

Departmental Disclosure Statement

Social Security Amendment Bill

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.

28 November 2024.

Contents

Contents.....2

Part One: General Policy Statement..... 3

Part Two: Background Material and Policy Information 8

Part Three: Testing of Legislative Content..... 11

Part Four: Significant Legislative Features 13

Part One: General Policy Statement

Introduction

The Social Security Amendment Bill (the **Bill**) amends the Social Security Act 2018 (the **Act**) and the Social Security Regulations 2018 (the **Regulations**).

The amendments are to ensure the welfare system is focused on enhancing and extending welfare settings to support people into employment and off benefit.

The Bill responds to commitments made by Government parties in their pre-election manifesto (under the banner of Reducing Benefit Dependency) and through coalition agreements.

Context

Since the start of 2023, there has been an increase in the number of people on working-age main benefits. At the end of September 2024, there were 391,224 working-age people in New Zealand receiving a main benefit. This was up 29,130 or 8.0 percent compared to September 2023. With respect to jobseeker support, at the end of September 2024, 204,765 people were on this benefit, which was up 23,256 or a 12.8 percent increase in the past year.

There is a cost to government of benefit receipt. Currently, the cost of paying benefits to working-aged people is forecast to be \$9.341 billion in the 2024/25 financial year.

Evidence indicates employment in suitable work generally leads to improved incomes and is associated with better health and well-being for individuals and their families, while unemployment is associated with a range of negative outcomes.

Objectives of Bill

The objectives of the Bill are to—

- support reductions in the number of people receiving jobseeker support, and increase exits into employment, with a government target of 50,000 fewer people on the jobseeker support benefit by 2030;
- reduce costs to the Government by reducing benefit numbers;
- enable welfare system settings that reinforce expectations to work where appropriate;
- lift economic outcomes for people and their families through exits into work.

What Bill does to help achieve those objectives

To help achieve those objectives, the Bill—

- introduces non-financial sanctions of money management and community work experience at the red level of the traffic light system of sanctions-related communications to clients (that is, for the first failure of an obligation, or what is sometimes called a Grade 1 sanction);
- extends from 12 months to 24 months the period over which obligation failures are counted against a client, unless they are a client with youth activity obligations;
- requires certain cohorts of applicants for benefit to have a completed jobseeker profile questionnaire;
- introduces a 26-week expiry for jobseeker support and requires recipients and their partners (if they have a partner included in their jobseeker support benefit) to reapply for their benefit every 26 weeks, replacing the current 52-week reapplication;
- introduces transitional arrangements for 26-week reapplications, with specific transitional arrangements for those clients on jobseeker support receiving a

sole-parent or grand-parented rate of benefit who have their income assessed over 52 weeks:

- removes annual income charging, and the full-time employment exemption period (see section 21(3) of the Act), for jobseeker support clients and introduces a weekly income charging requirement for all jobseeker support clients to align with the 26-week benefit expiry;
- expands the current limited enabling provision to support automated decision making (**ADM**) in the 26-week reapplication process and processes within the traffic light system;
- introduces technical amendments to ensure the effective operation of the obligations and sanctions, and exemption and extensions, regime.

Traffic light system of sanctions-related communications to clients

The introduction of a traffic light system of sanctions-related communications to clients has ensured clear communication to clients of their obligations, and of the consequences if they do not meet their obligations.

Resetting expectations around employment and the use of sanctions will be vital to grapple with the recent surge in welfare dependency. This Government believes that those on the jobseeker support benefit should fulfil mutual obligations to take reasonable steps to become work-ready and find work, in return for receiving financial support from the taxpayer. Therefore, the objectives of strengthening and expanding the traffic light system are aimed at getting people into work.

Objectives of strengthening the traffic light system

The objectives of strengthening the traffic light system of sanctions-related communications to clients are to—

- strengthen the sanctions regime that applies to people with work-related and social obligations, as well as their partners;
- improve communication to clients regarding their obligations and consequences of failing obligations;
- allow more tools and supports to be available if a client fails to meet an obligation.

Introducing non-financial sanctions as an alternative to financial sanctions

This Bill will extend current settings to introduce the availability of non-financial sanctions at the red traffic light system setting that are only available for the first failure of an obligation (sometimes called a Grade 1 sanction). The Bill provides for money management and community work experience as non-financial sanctions. Non-financial sanctions will not apply to youth clients and youth partners.

Introducing requirement to have completed jobseeker profiles for applicants for certain benefits

Under current settings, MSD may assign a jobseeker profile as a pre-benefit activity by discretion for applicants of certain main benefits. The Bill will introduce the requirement for the following applicants to have a completed jobseeker profile before their application can be assessed by MSD: (a) applicants for jobseeker support; (b) applicants for sole parent support; and (c) applicants for emergency benefit, if work obligations will be set as a condition of the grant of that benefit. This requirement to have a completed jobseeker profile will also apply to spouses or partners of the above applicants. This requirement will not apply to people completing 26-week or 52-week reapplications for jobseeker support and sole parent support respectively, as they will already be having regular work-focused conversations. MSD can also remove this requirement for the applicant or their spouse or partner only where MSD determines that it is unreasonable for the individual to have a completed jobseeker profile.

Extending from 12 months to 24 months period over which obligation failures are counted

Introducing a longer count period strengthens the message regarding not failing obligations, as this change means that clients who repeatedly breach their obligations are more likely to move through the sanctions regime to benefit cancellation if they remain on benefit longer than a year. This change would likely have minimal effect on clients who spend less than a year on benefit, as it would not increase the likelihood of them reaching 3 failures any more so than a 12-month period. This change does not apply to clients who fail a youth activity obligation, due to the different nature and purpose of the Youth Service.

Other technical aspects of the traffic light system that are introduced by the Bill aim to ensure the effective operation of the obligations and sanctions regime. These include: not requiring a sanction where recompliance is completed within 5 working days of a notice of sanction being given, cancellation of benefit after sanction has been in effect for 13 weeks, and expanding on how those with work-preparation obligations can remedy their obligation failures where it is impossible to do so.

On and after 26 May 2025, any new obligation failures will remain active on a client's file for 24 months. Any obligation failures that are already active on a client's file at go live will retain the 12-month count. For all other amendments, they will come into force on 26 May 2025 and will apply to all active obligation failures as at that date, as well as any obligation failures on and after 26 May 2025.

Work gap eligibility for, and expiry and regrant of, jobseeker support

The Bill also proposes changes about work gap eligibility for, and expiry and regrant of, jobseeker support. These changes will apply on and after 1 July 2025.

26-week benefit expiry and reapplication process

The Bill introduces a 26-week benefit expiry and reapplication process for recipients of jobseeker support. To continue to receive the benefit, jobseeker support clients (and any partner included in their jobseeker support benefit) will need to meet the requirements for regrant and reapply for their benefit every 26 weeks.

The new reapplication requirements will see clients engaging with MSD more often to check their eligibility and discuss their job search or work preparation activities. This proposal will change the benefit expiry for jobseeker support to 26 weeks from commencement (or last reapplication) with newly defined requirements for regrant. Current 52-week expiry and reapplication settings will continue to apply to sole parent support with minor consequential changes.

There will be 3 components of the 26-week reapplication, and clients must confirm their obligations and declare their intention to reapply. Recent specific engagements with MSD can satisfy components of a client's reapplication, to ease the burden on clients and staff by removing duplication where possible, and to create capacity for staff to have higher quality employment engagements to—

- ensure that clients have more regular check-ins with MSD, and that MSD has a more proactive system of engagement with clients:
- create more opportunities for high-value employment engagements with clients:
- signal that jobseeker support is a temporary benefit, noting that an increase is expected in jobseeker support clients dropping off benefit (for example, by passively opting out at the reapplication, or through non-compliance with the reapplication).

Only specific engagements that have occurred in the 13 weeks before the client's expiry date will satisfy components of the reapplication. That is to ensure that those engagements remain relevant and up to date.

Amending requirements for regrant: context

The current 52-week reapplication process requires a client to complete a reapplication form and participate in a comprehensive work assessment (which operationally requires an appointment with MSD). If their partner has work obligations, they must also complete the reapplication process, including the comprehensive work assessment. There is limited flexibility in the current process and it has become compliance focused.

The 26-week reapplication process will require recipients of jobseeker support (and any partner who is included in their jobseeker support benefit) to complete an eligibility check, a type of employment engagement, and a review of, or setting of, appropriate activities intended to improve a client's ability to prepare for, find, or retain suitable paid work. The requirements can be satisfied at the same time or separately. Clients also must confirm they understand their obligations and declare their intention to reapply as the final step.

Amending requirements for regrant: employment engagement component

Additionally, the Bill provides that, in limited situations, the requirement for a client (and their partner, if any) to complete the employment engagement component of the reapplication does not apply. Those situations are as follows:

- a partner has work preparation or youth activity obligations:
- a person is exempt from all work-related obligations (including work preparation obligations):
- a person is receiving jobseeker support on the ground of a health condition, an injury, or a disability, is on unpaid sick leave or is working at a reduced capacity, and has a confirmed return-to-work date.

Allowing reapplication requirements to be met by previous specific engagements

Currently, to complete the 52-week reapplication, jobseeker support clients (and any partner included in their jobseeker support benefit) must complete all the requirements at the reapplication appointment irrespective of whether they have recently engaged with MSD.

The 26-week reapplication process will allow for specific engagements a client has with MSD (that have been determined to cover the same information required through the reapplication process) to fulfil 1 or more of the requirements for regrant.

If a client (or any partner included in their jobseeker support benefit) has completed a specific engagement in the 13 weeks before the expiry date, they only need to complete the remaining components of the reapplication and confirm their intention to reapply for jobseeker support.

Clients will always be required to confirm that they understand and agree to their obligations and confirm their intent to reapply, even if their eligibility and employment components are met through specified engagements leading up to their expiry date.

Removing annual income charging, and temporary full-time employment exemption work gap eligibility, for jobseeker support clients

Currently clients getting jobseeker support at a sole parent rate, and grand-parented jobseeker support clients, can have their income charged annually, and can work full-time for a temporary period (26 weeks).

These provisions can no longer operate effectively with a 26-week benefit expiry, so they are proposed to be removed. Transitional arrangements are included to manage this change.

Maintaining most of current exemptions and extensions regime, and changing requirements for reapplication for partners with exceptional circumstances

Currently, in limited situations, MSD can exempt a client from expiry or extend past the expiry date the time within which the client is required to complete their reapplication.

This will be maintained for the 26-week reapplication process. But 3 technical changes to the regime are proposed that will allow MSD to—

- automatically ensure that the specified benefit does not expire where the person meets 1 of the grounds in regulation 189, and reset the client's expiry date to the next expiry date for the specified benefit (26 weeks later for jobseeker support and 52 weeks later for sole parent support);
- make conditional benefit payments during an extension period despite the expiry date being surpassed while the client is in the process of completing the reapplication, to ensure they are not placed in hardship during this period;
- remove a partner's requirements for regrant where a partner is unable to complete a reapplication because of specific circumstances (1 of the exemption reasons) and allow the primary client to reapply for the couple.

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
The Ministry of Social Development (MSD) provided the Welfare Expert Advisory Group (WEAG) with advice on a number of areas to inform the group's work in 2018, including Rapid Evidence Reviews commissioned by the WEAG from MSD. A number of these are relevant to the policy to be given effect to in this Bill. These papers can be found here: https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/welfare-expert-advisory-group-report-evidence-review-papers.html	

Relevant international treaties

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

Regulatory impact analysis

2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?	YES
Changes to welfare settings to support people into employment and off benefit, Ministry of Social Development The RIS can be accessed at: https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/regulatory-impact-statements/changes-to-welfare-settings-to-support-people-into-employment-and-off-benefit.html	

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?	NO
The Regulatory Impact Statement (RIS) identified above did not meet the threshold for receiving an independent opinion on the quality of the RIS from the RIA Team based in the Ministry for Regulation. The RIS was reviewed by a panel of representatives from MSD. It received a 'partially meets' rating against the quality assurance criteria for the purpose of informing Cabinet decisions. The assessment recognised that there were constraints on the range of options able to be considered by the authors and that there was no specific public consultation on the proposals at the time of drafting (although MSD subsequently engaged with some community organisations to test Community Work Experience settings).	

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?	YES
--	------------

We note that certain aspects of the policy proposals analysed in this RIS have been modified slightly since the time this RIS was developed, however, they remain in line with the overall intent as agreed to by Cabinet. For example, as part of the Cabinet consultation process, a set period of four weeks was subsequently introduced for the non-financial sanction of Money Management. Some other key changes include: targeted consultation has since been undertaken with community organisations on the non-financial sanction of Community Work Experience; the duration (four weeks) and number of hours (five hours per week) that clients will be required to complete under Community Work Experience have since been confirmed; only a Grade 1 financial sanction (rather than Money Management) will be assigned as a replacement sanction to clients who are unable to find or complete a Community Work Experience placement with a good and sufficient reason; obligation failures will be counted against a client over a period of 24 months (rather than 104 weeks); and the requirement to complete a mandatory jobseeker profile as a pre-benefit activity will also apply to partners or spouses of applicants of certain benefit types (in addition to the applicants themselves).

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?	YES
<p>The changes in this Bill seek to make changes to welfare settings to support people into employment and off benefit, and an objective of the policy proposals in this Bill is to clearly communicate expectations of benefit receipt to avoid potential losses of income for clients. The costs and benefits of the Bill are difficult to articulate, however further analysis can be found in the RIS (specifically pages 22-26): https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/regulatory-impact-statements/changes-to-welfare-settings-to-support-people-into-employment-and-off-benefit.html</p>	

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?	YES
(b) the nature and level of regulator effort put into encouraging or securing compliance?	YES

Work-related obligations have been present in the welfare system since the introduction of the Unemployment Benefit in 1938, and social obligations since 2012. This Bill does not change these obligations, but increases the range of responses MSD can use in response to non-compliance with these obligations. The Bill also increases the period of time that failures of these obligations are counted.

The policy proposals in this Bill are focused on people complying with their obligations for benefit receipt. The Traffic Light System, introduced in August 2024, has ensured clear communication to clients of their obligations, and the consequences if they do not meet their obligations. The policy changes in this Bill will provide the alternative options of non-financial sanctions as a consequence if clients (in specific target cohorts) are not compliant with their obligations for benefit receipt (for the first obligation failure).

Further, as part of the 26-week reapplication, clients must agree to continue meeting their obligations as part of their reapplication for benefit. This enhances clients' understanding of obligations, and compliance with obligations in order to receive a benefit. This ensures that clients understand and comply with their obligations in order to continue receiving a benefit. By incorporating clients' obligations into their reapplication more intentionally, this helps to provide a greater level of support to move off benefit and into employment, allowing for financial independence.

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?
--

No specific issues relevant to international obligations were identified in the development of the policy in this Bill. As such, there have been no formal steps to determine whether the policies to be given effect by this Bill are consistent with New Zealand's international obligations.

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?

A full analysis can be found in the RIS (page 23): https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/regulatory-impact-statements/changes-to-welfare-settings-to-support-people-into-employment-and-off-benefit.html
--

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?	YES
---	------------

This is currently underway and the Ministry of Justice's advice to the Attorney-General will be publicly available at Advice on consistency of Bills with the Bill of Rights Act New Zealand Ministry of Justice upon the Bill's introduction to the House. The proposals in this Bill do not create any significant implications to right and freedoms under the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993. However, as noted in the RIS, there may be differential treatment of groups or disproportionate impacts on certain groups.

Offences, penalties and court jurisdictions

3.4. Does this Bill create, amend, or remove:	
--	--

(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalty regimes)?	NO
--	-----------

(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?	NO
---	-----------

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?	YES
---	------------

While the Bill does not change the purpose for the collection of personal information under the Social Security Act 2018, it does provide for additional personal information to be collected to achieve this purpose and effectively implement the new non-financial sanctions – Money Management and Community Work Experience. This is in accordance with Information Privacy Principle 1 of the Privacy Act 2020.

The Bill also creates a provision for collected personal information to be subject to a new Automated Decision Making (ADM) process.

We will be carrying out a comprehensive Privacy Risk Assessment to ensure MSD is meeting its obligations under the Privacy Act 2020 and the compliance requirements of the MSD ADM Standard.

3.5.1. Was the Privacy Commissioner consulted about these provisions?	YES
<p>The policy proposals in this Bill have been consulted on with the Office of the Privacy Commissioner (OPC).</p> <p>During consultation, OPC noted the following: The Privacy Commissioner was not consulted during the policy development of the 26-week re-application and non-financial sanction initiatives as required by the Cabinet Manual. ADM can provide significant efficiencies, but we also know from overseas experience that it needs to be used judiciously and with care to avoid privacy and other harms to individuals. It is not clear from the documentation that privacy risks were assessed as part of the policy development process. The Privacy Commissioner expects to see privacy risk analysis built into all phases of a policy initiative life cycle (from inception to implementation), and see that analysis reflected in the Cabinet papers and supporting documentation to ensure decision-makers are well informed.</p>	

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?	YES
<p>Officials have been unable to separately consult on the proposed changes. However, the proposals in the Bill have been campaigned on by the Government in their pre-election manifesto and through coalition agreements and are publicly available.</p> <p>We have also consulted with the Legislation Design and Advisory Committee (LDAC), particularly on aspects of the Traffic Light System. Following LDAC's advice, significant policy matters and details of non-financial sanctions are now set out in primary legislation, with minor and technical matters related to non-financial sanctions set out in secondary legislation. LDAC's advice was that doing this could increase the durability and flexibility of the legislative regime and enable MSD to ensure that non-financial sanctions are targeted in the right way.</p>	

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?	YES
<p>This Bill introduces other types of benefit sanctions that are not financial, enabling opportunities for clients to continue receiving their entire welfare payment, rather than being financially sanctioned (refer to clause 15 in the Bill).</p> <p>This Bill also introduces new requirement for applicants (and their partners) of certain benefits to have a completed jobseeker profile (referred to in the Bill as a jobseeker profile questionnaire) before they can be granted a benefit, which could affect whether a person is granted a benefit or not (refer to clause 10 of the Bill).</p> <p>Further, this Bill extends the obligation-failure count period to 24 months, which could increase the likelihood that a client will be subject to a sanction and have their benefit cancelled (refer to clause 18 in the Bill).</p>	

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?	YES
<p>The Bill replaces section 334 to provide for exceptions to benefit expiry rather than the current regime which provides exemptions from expiry if granted by MSD in its discretion (refer to clause 47 in the Bill). The exceptions will instead apply automatically in circumstances prescribed by regulations made under section 441(1) (refer to clause 55 in the Bill) (also refer regulation 189).</p>	

4.8. Does this Bill create or amend any other powers to make delegated legislation?	YES
<p>The Bill amends section 325, 332 and 441 (refer to clauses 45, 46, and 55 in the Bill) to allow for conditional payments of a specified benefit and all other assistance that would have continued to be payable to the person had their specified benefit not expired. This applies when the person qualifies for an extension to complete the requirements after the expiry date, to ensure the client is not put in hardship. Provision is also made for these conditional payments to be repaid if the requirements are not completed by the end of the extension period, or if during the extension period it is determined that the client is no longer eligible for the specified benefit (refer to clause 68 in the Bill).</p> <p>The Bill also includes a new power to make regulations prescribing transitional and/or savings provisions, if agreed by the Minister, to ensure a workable transition to the amendments made by this Bill. This regulation-making power, and any regulations made under it, cease to have effect at the start of 1 July 2028 (refer to clause 57 of the Bill which inserts clause 103 into new Part 10 of Schedule 1 of the Social Security Act 2018).</p> <p>The Bill also includes a regulation-making power for specific minor and technical aspects of non-financial sanctions (refer to clause 54 of the Bill). These aspects include:</p> <ul style="list-style-type: none"> the required manner of payment for Money Management (e.g. the proportion of a person's main benefit on Money Management or the definition of participating supplier) the duration of Money Management and Community Work Experience the required hours per week of Community Work Experience. 	

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?	YES
<p>As part of the policy proposals in this Bill, there will also be specific transitional arrangements for those clients on Jobseeker Support receiving a sole-parent or grand-parented rate of benefit. Weekly income assessment periods will become a feature of Jobseeker Support (for all clients) and therefore for those who currently have an annual income assessment period, they will have special transitional provisions. Proposals to manage those clients who already are subject to annual income assessments and have recorded income will retain their 52-week expiry. This allows those clients to complete their current assessment period and have a final review of annual income before transitioning to a weekly income assessment period thereafter (refer to clause 70 of the Bill which amends Schedule 1 of the Act by inserting new Part 14).</p> <p>These same groups can also receive an exemption to allow for temporary full-time employment of up to 26-weeks where the income does not fully abate the benefit over a period of 52 weeks. This exemption will no longer be workable in the context of a 26-week benefit expiry and will be removed by the Bill. Although, there will be transitional provisions to prescribe that temporary full-time employment can continue to the date the client's income can no longer be assessed over 52 weeks (refer to clause 70 of the Bill which amends Schedule 1 of the Act by inserting new Part 14).</p> <p>This Bill will also expand legislative authority to use Automated Decision Making (ADM). The provisions in Section 363A of the Social Security Act 2018 will be broadened to support the use of ADM for these proposals, as this currently only applies to charging information share child support payments as income. MSD has an ADM Standard to govern the development of any new MSD process that proposes to use ADM. It contains a range of appropriate safeguards that must be met when automating decisions (refer to clauses 52 and 53 of the Bill).</p> <p>This Bill also introduces a novel concept in MSD's legislation, which is the introduction of non-financial sanctions (currently Money Management and Community Work Experience) that MSD may impose on a person's first obligation failure.</p>	