

Departmental Disclosure Statement

Social Security (Subsequent Child Policy Removal) Amendment Bill
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The departmental disclosure statement for a government Bill seeks to bring together in one place a range of information to support and enhance the Parliamentary and public scrutiny of that Bill.

It identifies:

- the general policy intent of the Bill and other background policy material;
- some of the key quality assurance products and processes used to develop and test the content of the Bill;
- the presence of certain significant powers or features in the Bill that might be of particular Parliamentary or public interest and warrant an explanation.

This disclosure statement was prepared by the Ministry of Social Development.

The Ministry of Social Development certifies that, to the best of its knowledge and understanding, the information provided is complete and accurate at the date of finalisation below.

11 March 2021

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Part One: General Policy Statement

The Bill proposes to remove the subsequent child policy from the Social Security Act 2018 and Social Security Regulations 2018.

Under the current policy, if someone has another child while they are receiving a main benefit, work obligations are based on the age of their youngest non-subsequent child from the additional child's first birthday. This means that, in some instances, a parent is required to look for or enter work once their youngest child turns one or risk losing some of their benefit income due to sanctions. The application of the subsequent child policy can add further stress to the parent(s), and limit the extent to which they are able to interact with their child and to support their early development.

The subsequent child policy disproportionately impacts Māori and women, has contributed to increased complexity in the welfare system, and reduced flexibility for parents to spend time with their child or children.

The Bill includes a 56-day transition period starting on 11 October 2021 and ending with the close on 5 December 2021. This is 28 days before and 28 days after the proposed commencement date, on 8 November 2021, for the subsequent child policy removal, and covers a wide range of client scenarios. This includes the dates of benefit applications and decisions, and commencement dates, which can spread across several weeks.

The transition period ensures that, where applicable, the Ministry of Social Development (as the administering agency of the Social Security Act 2018) is required to treat clients in line with the removal of the policy. This is intended to improve the client experience by reducing complexity and ensuring fairness in the treatment of different client scenarios.

Part Two: Background Material and Policy Information

Published reviews or evaluations

2.1. Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?	YES
<p>The removal of the subsequent child policy has been informed by the findings of the Welfare Expert Advisory Group, which in turn was informed by the views of stakeholders and those who took part in the engagement process. The Welfare Expert Advisory Group's report, including background papers, can be found at:</p> <p>http://www.weag.govt.nz/weag-report/</p>	

Relevant international treaties

2.2. Does this Bill seek to give effect to New Zealand action in relation to an international treaty?	NO

2.2.1. If so, was a National Interest Analysis report prepared to inform a Parliamentary examination of the proposed New Zealand action in relation to the treaty?	NO

Regulatory impact analysis

2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?	YES
<p>The 'Impact Summary: Removing the Subsequent Child Policy' was completed on 22 July 2020 and made publicly available on 10 September 2020:</p> <p>https://www.treasury.govt.nz/publications/risa/regulatory-impact-assessment-impact-summary-removing-subsequent-child-policy</p>	

2.3.1. If so, did the RIA Team in the Treasury provide an independent opinion on the quality of any of these regulatory impact statements?	YES
<p>The 'Impact Summary: Removing the Subsequent Child Policy' was reviewed by a cross-agency Quality Assurance panel with representatives from the Treasury and the Ministry of Social Development. The panel stated that the conclusion of the options analysis seemed reasonable but more depth of evidence and analysis, particularly any adverse consequences of the current policy and off-setting operational savings from stopping it, would have made for a stronger and clearer assessment.</p>	

2.3.2. Are there aspects of the policy to be given effect by this Bill that were not addressed by, or that now vary materially from, the policy options analysed in these regulatory impact statements?	NO

Extent of impact analysis available

2.4. Has further impact analysis become available for any aspects of the policy to be given effect by this Bill?	NO

2.5. For the policy to be given effect by this Bill, is there analysis available on:	
(a) the size of the potential costs and benefits?	YES
(b) the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth?	NO
The potential costs and benefits of removing the subsequent child policy are provided in the Regulatory Impact Assessment and Cabinet paper, which are available on the Ministry of Social Development's website: https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2020/welfare-overhaul-removing-the-subsequent-child-policy.html	

2.6. For the policy to be given effect by this Bill, are the potential costs or benefits likely to be impacted by:	
(a) the level of effective compliance or non-compliance with applicable obligations or standards?	NO
(b) the nature and level of regulator effort put into encouraging or securing compliance?	NO

Part Three: Testing of Legislative Content

Consistency with New Zealand's international obligations

3.1. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with New Zealand's international obligations?
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In considering New Zealand's range of international obligations, the most relevant for this Bill is the United Nations Convention on the Rights of the Child (UNCROC). The policy in this Bill will increase New Zealand's alignment with UNCROC. In particular, Articles 3 and 5, which refer to the rights and duties of parents to support their child's wellbeing and to provide appropriate guidance.
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Consistency with the government's Treaty of Waitangi obligations

3.2. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with the principles of the Treaty of Waitangi?

The removal of the subsequent child policy was informed by the Welfare Expert Advisory Group's report, Whakamana Tāngata – Restoring Dignity to Social Security in New Zealand, which in turn was informed by the views of Māori during the Welfare Expert Advisory Group's engagement in 2018. A summary of what the Welfare Expert Advisory Group heard from Māori during its engagement process can be found at:

http://www.weag.govt.nz/assets/documents/WEAG-report/background-documents/dd486dad4/Consultation-report-010419.pdf

Consistency with the New Zealand Bill of Rights Act 1990

3.3. Has advice been provided to the Attorney-General on whether any provisions of this Bill appear to limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990?	NO
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We received confirmation from the Ministry of Justice that the Bill appears to be consistent with the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990.
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Offences, penalties and court jurisdictions

3.4. Does this Bill create, amend, or remove:	
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(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalty regimes)?	NO
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(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?	NO
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Privacy issues

3.5. Does this Bill create, amend or remove any provisions relating to the collection, storage, access to, correction of, use or disclosure of personal information?	NO
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External consultation

3.6. Has there been any external consultation on the policy to be given effect by this Bill, or on a draft of this Bill?	NO

Other testing of proposals

3.7. Have the policy details to be given effect by this Bill been otherwise tested or assessed in any way to ensure the Bill's provisions are workable and complete?	NO

Part Four: Significant Legislative Features

Compulsory acquisition of private property

4.1. Does this Bill contain any provisions that could result in the compulsory acquisition of private property?	NO

Charges in the nature of a tax

4.2. Does this Bill create or amend a power to impose a fee, levy or charge in the nature of a tax?	NO

Retrospective effect

4.3. Does this Bill affect rights, freedoms, or impose obligations, retrospectively?	NO

Strict liability or reversal of the usual burden of proof for offences

4.4. Does this Bill:	
(a) create or amend a strict or absolute liability offence?	NO
(b) reverse or modify the usual burden of proof for an offence or a civil pecuniary penalty proceeding?	NO

Civil or criminal immunity

4.5. Does this Bill create or amend a civil or criminal immunity for any person?	NO

Significant decision-making powers

4.6. Does this Bill create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?	NO

Powers to make delegated legislation

4.7. Does this Bill create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?	NO

4.8. Does this Bill create or amend any other powers to make delegated legislation?	NO

Any other unusual provisions or features

4.9. Does this Bill contain any provisions (other than those noted above) that are unusual or call for special comment?	NO