client's notice period, and during the notice period up until a client's 26-week expiry (a total of 13 weeks prior to expiry);
- 5 **noted** that the Minister for Social Development and Employment (the Minister) may specify further exemptions from the employment engagement component in paragraph 2.2.2;

Arrangements for clients with annual income charging

- 6 **agreed** that clients who have their income determined over 52 weeks:
 - 6.1 who receive Jobseeker Support as at 1 July 2025 will retain their 52-week period of income assessment, receive a final Review of Annual Income at the end of that period, and move to weekly income charging thereafter;
 - 6.2 who are granted Jobseeker Support from 1 July 2025 will have their weekly income determined over one week;
 - 6.3 who have their Sole Parent Support replaced by Jobseeker Support when their youngest dependent child turns 14 will, from 1 July 2025, have their weekly income determined over one week;
- 7 **agreed** to remove the temporary full-time employment period for Jobseeker Support clients;

Transitional arrangements from 1 July 2025

- 8 **agreed** that clients who are already getting Jobseeker Support on 1 July 2025 (excluding those who are covered by the transitional arrangements in paragraph 6.1), will move to the new regime within seven months of implementation, with their transitional arrangement based on the proximity of their commencement date, or last 52-week reapplication, to 1 July 2025;
- 9 **agreed** that any client receiving Sole Parent Support who transfers to Jobseeker Support on the date their youngest dependent child turns 14 will, from 1 July 2025, either maintain their current expiry date or have their expiry date reset to 26-weeks from their Jobseeker Support commencement date (whichever is earlier);

Efficient administration of the proposals

- 10 **authorised** the Minister to take detailed policy decisions to enable the use of automated decision-making for 26-week expiry and reapplications;

Authorisation

- 11 **authorised** the Minister, in consultation with other Ministers as appropriate, to take policy decisions to finalise draft legislation to implement the decisions under SOU-24-MIN-0096 in line with the overall aims of the 26-week reapplications for Jobseeker Support;

Financial implications

- 12 **agreed** to decrease spending to provide for the cost savings associated with the policy decisions above related to the introduction of a 26-week reapplication process for Jobseeker Support, with the following impacts on the operating balance and net debt:

	\$m – increase/(decrease)				
	2024/25	2025/26	2026/27	2027/28	2028/29 & Outyears
Operating Balance and Net Debt Impact	-	(11.302)	(8.729)	(8.927)	(8.927)
Operating Balance Impact Only	-	-	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	(1.580)	(1.234)	(1.275)	(1.275)
Total	-	(12.882)	(9.963)	(10.202)	(10.202)

- 13 **approved** the following changes to appropriations to give effect to the policy decisions above:

Vote Social Development Minister for Social Development and Employment	\$m – increase/(decrease)				
	2024/25	2025/26	2026/27	2027/28	2028/29 & Outyears
Benefits or Related Expenses:					
Jobseeker Support and Emergency Benefit	-	(12.882)	(9.963)	(10.202)	(10.202)
Total Operating	-	(12.882)	(9.963)	(10.202)	(10.202)

- 14 **agreed** that the operating balance and net debt impact in paragraph 12 above of savings incurred under paragraph 13 above be managed as a positive charge against the Budget 2025 operating allowance;

Legislative implications

- 15 **agreed** that amendments to the Social Security Act 2018 and associated regulations required to implement the policy changes agreed for 26-week reapplications will commence from 1 July 2025;

- 16 S 9(2)(ba)(ii) 

- 17 s 9(2)(ba)(ii)
- 18 **invited** the Minister to issue drafting instructions to the Parliamentary Counsel Office to draft amendments to the Social Security Act 2018 and associated regulations to give effect to the decisions under SOU-24-MIN-0096.

Jenny Vickers
Committee Secretary

Present:

Rt Hon Winston Peters
Hon David Seymour
Hon Nicola Willis (Chair)
Hon Dr Shane Reti
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Tama Potaka
Hon Nicole McKee
Hon Casey Costello
Hon Penny Simmonds
Hon Chris Penk
Hon Karen Chhour
Hon Nicola Grigg

Officials present from:

Office of the Prime Minister
Officials Committee for SOU
Office of the Minister for Social Development and Employment
Ministry of Social Development