

# **Social Security Amendment Bill**

Government Bill

As reported from the Social Services and Community Committee

## **Commentary**

### **Recommendation**

The Social Services and Community Committee has examined the Social Security Amendment Bill and recommends by majority that it be passed. We recommend all amendments by majority.

### **Introduction**

This bill proposes changes to welfare settings, with the aim of supporting people off benefits and into employment. The bill would complement non-legislative reforms that the Minister for Social Development and Employment began implementing in August 2024, including by creating a legislative framework for the Ministry of Social Development’s “Traffic Light System”. The system uses traffic light colours to let people know if they have failed their benefit obligations, are at risk of failing, or have had a sanction imposed on them.

Specifically, the bill as introduced would amend the Social Security Act 2018 and the Social Security Regulations 2018 to:

- require benefit recipients on Jobseeker Support to reapply for the benefit every 26 weeks, replacing the current 52-week expiry and “regrant” requirement
- introduce non-financial sanctions (money management and community work experience) as part of the Traffic Light System
- extend the period over which obligation failures are counted against a person from 12 to 24 months
- introduce mandatory “jobseeker profiles” for people applying for Jobseeker Support and Sole Parent Support, and some applicants for the Emergency Benefit.

## Legislative scrutiny

As part of our consideration of the bill, we have examined its consistency with principles of legislative quality. We have no issues regarding the legislation's design to bring to the attention of the House.

## Proposed amendments

This commentary covers the main amendments most of us recommend to the bill as introduced. We do not discuss minor or technical amendments.

## Non-financial sanctions

The bill as introduced would establish two non-financial sanctions—money management and community work experience—that the ministry could impose on certain benefit recipients who failed to comply with their obligations for the first time. We propose adding two additional non-financial sanctions to the bill, which the ministry could use as further alternatives to financial sanctions. Our proposed amendments relating to non-financial sanctions are set out below.

### Money management

Benefit recipients subject to the money management sanction would have a portion of their main benefit paid onto an electronic payment card that could only be used to purchase essential items at participating suppliers (clause 15, proposed section 236A, and clause 50, proposed section 340A). The sanction would apply for four weeks and the person would be required to recompile with all of their benefit obligations within that time.

Under clause 29 (new section 261A), a benefit recipient would only recompile with their benefit obligations after they remedy the failure, and after the prescribed time period (detailed in the “notice of non-financial sanction”) has passed. In our view, clause 29 is not sufficiently clear on how a benefit recipient is deemed to recompile with their obligations in all situations. For example, the principal Act has separate recompile requirements where a benefit recipient has failed a drug-testing obligation or where they have multiple obligation failures at the same time.

Most of us recommend amending proposed section 261A to clarify that, along with completing the designated sanction period, a person subject to the money management sanction recompile by:

- remedying all obligation failures, if multiple obligation failures apply
- recompile with their drug-testing obligation in accordance with section 263 of the Act, if their first obligation failure is a drug-testing obligation
- remedying their obligation failure(s), or in the case of a drug testing obligation failure, recompile with section 263, if their benefit is reduced to zero (but not yet cancelled).

*Concerns raised by some members of the committee*

Some of us are concerned that benefit recipients subject to money management might struggle to meet expenses that make up more than half of their benefit, such as rent.

Advisers supplied a breakdown of the percentage of total income that benefit recipients spend on housing, shown below. Advisers also told us that the ministry will have discretion around whether a non-financial sanction is to be imposed, and which one it would be. The ministry also intends to review all non-financial sanctions, including the money management scheme, after they have been operating for 12 months.

**Average weekly income and percentage of total income spent on housing costs, by benefit type<sup>1</sup>**

	Average weekly income before housing costs	Average weekly income after housing costs	Percentage of total income spent on housing costs
Emergency Benefit	\$457	\$239	47.7%
Jobseeker - Health Condition or Disability	\$457	\$221	51.6%
Jobseeker - Work Ready	\$440	\$209	52.5%
Sole Parent Support	\$612	\$350	42.8%
Supported Living Payment	\$463	\$270	41.7%
Youth Payment and Young Parent Payment	\$467	\$273	41.5%

**Community work experience**

Clause 15 (proposed section 236B) would require benefit recipients subject to the community work experience sanction to find and participate in one or more positions with a community or voluntary sector organisation that the ministry is satisfied is reasonably suitable. The bill would require them to find a suitable position within 2 weeks, and to complete at least 5 hours a week in this position for at least 4 weeks.

Most of us recommend two main changes to these provisions to clarify that:

- the ministry must be satisfied that the community or voluntary sector organisation, and the position within the organisation, are both “reasonably suitable” (section 236B(4)(a)(i))
- where the sanctioned individual finds and commences one or more suitable community work experience positions that start before the end of the 2-week “prescribed search period”, their 4-week “prescribed minimum number of weeks” begins when they commence the first of those positions (sections 236B(4)(a)(iii) and (b)(ii)).

<sup>1</sup> Departmental report | Ministry of Social Development, p 7.

### **New non-financial sanctions: report job search and upskilling**

After hearings on the bill had concluded, the ministry provided advice that recommended we add two new non-financial sanctions to the bill. These are:

- “report job search”—sanctioned beneficiaries must undertake, and report to the ministry on, a minimum of three suitable job-search activities every week for four weeks. Sanctioned jobseekers must also provide the ministry with evidence of these activities at the end of the sanction period.
- “upskilling”—sanctioned beneficiaries must attend and participate in employment-related training courses or programmes for a minimum of five hours a week for four weeks, and report weekly to the ministry on their participation. Sanctioned jobseekers must also provide the ministry with evidence of their reported courses or programmes at the end of the sanction period.

We note that the new sanctions were not subject to feedback during public submissions. However, most of us consider that they are appropriate and should be incorporated into the bill. To this effect, most of us recommend inserting clause 15B, which would insert new sections 236E to 236J into the Act. Proposed sections 236E to 236G detail the report job search sanction requirements, consequences for failing to meet requirements under this sanction, and provisions for the ministry to impose a replacement sanction if there are good and sufficient reasons why a person cannot meet the requirements of this sanction. New sections 236H to 236J make similar provisions for the upskilling sanction.

Most of us also recommend several consequential amendments to incorporate these new sanctions into the rest of the bill and align them with the two existing non-financial sanctions in the bill as introduced.

### **Safeguards to ensure appropriate sanction is used**

Given the number of different non-financial sanctions in the bill, we want to ensure that the ministry is applying the most appropriate one. Consequently, most of us recommend inserting an identical provision under each non-financial sanction stating that the ministry must be satisfied that it is appropriate in the circumstances to impose that non-financial sanction, and that it is more appropriate to impose that sanction than any other. These can be found in clause 15 (proposed sections 236A(1)(c) and 236B(1)(c)) and clause 15B (proposed sections 236E(1)(f) and 236H(1)(e)).

### **Exclusions for certain sanctions**

It is important that non-financial sanctions are used appropriately. Most of us recommend adding the following exclusions for when specific non-financial sanctions can be imposed:

- benefit recipients who do not have active work-test obligations cannot have community work experience or report job search sanctions imposed

- benefit recipients who have failed multiple obligations or whose first failure is in relation to drug-testing obligations cannot have community work experience, report job search, or upskilling imposed.

To do this, most of us recommend amending the eligibility criteria for each sanction in clauses 15 and 15B to state these exclusions. This would involve inserting subsections (ba) to (bc) in section 236B(1) (community work experience), and including sections 236E(1)(c) to (e) and 236H(1)(c) to (e) in our proposed new sections related to the report job search and upskilling sanctions.

### **Non-compliance with sanction requirements**

In the bill as introduced, failing to meet the requirements of a non-financial sanction would result in the benefit recipient's payments being reduced to zero the day after the sanction period ends, regardless of whether the benefit recipient had a good and sufficient reason or a reasonable opportunity to meet the requirements of the sanction. Most of us recommend several amendments to clause 15 to improve the bill's workability. We discuss these below in relation to the community work experience sanction in sections 236C and 236D, but propose equivalent provisions in clause 15B relating to report job search (sections 236E to 236G) and upskilling (sections 236H to 236J).

#### *Adding a reasonable period to verify compliance*

We consider it likely that there will be situations where the ministry cannot verify whether the benefit recipient has found a reasonably suitable position until after the search period is over, or has met the requirements of their community work experience sanction until after the sanction period is over. This could result in benefit payments being unjustly reduced while the ministry is assessing whether the requirements have been met.

To avoid this, most of us recommend inserting a 5-day assessment period for benefit recipients to provide evidence to the ministry that they have met the requirements of their sanction, and for the ministry to assess whether that evidence is satisfactory. This can be found in proposed sections 236C(1)(a), (2), and (3).

Most of us recommend that equivalent provisions be included in proposed new sections for report job search and upskilling (see sections 236F and 236I).

#### *Determining date when benefit recipient has not met requirements*

In the bill as introduced, section 236C(5) states that a benefit recipient's payments must be reduced to zero from the first day of the week in which they stopped complying with their community work experience requirements. Section 236C(2) states that they are deemed to have not met the requirements if they have not contacted the ministry by the end of either the 2-week "prescribed search period" or the 4-week minimum sanction period.

Most of us recommend amending sections 236C(2) and (5) so that, where the ministry cannot determine the exact date that the benefit recipient stopped meeting their requirements, non-compliance would take effect:

- from the first day after the search or placement period (whichever is applicable) if the benefit recipient has not contacted the ministry about their non-compliance in the relevant period
- on the first day of the search or placement period if the benefit recipient has contacted the ministry but did not provide sufficient information for the ministry to determine the date when requirements stopped being met.

We also recommend that equivalent provisions be inserted for report job search (see section 236F(5)) and upskilling (see section 236I(5)).

*Replacement sanction where benefit recipient cannot meet obligations due to good and sufficient reason*

In the bill as introduced, if a benefit recipient were to provide a good and sufficient reason why they cannot meet their community work experience sanction requirements, the ministry must impose a replacement sanction. This replacement sanction would be to reduce the rate of the recipient's main benefit by half until the person recomplies. We consider that the bill is not sufficiently clear about the processes for replacement sanctions, and when they take effect.

Most of us recommend amending sections 236C and 236D to clarify that:

- in situations where a benefit recipient has a good and sufficient reason for not meeting the requirements of the sanction, they must inform the ministry within a reasonable period to be able to receive a replacement sanction (sections 236C(4) and 236D(1)(b))
- a replacement sanction would not be imposed if the recipient satisfies the ministry of their good and sufficient reason after the sanction period is over (section 236D(1)(b))
- recipients who do not inform the ministry of their reason for failing requirements within a reasonable period would be considered non-compliant (section 236C(4)(b))
- if a person is found to be non-compliant because they informed the ministry within a reasonable period but outside of the sanction period, the ministry must reduce the rate of their main benefit to zero with effect from the end of the sanction period (section 236C(6)).

We also recommend equivalent sections for non-compliance with the report job search and upskilling sanctions, proposed through sections 236F to 236G, and 236I to 236J. For these sanctions, the non-compliance would take effect from the day after the sanction period ends.

## **Amendments to main benefit requirements**

### **Clarifications around mandatory jobseeker profiles**

Jobseeker profiles record information such as previous work experience, job choices, qualifications, driver licence attainment, and work location preferences. Under cur-

rent settings, many benefit recipients with work-test obligations have a jobseeker profile. The bill would require anyone applying for Jobseeker Support, Sole Parent Support, or the Emergency Benefit (if they are likely to have grant conditions that are similar to work-test obligations), to have a completed jobseeker profile as a mandatory pre-benefit activity. It would also require the applicant's partner or spouse, if relevant, to have a completed jobseeker profile as well.

These requirements are set out in clause 10, new sections 183A to 183D. Most of us recommend three amendments to proposed section 183A to clarify aspects of this requirement:

- inserting new subsection (3A) to define the jobseeker profile as a form provided by or on behalf of the ministry to a person (or their spouse or partner), to record the person's (or their spouse or partner's) work experience, qualifications, and work preferences
- amending subsection (3) to exclude spouses and partners of applicants from the requirement to have a completed jobseeker profile if they have, or are likely to have, youth activity obligations once the benefit is granted (this would be consistent with youth activity obligations on those receiving the Youth Payment or the Young Parent Payment)
- a tidy-up amendment to subsection (4)(b) to state that the ministry may waive the jobseeker profile requirement if it considers that the requirement is "not" reasonable at any time during the application process, rather than just if it is "no longer" reasonable.

### **Reapplication requirements for Jobseeker Support recipients**

Regulation 187 of the Social Security Regulations sets out the expiry date for Jobseeker Support. Clause 64 of the bill would change this from 52 to 26 weeks for Jobseeker Support recipients.

Regulation 190 of the Social Security Regulations 2018 sets out requirements for regrant of specified benefits. Clause 66 of the bill as introduced would replace regulation 190 with regulations 190H to 190O to set out the new requirements that apply to reapplication for Jobseeker Support. As introduced, regulation 190I states that Jobseeker Support must not be regranted unless requirements under regulation 190I(1)(a) to (c) are completed within 13 weeks before the expiry date. However, we note that requirements (a) and (b) can only be completed on or after the date when the benefit recipient is notified under section 335 of the Act, which will be towards the end of the 13-week period.

Most of us recommend amending regulations 190H to 190O to ensure that only the requirements under 190I(1)(c) must be completed within the 13-week period before expiry. This amendment would insert new regulation 190HA to clarify that the period for completing the requirements under regulation 190I(1)(a) and (b) begins when the ministry gives notice under section 335, and ends at the close of the day before the expiry date.

## **New Zealand Labour Party differing view**

The Labour Party opposes this bill based on the following reasons:

### **Impact on jobseekers:**

Making jobseekers re-apply every 26 weeks is increasingly a frustrating experience. It is designed to force people off the benefit, regardless of whether they are going into employment.

Enforcing money management as a non-financial sanction could lead to a variety of issues, especially if beneficiaries spend more than half of their entitlements on rents and household bills such as water and power.

In 2019, the Welfare Expert Advisory Group recommended that 52-week reapplication requirements be removed, citing that “there is little evidence in support of using obligations and sanctions (as in the current system) to change behaviour; rather, there is research indicating that they compound social harm and disconnectedness”.

Not only has this Government ignored this, they have doubled this obligation.

The Welfare Expert Advisory Group also recommended that money management be abolished.

This Government is essentially admitting it would rather punch down on our most vulnerable rather than do anything to help them materially improve their lives.

### **MSD’s operational capacity**

MSD admitted during scrutiny week that it is already “under pressure”, as its frontline operational capacity has remained broadly unchanged and there have been over 700 cuts to its backroom staff.

The rise in main benefit recipients now means it must serve an additional 30,000 more people, and we have already seen a decline in accurate assessment, with one in four beneficiaries not receiving their full entitlements.

Now, the Government has heaped more pressure on MSD’s operational capacity, essentially doubling the amount of jobseeker applications MSD must process in any given year (notwithstanding the forecast rise in jobseeker numbers).

This is on top of other requests the Government has heaped on MSD, such as implementing the traffic light system, increasing the amount of jobseekers eligible for case management, increasing the amount of sanctions imposed on beneficiaries, and increasing the amount of meetings jobseekers must attend.

Not only are most of these extra requirements counter-productive and do nothing to get jobseekers into work, but there are also serious doubts as to whether MSD has the capacity to implement them.

### **Regulatory Impact Statement**

The RIS for this bill highlights that one of the consequences may be that MSD will have to direct more resources towards compliance, and therefore away from employ-

ment initiatives. They will be required to put less resources into helping beneficiaries into work.

Research cited in the RIS highlights that sanctions may increase mental and physical health problems, including substance abuse and poverty.

The RIS highlights that previous work on reapplications showed that cancellations of the benefit as part of the reapplication process often led to a new application, suggesting procedural denials rather than ineligibility.

The RIS also highlighted that focussing on those close to a return to work via case management was almost certainly to the detriment of long-term beneficiaries.

### **Green Party of Aotearoa New Zealand differing view**

The Green Party condemns the Social Security Amendment Bill in its strongest terms. This bill will only serve to push people further into poverty and will not support people's employment aspirations.

We condemn the lack of evidence presented by the Minister in charge of the bill to justify the new benefit sanctions in the bill. Despite multiple requests, we were not presented evidence that there had been consultation with people affected by benefit sanctions on the impact on families, nor materials that showed the benefit sanctions would have a positive impact on people's employment prospects. Instead, the material in the Regulatory Impact Statement, the departmental report, and evidence from submitters points to the reality that the provisions in the Social Security Amendment Bill will increase material hardship and potentially homelessness.

We are concerned that the Social Security Amendment Bill refers to "non-financial" sanctions when the sanctions in the bill have clear financial impacts on families: people will not be able to access hardship assistance while under any of these "non-financial" sanctions, and the average jobseeker beneficiary will not be able to keep a roof over their head if subjected to compulsory money management.

We are also concerned about the bill's impact on disabled people. We know from submitters that disabled people face work related obligations. We have also been told that many people on the jobseeker benefit should instead be on the Supported Living Payment but have faced barriers to accessing their correct entitlements.

The fact that recent reports show 41 percent of benefit entitlements are not being correctly assessed, and advocacy groups report that most benefit sanctions they see applied are easily overturned when a Review of Decision is lodged, raises concerns that the use of discretion given to frontline Work and Income case managers will not be applied correctly. This is particularly important due to the fact that discretion will be used to ascertain whether any of the sanctions outlined in the bill are appropriate.

We are also disappointed with the fact that the Minister chose to curtail the information available to members of the committee evaluating this bill by preventing officials from answering questions put to them. This has undermined our ability to ascertain the Ministry of Social Development's approach to things like employment targets in

relation to the work-related obligations that people have to comply with to avoid the benefit sanctions outlined in this bill.

The Greens recommend this bill be discharged by the Government and instead for the Government to focus on tackling child poverty, homelessness, and wealth inequality

## Appendix

### Committee process

The Social Security Amendment Bill was referred to the committee under urgency on 10 December 2024. (The calendar date was 12 December 2024). The House instructed us to report the bill back no later than 22 April 2025.

We called for submissions on the bill with a closing date of 10 January 2025. We received and considered submissions from 3,528 interested groups and individuals. We heard oral evidence from 119 submitters at hearings in Wellington and via video-conference.

Advice on the bill was provided by the Ministry of Social Development. The Office of the Clerk provided advice on the bill's legislative quality. The Parliamentary Counsel Office assisted with legal drafting.

### Committee membership

Joseph Mooney (Chairperson)

Paulo Garcia

Hon Willie Jackson (from 12 March 2025)

Takutai Tarsh Kemp

Laura McClure

Ricardo Menéndez March

Hon Willow-Jean Prime (until 12 March 2025)

Maureen Pugh

Hon Carmel Sepuloni (until 12 March 2025)

Tanya Unkovich

Helen White (from 12 March 2025)

Mariameno Kapa-Kingi participated in our consideration of this item of business.

### Related resources

The documents we received as advice and evidence are available on the Parliament website.



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**Key to symbols used in reprinted bill**

**As reported from a select committee**

text inserted by a majority

~~text deleted by a majority~~



*Hon Louise Upston*

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**The Parliament of New Zealand enacts as follows:**

**1 Title**

This Act is the Social Security Amendment Act **2024**.

**2 Commencement**

*General rule: commencement on 26 May 2025* 5

(1) This Act comes into force on 26 May 2025.

**(1A) Subsection (1) is subject to subsections (2) and (3).**

*Exception: commencement on 1 July 2025*

(2) ~~However, the~~ The following sections (about work gap eligibility for, and expiry and regrant of, jobseeker support and other specified benefits) come into force on 1 July 2025: 10

*Amendments to Social Security Act 2018*

(a) **section 5** (section 21 amended (what is work gap)):

(b) **section 45** (section 325 amended (general rule if person's entitlement to benefit ceases)): 15

(c) **section 46** (section 332 amended (general rule)):

(d) **section 47** (section 334 replaced):

- (e) **section 53** (section 363A amended (use of automated electronic systems to make decisions, exercise powers, comply with obligations, and take related actions)):
- (f) **section 55** (section 441 amended (regulations: expiry and regrant of specified benefits)): 5  
*Amendments to Social Security Regulations 2018*
- (g) **section 62** (regulation 165 amended (guide to Part 6)):
- (h) **section 64** (regulation 187 amended (expiry date for jobseeker support)):
- (i) **section 65** (regulation 189 replaced): 10
- (j) **section 66** (regulation 190 replaced):
- (k) **section 68** (regulation 206 amended (debts due to the Crown)):
- (l) **section 71** (Schedule 6 amended).  
*Exception: commencement on 20 October 2025*
- (3) The following sections (about the non-financial sanctions that are report job search and upskilling) come into force on 20 October 2025: 15  
*Amendments to Social Security Act 2018*
- (a) **section 6(2)** (section 119 amended (person who fails to comply with requirement to undergo work ability assessment is subject to sanction)):
- (b) **section 7(2)** (section 126 amended (person who fails to comply with work-preparation obligation subject to sanction)): 20
- (c) **section 8(1A)** (section 136 amended (person who fails to comply with obligations in relation to dependent children is subject to sanction)):
- (d) **section 8A(1)** (section 181 amended (application of health and safety legislation, etc)): 25
- (e) **section 11(1A)** (section 232 amended (sanctions for failure to comply with certain obligations under this Act)):
- (f) **section 12(2)** (new **section 233A** inserted (cancellation of main benefit for continuing failure to comply)):
- (g) **section 13(3)** (section 234 amended (hierarchy of sanctions)): 30
- (h) **section 15A (section 236** amended (sanction for first failure: reduction of rate of main benefit)):
- (i) **section 15B** (new **sections 236E to 236J** inserted):
- (j) **section 17(2)** (section 239 replaced (reduction or suspension of reduced benefit)): 35
- (k) **section 20(1A)** (section 245 amended (variation for breach of work-test obligation by 1 spouse or partner)):

- (l) **section 21(1A)** (section 246 amended (variation for breach of work-test obligation by both partners or spouses));
- (m) **section 22(2A)** (section 247 amended (variation for suspension or cancellation of benefit or non-entitlement period affecting couple with 1 or more dependent children)); 5
- (n) **section 23(2A)** (section 248 amended (variation for suspension or cancellation of main benefit or non-entitlement period affecting sole parent));
- (o) **section 24(2A) and (4)** (section 252 amended (MSD must give notice of sanction)); 10
- (p) **section 25(2) and (3)** (new **section 252A** inserted (MSD must give notice of non-financial sanction));
- (q) **section 27(4)** (section 256 amended (when reduction, suspension, or cancellation of benefit takes effect));
- (r) **section 28(2)** (section 261 amended (how person recomplies after failure to comply with obligation)); 15
- (s) **section 29A** (new **sections 261C and 261D** inserted);
- (t) **section 42(2A)** (section 320 amended (effect of no longer being subject to work-test or young person obligations));
- (u) **section 43(2)** (section 321 amended (effect of no longer being subject to dependent children obligations)); 20
- (v) **section 44(2)** (section 322 amended (effect of no longer being subject to work-preparation obligations));
- (w) **section 54(1A)** (section 418 amended (regulations: general));
- (x) **section 58(1B) to (1E)** (Schedule 2 amended); 25  
*Amendments to Social Security Regulations 2018*
- (y) **section 60(2)** (regulation 163 amended (guide to Part 5));
- (z) **section 61A** (new regulations 163C and 163D inserted).

## Part 1

### Amendments to Social Security Act 2018

30

#### 3 Principal Act

This Part amends the Social Security Act 2018.

#### 4 Section 5 amended (Guide to this Act)

In section 5(4), after “for example,”, insert “jobseeker profile-questionnaires”.

**5 Section 21 amended (What is work gap)**

Repeal section 21(3).

**6 Section 119 amended (Person who fails to comply with requirement to undergo work ability assessment is subject to sanction)**

(1) In section 119, after “section 236,”, insert “**236A, 236B,**”. 5

(2) In section 119, after “**236B,**”, insert “**236E, 236H,**”.

**7 Section 126 amended (Person who fails to comply with work-preparation obligation subject to sanction)**

(1) In section 126, after “section 236,”, insert “**236A, ~~236B,~~**”.

(2) In section 126, after “**236A,**”, insert “**236H,**”. 10

**8 Section 136 amended (Person who fails to comply with obligations in relation to dependent children is subject to sanction)**

(1) In section 136(1), after “section 236,”, insert “**236A, 236B,**”.

(1A) In section 136(1), after “**236B,**”, insert “**236E, 236H,**”.

(2) In section 136(2), replace “section 243” with “**section 243AAA, 243,**”. 15

**8A Section 181 amended (Application of health and safety legislation, etc)**

(1) Replace section 181(1)(a) with:

(a) is doing work as part of a job-search activity—

(i) in accordance with P’s work-test obligations; or

(ii) under **section 236E** (sanction for first failure: report job search: 20  
general); or

(iii) under section 261 (how person recomplies after failure to comply 25  
with obligation); or

(iv) under **section 261C** (how person recomplies after failure that 25  
resulted in imposition of report job search); or

(v) under section 324 (effect of participation in certain activities on 25  
non-entitlement period); or

(2) Replace section 181(1)(b) with:

(b) is a beneficiary and is doing work as part of—

(i) an employment-related activity arranged by MSD; or 30

(ii) an activity in the community arranged by MSD.

**9 Section 183 amended (What this Part does)**

Before section 183(2)(a), insert:

(aaa) jobseeker profile-questionnaires:

**10 New sections 183A to 183D and cross-heading inserted**

In Part 4, after the subpart 2 heading, insert:

*Factors affecting benefits: jobseeker profile-questionnaires*

**183A Requirement to have completed jobseeker profile-questionnaire**

*When this section applies*

- (1) This section applies if—
- (a) ~~a person contacts~~ MSD is contacted by a person (P) (or by some other person acting on P's behalf) requesting financial assistance under this Act for P; and
  - (b) the ~~person's~~ request for financial assistance for P is not ~~one~~ a request for the regrant under section 336 of a specified benefit (as defined in section 331) that is—
    - (i) jobseeker support; or
    - (ii) sole parent support; and
  - (c) MSD considers that—
    - (i) the appropriate financial assistance would be a benefit that is jobseeker support or sole parent support; or
    - (ii) the appropriate financial assistance would be a benefit that is an emergency benefit and, if that financial assistance were granted to ~~the person P~~, ~~the person P~~ would, or would likely, be subject to conditions that are or include ~~to~~ that P be available for, and take reasonable steps to obtain, suitable employment.

*Requirement for ~~person P~~*

- (2) MSD must require ~~the person P~~ to have a jobseeker profile questionnaire (being a questionnaire provided to the person by MSD) completed to MSD's satisfaction.

*Requirement for specified spouse or partner of ~~person P~~*

- (3) If ~~the person P~~ has a spouse or partner who is not, in the spouse's or partner's own right, receiving or applying for a main benefit under this Act, New Zealand superannuation, or a veteran's pension, and who is not, or is not likely to be, subject to obligations under section 166 or 167, MSD must also require ~~the person P's~~ spouse or partner to have a jobseeker profile questionnaire (being a questionnaire provided to the person's spouse or partner by MSD) completed to MSD's satisfaction.

*Jobseeker profile*

- (3A) In this section and sections 183B to 183D, jobseeker profile means a form provided—
- (a) by or on behalf of MSD to P or P's spouse or partner; and

- (b) to enable P or P's spouse or partner, by completing the form, to record P's or P's spouse or partner's work experience, qualifications, and work preferences.

*Form and revocation of requirement*

- (4) A requirement under **subsection (2) or (3)**— 5
- (a) may be oral or written; and
- (b) may be revoked orally or in writing if, and only if, MSD considers the requirement is ~~no longer~~ not reasonable in the circumstances of ~~the person P, of the person P's spouse or partner, or of both.~~

**183B If person does not have questionnaire jobseeker profile completed** 10

- (1) MSD is not required under section 298(1) to inquire into a claim for any benefit referred to in **section 183A(1)** made by or on behalf of a person (P) specified in **section 183A(1)** unless—
- (a) ~~the person P has the questionnaire referred to in **section 183A(2)** jobseeker profile completed to MSD's satisfaction; or~~ 15
- (b) MSD has revoked the requirement ~~for the person to have that questionnaire~~ under **section 183A(2)** for P to have the jobseeker profile completed to MSD's satisfaction.
- (2) **Subsection (1)** applies whether or not ~~the person has completed~~ an application for a benefit has been completed by or on behalf of P. 20
- (3) Any application for a benefit made by ~~the person~~ or on behalf of P lapses unless—
- (a) ~~the person has the questionnaire referred to in **section 183A(2)**~~ P has the jobseeker profile completed to MSD's satisfaction within the period allowed under **section 183D(1)**; or 25
- (b) MSD has revoked the requirement ~~for the person to have that questionnaire~~ under **section 183A(2)** for P to have the jobseeker profile completed to MSD's satisfaction.

**183C If person's spouse or partner does not have questionnaire jobseeker profile completed** 30

- (1) This section applies if—
- (a) a person specified in **section 183A(1)** (P) has a spouse or partner who is required to have a jobseeker profile ~~questionnaire~~ completed to MSD's satisfaction under **section 183A(3)**; and
- (b) ~~the person's P's spouse or partner fails to have the questionnaire referred to in **section 183A(3)** jobseeker profile completed to MSD's satisfaction within the period allowed under **section 183D(1)**.~~ 35
- (2) If this section applies under **subsection (1)**, it applies until—

- (a) ~~the person's P's spouse or partner has the questionnaire referred to in **section 183A(3)** jobseeker profile completed to MSD's satisfaction; or~~
- (b) MSD revokes the requirement ~~for the person's spouse or partner to have that questionnaire under **section 183A(3)** for P's spouse or partner to have the jobseeker profile completed to MSD's satisfaction.~~ 5
- (3) ~~The person P~~ receives the following forms of assistance (if all or any of them is granted) at the following rate or rates only:
- (a) any benefit referred to in **section 183A(1)** that ~~the person P~~ is granted, at half of the rate of that benefit payable to a beneficiary—
- (i) who is in a relationship; and 10
- (ii) whose spouse or partner is not granted a benefit in the spouse's or partner's own right; and
- (b) the accommodation supplement, temporary additional support, or both (if any), to which ~~the person and the person's P and P's spouse or partner~~ would apart from this subsection be entitled, at half of the otherwise applicable rate or rates. 15

### 183D Period allowed for completion

#### *Default period allowed*

- (1) The period allowed (*see* **sections 183B(3)(a) and 183C(1)(b)**) is—
- (a) the period that— 20
- (i) starts on the date of first contact by ~~the person~~ or on behalf of P; and
- (ii) ends on the 20th working day after that date; or
- (b) a longer period allowed by MSD under **subsection (2)**. 25

#### *MSD may allow longer period*

- (2) Before or after the end of the 20-working-day period referred to in **subsection (1)(a)**, MSD may allow ~~a person P or P's spouse or partner~~ a longer period if MSD considers that good and sufficient reason exists for ~~the person P or P's spouse or partner~~ not being able to have the ~~questionnaire jobseeker profile~~ completed to MSD's satisfaction within that 20-working-day period. 30

## 11 Section 232 amended (Sanctions for failure to comply with certain obligations under this Act)

- (1) Replace section 232(2)(a) with:
- (a) reduction ~~in of the rate of~~ a main benefit or imposition of a non-financial sanction in accordance with **sections 236, 236A, and 236B**: 35
- (1A) In section 232(2)(a), replace “and 236B” with “236B, 236E, and 236H”.
- (2) After section 232(2), insert:

- (3) MSD must not impose under this section a non-financial sanction on a young person to whom section 276(2)(a) or (b) or 278(2)(a) or (b) applies.
- (4) This section is subject to sections **243AAA**, 243, and 245 to 248.

**12 New section 233A inserted (Cancellation of main benefit for continuing failure to comply)**

5

- (1) After section 233, insert:

**233A Cancellation of main benefit for continuing failure to comply**

- (1) MSD must cancel a person's (P's) main benefit if—
- (a) MSD has, under section 232, imposed a sanction described in subsection (2)(a) or (b) of that section on P; and 10
- (b) P fails to re-comply, within 13 weeks after the sanction ~~took~~ takes effect, with each obligation—
- (i) for which the sanction was imposed for a failure to comply with; and
- (ii) that P has not ceased to have (including, without limitation, under 15 section 321 or 322); and
- (c) section 320 does not apply to P.
- (2) On cancellation under this section of P's main benefit, to be again entitled to a main benefit under this Act, P must apply for the benefit and establish that P is eligible for it. 20
- (3) This section is subject to sections **236D(3)(d)** and 245 to 248.

- (2) In section 233A(3), after “236D(3)(d)”, insert “, 236G(3)(d), 236J(3)(d),”.

**13 Section 234 amended (Hierarchy of sanctions)**

- (1) In section 234, after “The sanction that MSD must impose under section 232(1)”, insert “(subject to **section 232(3) and (4)**)”. 25
- (2) Replace section 234(a) with:
- (a) for a first failure, reduction ~~in~~ of the rate of a main benefit or imposition of a non-financial sanction in accordance with **sections 236, 236A, and 236B:**
- (3) In section 234(a), replace “and 236B” with “236B, 236E, and 236H”. 30

**14 Section 235 amended (Failure, and first, second, and third failure, defined for obligations other than young person or young parent obligations)**

In section 235, replace the definitions of **failure**, **first failure**, **second failure**, and **third failure** with:

**failure**, in relation to a person, means a failure—

- (a) by the person, or in relation to the person's dependent children or the person's spouse or partner's dependent children, to comply with an obligation that is specified in section 233; and
- (b) that occurred at any time (however, if it occurred more than 24 months or, if applicable, 12 months, before the failure for which the calculation is made, then *see also* section 242(1) and (3) and, if applicable, the express modifications made to section 242(1) and (3) by **sections 287 and 287A**); and
- (c) that, for the purposes of section 242(1), is taken to have occurred on the date MSD decides that the person has, as a beneficiary, failed, without a good and sufficient reason, to comply with the appropriate obligation (*see* section 242(2))

**first failure**, in relation to a person, means a failure (as defined in this section)—

- (a) by the person, or in relation to the person's dependent children or the person's spouse or partner's dependent children; and
- (b) that is the first one by the person, or in relation to the person's dependent children or the person's spouse or partner's dependent children

**second failure**, in relation to a person, means a failure (as defined in this section)—

- (a) by the person, or in relation to the person's dependent children or the person's spouse or partner's dependent children; and
- (b) that occurs after the person has recomplied with the obligation to which a first failure related

**third failure**, in relation to a person, means a failure (as defined in this section)—

- (a) by the person, or in relation to the person's dependent children or the person's spouse or partner's dependent children; and
- (b) that occurs after the person has recomplied with the obligation to which a second failure related.

## 15 Sections 236 and 237 replaced

Replace sections 236 and 237 with:

### 236 Sanction for first failure: reduction ~~in~~ of rate of main benefit

*Eligibility*

- (1) This section applies to a person (**P**) if P has a first failure, and either—
  - (~~ba~~) P does not meet the eligibility requirements in sections 236A(1)(b) and 236B(1)(b) ~~do not apply to P~~ because—

<ul style="list-style-type: none"> <li>(i) P is not subject to active case management by MSD; and</li> <li>(ii) P does not have 1 or more dependent children; or</li> </ul> <p>(<b>eb</b>) <u>P does meet the eligibility requirements in sections 236A(1)(b) and 236B(1)(b)</u> <del>do apply to P</del>, and MSD does not impose a non-financial sanction for P's first failure.</p> <p><i>Imposition</i></p> <p>(2) If this section applies to P, MSD must, for the first failure of P, reduce <u>the rate of P's main benefit</u> by half until P recomplies.</p> <p><i>Effect</i></p> <p>(3) If <u>the rate of P's main benefit</u> is reduced by half under this section, MSD must not, for the first failure of P, do the following:</p> <ul style="list-style-type: none"> <li>(a) impose money management; or</li> <li>(b) impose community work experience.</li> </ul> <p>(4) If P fails to recompile within 4 weeks after the initial reduction under this section takes effect, MSD must reduce <u>the rate of P's main benefit</u> to zero until the earlier of the following events:</p> <ul style="list-style-type: none"> <li>(a) P recomplies;</li> <li>(b) MSD cancels P's main benefit under <b>section 233A</b>.</li> </ul> <p><i>Relationship with other sections</i></p> <p>(5) This section is subject to sections <b>243AAA</b>, 243, 245 to 248, and 320 to 322.</p> <p><b>236A Sanction for first failure: money management</b></p> <p><i>Eligibility</i></p> <p>(1) This section applies to a person (<b>P</b>) if—</p> <ul style="list-style-type: none"> <li>(a) P has a first failure; and</li> <li>(b) either— <ul style="list-style-type: none"> <li>(i) P is subject to active case management by MSD; or</li> <li>(ii) P has 1 or more dependent children; and</li> </ul> </li> <li>(c) MSD is satisfied <del>that it is appropriate in the circumstances to impose money management on P.</del> <ul style="list-style-type: none"> <li>(i) <u>that it is appropriate in the circumstances to impose money management on P; and</u></li> <li>(ii) <u>that it is more appropriate to impose that sanction than any other sanction that can be imposed for P's first failure.</u></li> </ul> </li> </ul> <p><i>Imposition</i></p> <p>(2) If this section applies to P, MSD must, for the first failure of P, impose money management—</p> <ul style="list-style-type: none"> <li>(a) under <b>section 232(2)(a)</b> and this section; and</li> </ul>	<p>5</p> <p>10</p> <p>15</p> <p>20</p> <p>25</p> <p>30</p> <p>35</p>
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- (b) only if, in the 5 working days from the giving of the section 252 notice, P— discusses with MSD, in an appointment with MSD, P’s failure to comply.
- (i) ~~attends an appointment with MSD; and~~
- (ii) ~~discusses, with MSD, P’s failure to comply.~~ 5
- Effect: general*
- (3) If money management is imposed on P, MSD must not, for the first failure of P,—
- (a) reduce the rate of P’s main benefit by half under **section 236(2)**; or
- (b) impose ~~community work experience~~ a non-financial sanction other than money management. 10
- (4) While money management that is imposed on P has effect,—
- (a) the prescribed proportion of an instalment of P’s main benefit that is an instalment payable to P (*see* regulations made under **section 418(1)(ia)**) is paid by the required manner of payment for money management (*see* regulations made under **section 418(1)(jb)**): 15
- (b) the rest of the instalment is paid under section 339;
- (c) specified arrears are credited or paid, and specified debt is recovered, under regulations made under section 418(1)(jb).
- (5) If P fails to recompile (*see* **section 261A**) within the prescribed period starting when the sanction takes effect under subsection (6)(a) (*see* regulations made under **section 418(1)(ib)**) ~~after the imposition of money management takes effect (*see* **section 261A**)~~, MSD must reduce the rate of P’s main benefit to zero until the earlier of the following events: 20
- (a) ~~P recomplies (that is, both of the things specified in **section 261A(2)(a) and (b)** have occurred);~~ 25
- (a) P recomplies (*see* **section 261A**);
- (b) MSD cancels P’s main benefit under **section 233A**.
- Duration*
- (6) Money management that is imposed on P has effect for the following duration: 30
- (a) from the date stated in the notice of non-financial sanction under **section 252A(2)(c)**; and
- (b) until the end of the prescribed period from that date (*see* regulations made under **section 418(1)(ib)**), even if P recomplies (that is, both of the things specified in **section 261A(2)(a) and (b)** have occurred) 35
- within the prescribed period.
- (7) **Subsection (6)(b)** applies even if P’s main benefit is suspended for reasons unrelated to a sanction for failure to comply with 1 or more obligations under this Act that are specified in section 233.

*Relationship with other sections*

- (8) This section is subject to sections **243AAA**, 243, 245 to 248, and 320 to 322.

**236B Sanction for first failure: community work experience: general***Eligibility*

- (1) This section applies to a person (P) if— 5
- (a) P has a first failure; and
- (b) either—
- (i) P is subject to active case management by MSD; or
- (ii) P has 1 or more dependent children; and
- (ba) P's first failure is not a failure to comply with a drug-testing obligation; and 10
- (bb) P has—
- (i) work-test obligations under either or both of sections 144 and 146; and
- (ii) no currently-in-force deferrals of, or exemptions from, those work-test obligations; and 15
- (bc) P's first failure does not involve either or both of the following:
- (i) more than 1 failure of the same obligation;
- (ii) a failure of more than 1 obligation; and
- (c) MSD is satisfied ~~that it is appropriate in the circumstances to impose community work experience on P;—~~ 20
- (i) that it is appropriate in the circumstances to impose community work experience on P; and
- (ii) that it is more appropriate to impose that sanction than any other sanction that can be imposed for P's first failure. 25

*Imposition*

- (2) If this section applies to P, MSD must, for the first failure of P, impose community work experience—
- (a) under **sections 232(2)(a)** and this section; and
- (b) only if, in the 5 working days from the giving of the section 252 notice, P— discusses with MSD, in an appointment with MSD, P's failure to comply. 30
- ~~(i) attends an appointment with MSD; and~~
- ~~(ii) discusses, with MSD, P's failure to comply.~~

*Effect: general*

- (3) If community work experience is imposed on P, MSD must not, for the first failure of P, do the following (except under ~~subsection (7)~~**section 236D**): 35

- (a) reduce the rate of P's main benefit by half under **section 236(2)**; or
- (b) impose ~~money management~~ a non-financial sanction other than community work experience.
- (4) While community work experience that is imposed on P has effect,—
- (a) P must, within the prescribed search period ~~of the sanction taking effect~~ starting when the sanction takes effect under **subsection (5)(a)** (see regulations made under **section 418(1)(ic)**), and with the support from MSD (if any) that MSD considers it appropriate to provide to P for the purpose, find 1 or more positions—
- (i) ~~each of which is with a community or voluntary sector organisation that MSD is satisfied is reasonably suitable; and~~
- (i) each of which is a position—
- (A) with a community or voluntary sector organisation that MSD is satisfied is reasonably suitable; and
- (B) that MSD is satisfied is reasonably suitable; and
- (ii) that alone is, or that together are, for at least the following (see regulations made under **section 418(1)(id)**):
- (A) the prescribed minimum number of ~~minimum~~ hours per week; and
- (B) the prescribed minimum number of weeks that start as specified in **paragraph (b)(ii)**; and
- (iii) ~~that is, or that include at least (if P finds 2 or more positions that start at different times), 1 position that starts—~~
- (A) ~~during or after the prescribed search period; and~~
- (B) ~~no later than the end of the week after that period; and~~
- (iii) that may be or include 1 or more positions that start in the prescribed search period, in which case the prescribed minimum number of weeks start at the earliest start of those 1 or more positions (see **paragraph (b)(ii)**); and
- (b) P must perform the duties of the 1 or more positions that comply with **paragraph (a)** for at least the following:
- (i) the prescribed minimum number of ~~minimum~~ hours per week; and
- (ii) the prescribed minimum number of weeks: that start—
- (A) immediately after the prescribed search period; or
- (B) if **paragraph (a)(iii)** applies, at the earliest start in the prescribed search period of those 1 or more positions.
- Duration: ~~general~~*
- (5) Community work experience that is imposed on P has effect—

- (a) from the date stated in the notice of non-financial sanction under **section 252A(2)(c)**; and
- (b) until whichever occurs first of the following:
  - (i) P recomplies after the ~~imposition of~~ community work experience ~~takes effect~~ is imposed on P (see **section 261B**):
  - (ii) the rate of P's main benefit is reduced to zero under **section 236C**;
  - (iii) a replacement sanction imposed under **section 236D** takes effect.

*Relationship with other sections*

- (6) This section is subject to sections **236C**, **236D**, **243AAA**, 243, 245 to 248, and 320 to 322.

**236C Sanction for first failure: community work experience: failure without good and sufficient reason to meet requirements**

*When this section applies*

- (1) This section applies if, after community work experience that is imposed on P has effect,—
  - (a) P has not met the requirements that apply to P under **section 236B(4)** (~~see also section 236D~~) (see subsections (2) and (3)); and
  - (b) P has not satisfied MSD within the reasonable period specified in subsection (4) that a good and sufficient reason existed as to why P failed to meet those requirements.
- (2) ~~For the purposes of subsection (1)(a), P has not met the requirements that apply to P under section 236B(4) if P has not contacted MSD by the end of either of the following about meeting them:~~
  - (a) ~~the prescribed search period (see regulations made under section 418(1)(ie)); or~~
  - (b) ~~the prescribed minimum number of weeks (see regulations made under section 418(1)(id)).~~

*When P has not met requirements that apply to P*

- (2) For the purposes of subsection (1)(a) and of section 236D(1)(a), P has not met the requirements that apply to P under section 236B(4) if—
  - (a) at the end of the prescribed search period (see regulations made under section 418(1)(ic)), MSD has not been provided with supporting evidence of P's compliance with requirements under section 236B(4)(a);
    - or
  - (b) at the end of the prescribed search period (see regulations made under section 418(1)(ic)), MSD has been provided with supporting evidence of P's compliance with requirements under section 236B(4)(a), but at

- the end of 5 days after the prescribed search period that evidence has not satisfied MSD of P's compliance with those requirements; or
- (c) at the end of 5 days after the prescribed minimum number of weeks (see regulations made under **section 418(1)(id)**), MSD has not been provided with supporting evidence that has satisfied MSD of P's compliance with requirements under **section 236B(4)(b)**. 5
- (3) **Subsection (2)** does not limit the generality of **subsection (1)(a)** or of **section 236D(1)(a)**.
- Reasonable period*
- (4) The reasonable period mentioned in **subsection (1)(b)** and in **section 236D(1)(b)** must be one that— 10
- (a) MSD considers reasonable in the circumstances of P; and
- (b) ends no later than the end of the prescribed minimum number of weeks (see regulations made under **section 418(1)(id)**).
- MSD must reduce rate of P's main benefit to zero* 15
- (45) MSD must reduce the rate of P's main benefit to zero with effect—
- ~~(a) starting on the first day of the week of P's non-compliance; and~~
- (a) starting on the first day of the week of P's non-compliance or, if MSD is unable to determine the date of P's non-compliance,—
- (i) starting on the first day after the prescribed search period or (if applicable) after the prescribed minimum number of weeks, if P has not in that period or (if applicable) in those weeks contacted MSD about P's non-compliance; or 20
- (ii) starting on the first day of the prescribed search period or (if applicable) of the prescribed minimum number of weeks if— 25
- (A) P has in that period or (if applicable) in those weeks contacted MSD about P's non-compliance; and
- (B) MSD has not been provided with supporting evidence that satisfies MSD of the date of P's non-compliance; and
- (b) ending on whichever occurs first of the following events: 30
- (i) P recomplies (see **section 261B(3) and (4)**):
- (ii) MSD cancels P's main benefit under **section 233A**.
- Exception to general rule about when reduction to zero takes effect*
- (6) However, if P satisfies MSD within a period that complies with **subsection (4)(a)**, but that does not also comply with **subsection (4)(b)**, that a good and sufficient reason existed as to why P failed to meet the requirements that apply to P under **section 236B(4)**, then MSD must reduce the rate of P's main benefit to zero under **subsection (5)** with effect from the end of the pre- 35

scribed minimum number of weeks (*see* regulations made under **section 418(1)(id)**).

*Consequences of rate of P's main benefit being reduced to zero*

- (7) If the rate of P's main benefit is reduced to zero under **subsection (5)**,—
- (a) P is no longer required to meet the requirements that apply to P under **section 236B(4)**; and
  - (b) P recomplies under **section 261B(3) and (4)**; and
  - (c) the 13-week period in **section 233A(1)(b)** starts when community work experience imposed on P takes effect.

*Relationship with other sections*

- (58) This section is subject to sections **243AAA**, 243, 245 to 248, and 320 to 322.

### **236D Sanction for first failure: community work experience: replacement sanction if good and sufficient reason why cannot meet requirements**

*When this section applies*

- (1) This section applies if, at any time after community work experience that is imposed on P has effect,—
- (a) P has not met the requirements that apply to P under **section 236B(4)** (*see also section 236C(2) and (3)*); and
  - (b) P has satisfied MSD within the reasonable period specified in **section 236C(4)** that a good and sufficient reason existed as to why P could not meet those requirements.

*MSD must impose replacement sanction*

- (2) MSD must impose on P, without giving a section 252 notice, a replacement sanction under **section 236(2)** that is to reduce the rate of P's main benefit by half until P recomplies, and that starts to take effect—
- ~~(a) that is to reduce P's main benefit by half until P recomplies; and~~
  - ~~(b) that starts to take effect~~ at the time that P satisfied MSD that the good and sufficient reason existed, if the good and sufficient reason relates to requirements that apply to P under **section 236B(4)(a)** and that time is before or at the end of the prescribed search period (*see* regulations made under **section 418(1)(ic)**); and
  - (b) at the end of the prescribed search period (*see* regulations made under **section 418(1)(ic)**), if the good and sufficient reason relates to requirements that apply to P under **section 236B(4)(a)** and the time that P satisfied MSD that the good and sufficient reason existed is—
    - (i) after the end of the prescribed search period; and
    - (ii) before or at the end of the prescribed minimum number of weeks (*see* regulations made under **section 418(1)(id)**); and

(c) at the time (within the reasonable period specified in **section 236C(4)** that P satisfied MSD that the good and sufficient reason existed, if the good and sufficient reason relates to the requirements that apply to P under **section 236B(4)(b)**.

*Consequences of replacement sanction*

(3) If a replacement sanction under **section 236(2)** is imposed under **subsection (2)**,—

(a) P is no longer required to meet the requirements that apply to P under **section 236B(4)**; and

(b) the replacement sanction under **section 236(4)(a)(2)** operates in the same way as any other reduction of the rate of P's main benefit by half under **section 236(2)**; and

(c) P recomplies under section 261 (*see* **section 261(3)(b)**); but

(d) for the purposes of the 13-week period in **section 233A(1)(b)**, the replacement sanction must be treated as if it ~~took~~ takes effect when ~~the~~ community work experience that it replaces ~~took~~ takes effect.

*Relationship with other sections*

(4) This section is subject to sections **243AAA**, 243, 245 to 248, and 320 to 322.

**237 Sanction for second failure: suspension of main benefit**

(1) For a second failure by a person (P), MSD must suspend P's main benefit until the earlier of the following events:

(a) P recomplies;

(b) MSD cancels P's main benefit under **section 233A**.

(2) This section is subject to sections **243AAA**, 243, 245 to 248, and 320 to 322.

**15A Section 236 amended (Sanction for first failure: reduction of rate of main benefit)**

(1) Replace **section 236(1)(a) and (b)** with:

(a) P is ineligible for a non-financial sanction because P does not meet the eligibility requirements in any of the following provisions:

(i) **section 236A(1)(b)**;

(ii) **section 236B(1)(b) to (bc)**;

(iii) **section 236E(1)(b) to (e)**;

(iv) **section 236H(1)(b) to (d)**; or

(b) P is eligible for a non-financial sanction because P meets the eligibility requirements in all or any of the provisions specified in **paragraph (a)(i) to (iv)**, and MSD does not impose a non-financial sanction for P's first failure.

- (2) Replace **section 236(3)** with:
- (3) If the rate of P's main benefit is reduced by half under this section, MSD must not, for the first failure of P, impose a non-financial sanction.

**15B New sections 236E to 236J inserted**

After **section 236D**, insert:

**236E Sanction for first failure: report job search: general**

*Eligibility*

- (1) This section applies to a person (P) if—
- (a) P has a first failure; and
- (b) either—
- (i) P is subject to active case management by MSD; or
- (ii) P has 1 or more dependent children; and
- (c) P's first failure is not a failure to comply with a drug-testing obligation; and
- (d) P has—
- (i) work-test obligations under either or both of sections 144 and 146; and
- (ii) no currently-in-force deferrals of, or exemptions from, those work-test obligations; and
- (e) P's first failure does not involve either or both of the following:
- (i) more than 1 failure of the same obligation;
- (ii) a failure of more than 1 obligation; and
- (f) MSD is satisfied—
- (i) that it is appropriate in the circumstances to impose report job search on P; and
- (ii) that it is more appropriate to impose that sanction than any other sanction that can be imposed for P's first failure.

*Imposition*

- (2) If this section applies to P, MSD must, for the first failure of P, impose report job search—
- (a) under **section 232(2)(a)** and this section; and
- (b) only if, in the 5 working days from the giving of the section 252 notice, P discusses with MSD, in an appointment with MSD, P's failure to comply.

*Effect: general*

- (3) If report job search is imposed on P, MSD must not, for the first failure of P, do the following (except under **section 236G**):
- (a) reduce the rate of P's main benefit by half under **section 236(2)**; or
  - (b) impose a non-financial sanction other than report job search. 5
- (4) If report job search is imposed on P,—
- (a) P must within the prescribed period (starting when the sanction takes effect under **subsection (5)(a)**) undertake at least the prescribed minimum number of job-search activities per week (see regulations made under **section 418(1)(ie)**); and 10
  - (b) P must, by the end of each week of that period, report to MSD, to MSD's satisfaction, about the job-search activities that P has in that week undertaken to satisfy the requirements of **paragraph (a)**, and about the nature of those activities; and
  - (c) P must provide MSD with supporting evidence of all of the job-search activities that P has reported under this section,— 15
    - (i) only to the extent that the evidence is of a kind that it is reasonable in the circumstances for P to provide; and
    - (ii) in a way that MSD decides, and advises P when MSD requires the evidence, is appropriate in the circumstances; and 20
    - (iii) promptly after MSD requires the evidence, and in any case within 5 days after the prescribed period.

*Duration*

- (5) Report job search that is imposed on P has effect—
- (a) from the date stated in the notice of non-financial sanction under **section 252A(2)(c)**; and 25
  - (b) until whichever occurs first of the following:
    - (i) P recomplies after report job search is imposed on P (see **section 261C**):
    - (ii) the rate of P's main benefit is reduced to zero under **section 236F**; 30
    - (iii) a replacement sanction imposed under **section 236G** takes effect.

*Relationship with other legislation*

- (6) This section is subject to sections **236F, 236G, 243AAA, 243, 245 to 248, and 320 to 322.** 35
- (7) This section does not limit any regulations made under section 432(1) that require a person to undertake 1 or more stated pre-benefit activities that are or include reporting on the progress of job-search activities.

**236F Sanction for first failure: report job search: failure without good and sufficient reason to meet requirements**

*When this section applies*

(1) This section applies if, after report job search that is imposed on P has effect,—

(a) P has not met the requirements that apply to P under **section 236E(4)** (see **subsections (2) and (3)**); and

(b) P has not satisfied MSD within the reasonable period specified in **subsection (4)** that a good and sufficient reason existed as to why P failed to meet those requirements.

*When P has not met requirements that apply to P*

(2) For the purposes of **subsection (1)(a)** and of **section 236G(1)(a)**, P has not met the requirements that apply to P under **section 236E(4)** if MSD has not been provided with supporting evidence that has satisfied MSD of P's compliance with those requirements by the end of 5 days after the prescribed period for the purposes of **section 236E(4)** (see regulations made under **section 418(1)(ie)**).

(3) **Subsection (2)** does not limit the generality of **subsection (1)(a)** or of **section 236G(1)(a)**.

*Reasonable period*

(4) The reasonable period mentioned in **subsection (1)(b)** and in **section 236G(1)(b)** must be one that—

(a) MSD considers reasonable in the circumstances of P; and

(b) ends no later than the end of the prescribed period for the purposes of **section 236E(4)** (see regulations made under **section 418(1)(ie)**).

*MSD must reduce rate of P's main benefit to zero*

(5) MSD must reduce the rate of P's main benefit to zero with effect—

(a) starting on the first day of the week of P's non-compliance or, if MSD is unable to determine the date of P's non-compliance,—

(i) starting on the first day after the prescribed period for the purposes of **section 236E(4)** (see regulations made under **section 418(1)(ie)**), if P has not in that period contacted MSD about P's non-compliance; or

(ii) starting on the first day of the prescribed period for the purposes of **section 236E(4)** (see regulations made under **section 418(1)(ie)**), if—

(A) P has in that period contacted MSD about P's non-compliance; and

(B) MSD has not been provided with supporting evidence that satisfies MSD of the date of P's non-compliance; and

(b) ending on whichever occurs first of the following events:

- (i) P recomplies under **section 261C(3) and (4)**:
- (ii) MSD cancels P's main benefit under **section 233A**.

*Exception to general rule about when reduction to zero takes effect*

(6) However, if P satisfies MSD within a period that complies with **subsection (4)(a)**, but that does not also comply with **subsection (4)(b)**, that a good and sufficient reason existed as to why P failed to meet the requirements that apply to P under **section 236E(4)**, then MSD must reduce the rate of P's main benefit to zero under **subsection (5)** with effect from the end of the prescribed period for the purposes of **section 236E(4)** (see regulations made under **section 418(1)(ie)**). 5  
10

*Consequences of rate of P's main benefit being reduced to zero*

(7) If the rate of P's main benefit is reduced to zero under **subsection (5)**,—  
 (a) P is no longer required to meet the requirements that apply to P under **section 236E(4)**; and 15  
 (b) P recomplies under **section 261C(3) and (4)**; and  
 (c) the 13-week period in **section 233A(1)(b)** starts when the report job search imposed on P takes effect.

*Relationship with other sections*

(8) This section is subject to sections **243AAA**, 243, 245 to 248, and 320 to 322. 20

**236G Sanction for first failure: report job search: replacement sanction if good and sufficient reason why cannot meet requirements**

*When this section applies*

(1) This section applies if, at any time after report job search that is imposed on P has effect,— 25  
 (a) P has not met the requirements that apply to P under **section 236E(4)** (see also **section 236F(2) and (3)**); and  
 (b) P has satisfied MSD within the reasonable period specified in **section 236H(4)** that a good and sufficient reason existed as to why P could not meet those requirements. 30

*MSD must impose replacement sanction*

(2) MSD must impose on P, without giving a section 252 notice, a replacement sanction under **section 236(2)** that is to reduce the rate of P's main benefit by half until P recomplies, and that starts to take effect at whichever occurs first of the following: 35  
 (a) P satisfies MSD that the good and sufficient reason existed:

- (b) the date on which the rate of P's main benefit is reduced to zero under **section 236F(5)(a)** within the prescribed period for the purposes of **section 236E(4)** (see regulations made under **section 418(1)(ie)**).

*Consequences of replacement sanction*

- (3) If a replacement sanction under **section 236(2)** is imposed under **subsection (2)**,—

- (a) P is no longer required to meet the requirements that apply to P under **section 236E(4)**; and
- (b) the replacement sanction under **section 236(2)** operates in the same way as any other reduction of the rate of P's main benefit by half under **section 236(2)**; and
- (c) P recomplies under section 261 (see **section 261(3)(ba)**); but
- (d) for the purposes of the 13-week period in **section 233A(1)(b)**, the replacement sanction must be treated as if it takes effect when report job search that it replaces takes effect.

*Relationship with other sections*

- (4) This section is subject to sections **243AAA**, 243, 245 to 248, and 320 to 322.

**236H Sanction for first failure: upskilling: general**

*Eligibility*

- (1) This section applies to a person (P) if—
- (a) P has a first failure; and
- (b) either—
- (i) P is subject to active case management by MSD; or
- (ii) P has 1 or more dependent children; and
- (c) P's first failure is not a failure to comply with a drug-testing obligation; and
- (d) P's first failure does not involve either or both of the following:
- (i) more than 1 failure of the same obligation;
- (ii) a failure of more than 1 obligation; and
- (e) MSD is satisfied—
- (i) that it is appropriate in the circumstances to impose upskilling on P; and
- (ii) that it is more appropriate to impose that sanction than any other sanction that can be imposed for P's first failure.

*Imposition*

- (2) If this section applies to P, MSD must, for the first failure of P, impose upskilling—

- (a) under **section 232(2)(a)** and this section; and
- (b) only if, in the 5 working days from the giving of the section 252 notice, P discusses with MSD, in an appointment with MSD, P's failure to comply.

*Effect: general*

- (3) If upskilling is imposed on P, MSD must not, for the first failure of P, do the following (except under **section 236J**):

- (a) reduce the rate of P's main benefit by half under **section 236(2)**; or
- (b) impose a non-financial sanction other than upskilling.

- (4) If upskilling is imposed on P,—

- (a) P must within the prescribed period (starting when the sanction takes effect under **subsection (5)(a)**) attend and participate in for at least the prescribed minimum number of hours per week (see regulations made under **section 418(1)(if)**) 1 or more employment-related training programmes or courses that MSD considers are suitable; and

- (b) P must, by the end of each week of that period, report to MSD, to MSD's satisfaction, about the programmes or courses of that kind that P has in that week attended and participated in to satisfy the requirements of **paragraph (a)**, and about the nature of those programmes or courses; and

- (c) P must provide MSD with supporting evidence of all of the programmes or courses that P has reported under this section,—

- (i) only to the extent that the evidence is of a kind that it is reasonable in the circumstances for P to provide; and
- (ii) in a way that MSD decides, and advises P when MSD requires the evidence, is appropriate in the circumstances; and
- (iii) promptly after MSD requires the evidence, and in any case within 5 days after the prescribed period.

*Duration*

- (5) Upskilling that is imposed on P has effect—

- (a) from the date stated in the notice of non-financial sanction under **section 252A(2)(c)**; and

- (b) until whichever occurs first of the following:

- (i) P recomplies after upskilling is imposed on P (see **section 261D**);
- (ii) the rate of P's main benefit is reduced to zero under **section 236I**;
- (iii) a replacement sanction imposed under **section 236J** takes effect.

*Relationship with other legislation*

- (6) This section is subject to sections **236I**, **236J**, **243AAA**, 243, 245 to 248, and 320 to 322.

**236I Sanction for first failure: upskilling: failure without good and sufficient reason to meet requirements**

*When this section applies*

- (1) This section applies if, after upskilling that is imposed on P has effect,—
- (a) P has not met the requirements that apply to P under **section 236H(4)** (see **subsections (2) and (3)**); and
- (b) P has not satisfied MSD in the reasonable period specified in **subsection (4)** that a good and sufficient reason existed as to why P failed to meet those requirements.

*When P has not met requirements that apply to P*

- (2) For the purposes of **subsection (1)(a)** and of **section 236J(1)(a)**, P has not met the requirements that apply to P under **section 236H(4)** if MSD has not been provided with supporting evidence that has satisfied MSD of P's compliance by the end of 5 days after the prescribed period for the purposes of **section 236H(4)** (see regulations made under **section 418(1)(if)**).
- (3) **Subsection (2)** does not limit the generality of **subsection (1)(a)** or of **section 236J(1)(a)**.

*Reasonable period*

- (4) The reasonable period mentioned in **subsection (1)(b)** and in **section 236J(1)(b)** must be one that—
- (a) MSD considers reasonable in the circumstances of P; and
- (b) ends no later than the end of the prescribed period for the purposes of **section 236H(4)** (see regulations made under **section 418(1)(if)**).

*MSD must reduce rate of P's main benefit to zero*

- (5) MSD must reduce the rate of P's main benefit to zero with effect—
- (a) starting on the first day of the week of P's non-compliance or, if MSD is unable to determine the date of P's non-compliance,—
- (i) starting on the first day after the prescribed period for the purposes of **section 236H(4)** (see regulations made under **section 418(1)(if)**), if P has not in that period contacted MSD about P's non-compliance; or
- (ii) starting on the first day of the prescribed period for the purposes of **section 236H(4)** (see regulations made under **section 418(1)(if)**), if—
- (A) P has in that period contacted MSD about P's non-compliance; and

- (B) MSD has not been provided with supporting evidence that satisfies MSD of the date of P's non-compliance; and
- (b) ending on whichever occurs first of the following events:
- (i) P recomplies (see **section 261D(3) and (4)**):
- (ii) MSD cancels P's main benefit under **section 233A**. 5
- Exception to general rule about when reduction to zero takes effect*
- (6) However, if P satisfies MSD within a period that complies with **subsection (4)(a)**, but that does not also comply with **subsection (4)(b)**, that a good and sufficient reason existed as to why P failed to meet the requirements that apply to P under **section 236H(4)**, then MSD must reduce the rate of P's main benefit to zero under **subsection (5)** with effect from the end of the prescribed period for the purposes of **section 236H(4)** (see regulations made under **section 418(1)(if)**). 10
- Consequences of rate of P's main benefit being reduced to zero*
- (7) If the rate of P's main benefit is reduced to zero under **subsection (5)**,— 15
- (a) P is no longer required to meet the requirements that apply to P under **section 236H(4)**; and
- (b) P recomplies under **section 261D(3) and (4)**; and
- (c) the 13-week period in **section 233A(1)(b)** starts when upskilling imposed on P takes effect. 20
- Relationship with other sections*
- (8) This section is subject to sections **243AAA**, 243, 245 to 248, and 320 to 322.
- 236J Sanction for first failure: upskilling: replacement sanction if good and sufficient reason why cannot meet requirements**
- When this section applies* 25
- (1) This section applies if, at any time after upskilling that is imposed on P has effect,—
- (a) P has not met the requirements that apply to P under **section 236H(4)** (see also **section 236I(2) and (3)**); and
- (b) P has satisfied MSD in the reasonable period specified in **section 236I(4)** that a good and sufficient reason existed as to why P could not meet those requirements. 30
- MSD must impose replacement sanction*
- (2) MSD must impose on P, without giving a section 252 notice, a replacement sanction under **section 236(2)** that is to reduce the rate of P's main benefit by half until P recomplies, and that starts to take effect at whichever occurs first of the following: 35
- (a) P satisfies MSD that the good and sufficient reason existed:

- (b) the date on which the rate of P’s main benefit is reduced to zero under **section 236I(5)(a)** within the prescribed period for the purposes of **section 236H(4)** (see regulations made under **section 418(1)(if)**).

Consequences of replacement sanction

- (3) If a replacement sanction under **section 236(2)** is imposed under **subsection (2)**,— 5

- (a) P is no longer required to meet the requirements that apply to P under **section 236E(4)**; and

- (b) the replacement sanction under **section 236(2)** operates in the same way as any other reduction of the rate of P’s main benefit by half under **section 236(2)**; and 10

- (c) P recomplies under section 261 (see **section 261(3)(bb)**); but

- (d) for the purposes of the 13-week period in **section 233A(1)(b)**, the replacement sanction must be treated as if it takes effect when upskilling that it replaces takes effect. 15

Relationship with other sections

- (4) This section is subject to sections **243AAA**, 243, 245 to 248, and 320 to 322.

**16 Section 238 amended (Sanction for third failure: cancellation of main benefit)**

In section 238(3), replace “sections 245 to 248 and 320 to 324” with “sections 243, 245 to 248, and 320 to 324”. 20

**17 Section 239 replaced (Reduction or suspension of reduced benefit)**

- (1) Replace section 239 with:

**239 Continuation of sanction following regrant of specified benefit**

- (1) This section applies to a person’s (P’s) specified benefit (as defined in section 331) if,— 25

- (a) when P’s specified benefit expires under section 332,—

- (i) the rate of P’s specified benefit is reduced under **section 236**; or

- (ii) money management imposed on P has effect (see **section 236A**); or 30

- (iii) community work experience imposed on P has effect (see **section 236B**); or

- (iv) P’s specified benefit is suspended under **section 237**; and

- (b) P is regranted a specified benefit under section 336.

- (2) P’s regranted specified benefit under section 336 is subject to the relevant sanction specified in **subsection (1)(a)(i), (ii), (iii), or (iv)**— 35

- (a) on and after the commencement of that specified benefit; but

(b) otherwise in the same way as that sanction would have continued to apply to P's specified benefit had it not expired under section 332.

(2) After **section 239(1)(a)(iii)**, insert:

(iiia) report job search imposed on P has effect (see **section 236E**); or

(iiib) upskilling imposed on P has effect (see **section 236H**); or

5

**18 Section 242 amended (Failures that cannot be counted)**

(1) In section 242(1), replace "12" with "24".

(2) In section 242(3), replace "12-month" with "24-month".

**19 New section 243AAA inserted (Exclusion of sanction for first or second failure, ~~other than if not~~ failure to accept offer of suitable employment, ~~if~~ and timely recompliance occurs)**

10

Before section 243, insert:

**243AAA Exclusion of sanction for first or second failure, ~~other than if not~~ failure to accept offer of suitable employment, ~~if~~ and timely recompliance occurs**

15

MSD must ~~not impose~~ cancel the imposition of a sanction (for example, a non-financial sanction) for a first or second failure by a person (**P**) if—

(a) ~~the person recomplies within 5 working days of being given a section 252 notice in relation to the failure; and~~

(~~ba~~) the failure is not a failure to comply with the work-test obligation to accept any offer of suitable employment (see section 144(b)); and

20

(b) P has been given a section 252 notice stating that, on the basis of P's failure, MSD is reducing the rate of, or suspending, P's benefit; and

(c) P recomplies under section 261(1) or (2) or 263 within 5 working days from the giving of the section 252 notice in relation to the failure.

25

**20 Section 245 amended (Variation for breach of work-test obligation by 1 spouse or partner)**

(1) In section 245(1)(b), replace "is reduced, suspended, or cancelled under section 227 or 232" with "or the rate of the benefit is reduced, ~~reduced~~ (by half or to zero), money managed, suspended, or cancelled under section 227, 232, **233A, 236, 236A, 236C, or 236D**".

30

(1A) In section 245(1)(b), replace "**or 236D**" with "**236D, 236F, 236G, 236I, or 236J**".

(2) In section 245(1)(c) and (2)(a), replace "reduction, suspension, or cancellation" with "reduction, ~~reduction~~ (by half or to zero), money management, suspension, or cancellation".

35

- 21 Section 246 amended (Variation for breach of work-test obligation by both partners or spouses)**
- (1) In section 246(1)(b), replace “is reduced, suspended, or cancelled under section 227 or 232” with “or the rate of the benefit is reduced, reduced (by half or to zero), money managed, suspended, or cancelled under section 227, 232, **233A, 236, 236A, 236C, or 236D**”. 5
- (1A) In section 246(1)(b), replace “**or 236D**” with “**236D, 236F, 236G, 236I, or 236J**”.
- (2) In section 246(1)(c), (2), and (3), replace “reduction, suspension, or cancellation” with “reduction, reduction (by half or to zero), money management, sus- 10  
pension, or cancellation”.
- 22 Section 247 amended (Variation for suspension or cancellation of benefit or non-entitlement period affecting couple with 1 or more dependent children)**
- (1) In the heading to section 247, after “**Variation for**”, insert “**reduction to zero (and so not reduction by half) or**”. 15
- (2) In section 247(1)(b), replace “is reduced, suspended, or cancelled under section 227 or 232” with “or the rate of the benefit is reduced to zero (and so not reduced by half), money managed, suspended, or cancelled under section 227, 232, **233A, 236, 236A, or 236C**”. 20
- (2A) In section 247(1)(b), replace “**or 236C**” with “**236C, 236D, 236F, 236G, 236I, or 236J**”.
- (3) In section 247(1)(c), replace “reduction, suspension, or cancellation” with “reduction to zero (and so not reduction by half), money management, suspen- 25  
sion, or cancellation”.
- (4) In section 247(3)(a), replace “reduction, suspension, cancellation,” with “reduction to zero (and so not reduction by half), money management, suspen-  
sion, cancellation,”.
- 23 Section 248 amended (Variation for suspension or cancellation of main benefit or non-entitlement period affecting sole parent)** 30
- (1) In the heading to section 248, after “**Variation for**”, insert “**reduction to zero in rate of main benefit or**”.
- (2) In section 248(1), replace “the main benefit of a person (P) who is a sole parent is suspended or cancelled under section 227 or 232” with “the main benefit, or the rate of main benefit, of a person (P) who is a sole parent is reduced to zero, suspended, or cancelled under section 227, 232, **233A, 236, 236A, or 236C**”. 35
- (2A) In section 248(1), replace “**or 236C**” with “**236C, 236D, 236F, 236G, 236I, or 236J**”.
- (3) In section 248(3)(a), replace “suspension or cancellation” with “reduction to zero, suspension, or cancellation”. 40

- (4) In section 248(3)(b), replace “suspension, cancellation, or non-entitlement” with “reduction to zero, suspension, cancellation, or non-entitlement”.

**24 Section 252 amended (MSD must give notice of sanction)**

**(1AAA)** In section 252(1), after “reduce”, insert “the rate of”.

- (1) Replace section 252(2)(c) with: 5

- (c) either,—
- (i) if P’s failure is a first or second failure and the specified obligation is not the work-test obligation to accept any offer of suitable employment (*see* section 144(b)), state that, on the basis of P’s failure, MSD will ~~be reducing or suspending~~ reduce the rate of P’s benefit or suspend P’s benefit unless P recomplies within 5 working days from the giving of the notice; or 10
- (ii) if P’s failure is a third failure or the specified obligation is the work-test obligation to accept any offer of suitable employment, state that, on the basis of P’s failure, MSD is cancelling P’s benefit; and 15

**(1A)** In section 252(2)(g), after “reduce”, insert “the rate of”.

- (2) After section 252(2)(g), insert:

- (ga) advise P that MSD may, instead of reducing the rate of the benefit, impose a non-financial sanction on P, but only if— 20
- (i) P is eligible for a non-financial sanction (*see* **sections 236A(1) and 236B(1)**); and
- (ii) in the 5 working days from the giving of the notice, P— discusses with MSD, in an appointment with MSD, P’s failure to comply; 25  
and
- ~~(A) attends an appointment with MSD; and~~
- ~~(B) discusses, with MSD, P’s failure to comply; and~~

**(2A)** In **section 252(2)(ga)(i)**, replace “**236A(1) and 236B(1)**” with “**236A(1), 236B(1), 236E(1), and 236H(1)**”.

- (3) After section 252(2), insert: 30

(3) No section 252 notice is required for a replacement sanction imposed under **section 236D**.

**(4)** In **section 252(3)**, after “**236D**”, insert “, **236G, or 236J**”.

**25 New section 252A inserted (MSD must give notice of non-financial sanction)** 35

- (1) After section 252, insert:

**252A MSD must give notice of non-financial sanction**

- (1) Before, on, or as soon as is reasonably practicable after, imposing a non-financial sanction on a person (P), MSD must give P a written notice for the purposes of this section (a **section 252A notice**) that complies with **subsection (2)**. 5
- (2) The notice must state—
- (a) the non-financial sanction that is to be, or has been, imposed on P; and
  - (b) that sanction's requirements (including, without limitation, what P must do while P is subject to that sanction); and
  - (c) the date (which must be after the 5 working days from the giving of the related section 252 notice) on which that sanction takes effect; and 10
  - (d) the duration of that sanction (*see* **sections 236A(6) and 236B(5)**); and
  - (e) how P recomplies with an obligation if the failure to comply with it resulted in ~~the imposition of~~ that non-financial sanction being imposed and taking effect (*see* section 261, **261A, or 261B**). 15

(2) In **section 252A(2)(d)**, replace “**236A(6) and 236B(5)**” with “**236A(6), 236B(5), 236E(5), and 236H(5)**”.

(3) In **section 252A(2)(e)**, replace “**or 261B**” with “**261B, 261C, or 261D**”.

**26 Section 254 amended (How notice of sanction may be given)** 20

- (1) In the heading to section 254, after “sanction”, insert “**or of non-financial sanction**”.
- (2) In section 254(1), after “a section 252 notice”, insert “or a section 252A notice”.

**27 Section 256 amended (When reduction, suspension, or cancellation of benefit takes effect)** 25

- (1) In the heading to section 256, replace “**reduction, suspension, or cancellation of benefit**” with “**sanction**”.
- (2) In section 256, replace “The reduction, suspension, or cancellation of a benefit” with “A sanction (including, without limitation, a non-financial sanction)”. 30

(3) In section 256, insert as subsection (2):

(2) However, a replacement sanction imposed under **section 236D** starts to take effect as specified in **section 236D(2)**.

(4) Replace **section 256(2)** with:

(2) However,— 35

- (a) a replacement sanction imposed under **section 236D** starts to take effect as specified in **section 236D(2)**; and

- (b) a replacement sanction imposed under **section 236G** starts to take effect as specified in **section 236G(2)**; and
- (c) a replacement sanction imposed under **section 236J** starts to take effect as specified in **section 236J(2)**.

**28 Section 261 amended (How person recomplies after failure to comply with obligation)** 5

(1) Replace section 261(3) with:

(3) This section does not apply to recompliance with—

- (a) an obligation, if a failure to comply with it resulted in ~~the imposition of~~ money management being imposed and taking effect (see **section 261A**): 10
- (b) an obligation, if a failure to comply with it resulted in ~~the imposition of~~ community work experience being imposed and taking effect (see **section 261B**), unless a replacement sanction is imposed (see **section 236D**): 15
- (c) a drug-testing obligation (see section 263).

(2) After **section 261(3)(b)**, insert:

- (ba) an obligation, if a failure to comply with it resulted in report job search being imposed and taking effect (see **section 261C**), unless a replacement sanction is imposed (see **section 236G**): 20
- (bb) an obligation, if a failure to comply with it resulted in upskilling being imposed and taking effect (see **section 261D**), unless a replacement sanction is imposed (see **section 236J**):

**29 New sections 261A and 261B inserted**

After section 261, insert: 25

**261A How person recomplies after failure that resulted in ~~imposition of~~ money management being imposed and taking effect**

(1) This section sets out how a person (**P**) recomplies after a failure—

- (a) to comply with an obligation; and
- (b) that resulted in ~~the imposition of~~ money management being imposed on P and taking effect. 30

(2) P recomplies when both of the following have occurred:

- (a) P remedies the failure (if a section 252 notice does not specify more than 1 failure of the same obligation, or a failure of more than 1 obligation) or P remedies all the failures (if a section 252 notice specifies more than 1 failure of the same obligation, or a failure of more than 1 obligation): 35
- (b) money management imposed on P ceases to have effect under **section 236A(6)**.

- (3) However, if the obligation that P failed to comply with is a drug-testing obligation, **subsection (2)(a)** requires P to recompile under section 263 (how person recomplies after failure to comply with drug-testing obligation).
- (4) However, **subsection (5)** applies instead of **subsection (2)** if MSD has—  
 (a) reduced the rate of P’s main benefit to zero under **section 236A**; but 5  
 (b) not yet cancelled P’s main benefit under **section 233A**.
- (5) P recomplies if P remedies P’s failure under section 261.
- (6) However, if the obligation that P failed to comply with is a drug-testing obligation, **subsection (5)** requires P to recompile under section 263 (how person recomplies after failure to comply with drug-testing obligation). 10

**261B How person recomplies after failure that resulted in ~~imposition of~~ community work experience being imposed and taking effect**

- (1) This section sets out how a person (P) recomplies after a failure—  
 (a) to comply with an obligation; and  
 (b) that resulted in ~~imposition of~~ community work experience being imposed on P and taking effect. 15
- (2) P recomplies if P meets the requirements of community work experience that apply to P under **section 236B(4)**.
- (3) However, **subsection (4)** applies instead of **subsection (2)** if MSD has—  
 (a) reduced the rate of P’s main benefit to zero under **section 236C**; but 20  
 (b) not yet cancelled P’s main benefit under **section 233A**.
- (4) P recomplies if P remedies P’s failure under section 261.

**29A New sections 261C and 261D inserted**

After **section 261B**, insert:

- 261C How person recomplies after failure that resulted in report job search being imposed and taking effect** 25
- (1) This section sets out how a person (P) recomplies after a failure—  
 (a) to comply with an obligation; and  
 (b) that resulted in report job search being imposed on P and taking effect.
- (2) P recomplies if P meets the requirements of report job search that apply to P under **section 236E(4)**. 30
- (3) However, **subsection (4)** applies instead of **subsection (2)** if MSD has—  
 (a) reduced the rate of P’s main benefit to zero under **section 236F**; but  
 (b) not yet cancelled P’s main benefit under **section 233A**.
- (4) P recomplies if P remedies P’s failure under section 261. 35

**261D How person recomplies after failure that resulted in upskilling being imposed and taking effect**

- (1) This section sets out how a person (P) recomplies after a failure—
- (a) to comply with an obligation; and
  - (b) that resulted in upskilling being imposed on P and taking effect. 5
- (2) P recomplies if P meets the requirements of upskilling that apply to P under **section 236H(4)**.
- (3) However, **subsection (4)** applies instead of **subsection (2)** if MSD has—
- (a) reduced the rate of P’s main benefit to zero under **section 236I**; but
  - (b) not yet cancelled P’s main benefit under **section 233A**. 10
- (4) P recomplies if P remedies P’s failure under section 261.

**30 Section 262 replaced (Impossibility of remedying failure of work-test obligation)**

Replace section 262 with:

**262 Impossibility of remedying failure of work-preparation or work-test obligation** 15

If it is impossible to remedy a failure to comply with a work-preparation or work-test obligation, a person (P) recomplies if P undertakes, to MSD’s satisfaction, an activity that is the same as, or substantially similar to, the activity that P failed to undertake under the obligation in question. 20

**31 Section 263 amended (How person recomplies after failure to comply with drug-testing obligation)**

- (1) In section 263(2), replace “12-month” with “24-month”.
- (2) In section 263(3), replace “12-month” with “24-month”.

**32 Section 265 amended (Failure of drug test for purposes of recompliance constitutes third failure)** 25

In section 265, replace “12-month” with “24-month”.

**33 New section 270A inserted (Cancellation of youth payment and incentive payments for continuing failure to comply)**

After section 270, insert: 30

**270A Cancellation of youth payment and incentive payments for continuing failure to comply**

- (1) MSD must cancel a young person’s (P’s) youth payment and incentive payments if—

- (a) MSD has, under section 270, imposed a sanction described in section 270(2) on P; and
- (b) P fails to recompile, within 13 weeks after the sanction ~~took~~takes effect, with each obligation—
- (i) for which the sanction was imposed for a failure to comply with; 5  
and
- (ii) that P has not ceased to have; and
- (c) section 320 does not apply to P.
- (2) On cancellation under this section of P's youth payment,—
- (a) MSD must also cancel the following benefits if P is receiving them: 10
- (i) accommodation supplement:
- (ii) temporary additional support:
- (iii) disability allowance (but not child disability allowance); but
- (b) that cancellation of those benefits does not, if P reapplies for all or any 15  
of them, affect or limit P's entitlement to all or any of them.
- (3) On cancellation under this section of P's youth payment, to be again entitled to youth payment under this Act, P must apply for youth payment and establish that P is eligible for youth payment.
- (4) If P is again entitled to youth payment under this Act, to be entitled again to 20  
incentive payments, P must satisfy the criteria for incentive payments (as those criteria are prescribed for the purposes of section 55 by regulations made under section 418(1)(c)).

**33A Section 272 amended (Effect of cancellation of youth payment on accommodation supplement or temporary additional support)**

In section 272(3)(a) and (b), before “any accommodation supplement or temporary additional support”, insert “the rate of”. 25

**34 Section 276 amended (Sanctions for failure by young person required to receive youth services to comply with obligations: other cases)**

- (1) In section 276(3)(a), before “or suspension”, insert “in the rate of”.
- (2) After section 276(3), insert: 30
- (4) **Section 232(3)** prevents MSD from imposing under section 232 a non-financial sanction on a young person to whom subsection (2)(a) or (b) of this section applies.

**35 Section 278 amended (Sanctions for failure by young spouse or partner of specified beneficiary to comply with obligations: other cases)** 35

- (1) In section 278(3)(a), before “or suspension”, insert “in the rate of”.
- (2) After section 278(3), insert:

- (4) **Section 232(3)** prevents MSD from imposing under section 232 a non-financial sanction on a young person to whom subsection (2)(a) or (b) of this section applies.

**36 New section 280A inserted (Cancellation of young parent payment and incentive payments for continuing failure to comply)** 5

After section 280, insert:

**280A Cancellation of young parent payment and incentive payments for continuing failure to comply**

- (1) MSD must cancel a young person's (P's) young parent payment and incentive payments if— 10
- (a) MSD has, under section 280, imposed a sanction described in section 280(2) on P; and
  - (b) P fails to recompile, within 13 weeks after the sanction ~~took~~takes effect, with each obligation—
    - (i) for which the sanction was imposed for a failure to comply with; 15
    - and
    - (ii) that P has not ceased to have; and
  - (c) section 320 does not apply to P.
- (2) On cancellation under this section of P's young parent payment,—
- (a) MSD must also cancel the following benefits if P is receiving them: 20
    - (i) accommodation supplement:
    - (ii) temporary additional support:
    - (iii) disability allowance (but not child disability allowance); but
  - (b) that cancellation of those benefits does not, if P reapplies for all or any of them, affect or limit P's entitlement to all or any of them. 25
- (3) On cancellation under this section of P's young parent payment, to be again entitled to young parent payment under this Act, P must apply for young parent payment and establish that P is eligible for young parent payment.
- (4) If P is again entitled to young parent payment under this Act, to be entitled again to incentive payments, P must satisfy the criteria for incentive payments (as those criteria are prescribed for the purposes of section 62 by regulations made under section 418(1)(d)). 30

**37 Section 282 amended (Effect of cancellation of young parent payment)**

In section 282(2), replace “(restoration of entitlement after suspension, reduction, cancellation, or non-entitlement)” with “(restoration of entitlement after suspension, reduction, non-financial sanction, cancellation, or non-entitlement)”. 35

<b>37A</b>	<b><u>Section 283 amended (Effect of cancellation of young parent payment on accommodation supplement or temporary additional support)</u></b>	
	<u>In section 283(3)(a) and (b), before “any accommodation supplement or temporary additional support”, insert “the rate of”.</u>	
<b>38</b>	<b>New section 285A and cross-heading inserted (Exclusion of sanction for first or second failure if timely recompliance occurs)</b>	5
	After section 285, insert:	
	<i>Special cases: variations on ordinary sanctions rules</i>	
<b>285A</b>	<b>Exclusion of sanction for first or second failure if timely recompliance occurs</b>	10
	MSD must not impose a sanction under section 270 or 280 for a first or second failure by a young person if the young person recomplies within 5 working days of being given a section 252 notice in relation to the failure.	
<b>39</b>	<b>Section 287 replaced (Procedure for imposing sanctions for failure to comply with young person or young parent obligation)</b>	15
	Replace section 287 with:	
<b>287</b>	<b>Procedure for imposing sanctions for failure to comply with young person or young parent obligation</b>	
(1)	The following sections apply with all necessary modifications, and subject to the express modifications set out in <b>subsection (2)</b> , to the imposition of sanctions under sections 270, 271, 280, and 281:	20
(a)	sections 240 to 242 (how number of failures is counted):	
(b)	sections 252 to 256 (procedure for imposing sanctions).	
(2)	The express modifications referred to in <b>subsection (1)</b> are as follows:	
(a)	the words “24 months” in section 242(1) must be read as “12 months”:	25
(b)	the words “24-month period” in section 242(3) must be read as “12-month period”.	
<b>287A</b>	<b>Procedure for imposing sanctions under section 276(2) or 278(2)</b>	
(1)	This section applies to a young person who is subject to a sanction—	
(a)	under any of sections 233 and 236 to 239; and	30
(b)	for a failure that section 276(2)(a) or (b) or 278(2)(a) or (b) requires to be treated as having occurred.	
(2)	Section 242 applies to the young person—	
(a)	with any necessary modifications; and	
(b)	subject to the express modifications set out in <b>subsection (3)</b> .	35

- (3) The express modifications referred to in **subsection (2)(b)** are as follows:
- (a) the words “24 months” in section 242(1) must be read as “12 months”;
  - (b) the words “24-month period” in section 242(3) must be read as “12-month period”.
- 40 Section 298 amended (MSD must inquire into claim for benefit)** 5
- Before section 298(2)(a), insert:
- (aaa) **sections 183A to 183D** (requirement to complete jobseeker profile questionnaire):
- 41 Cross-heading above section 320 amended**
- In the cross-heading above section 320, after “*suspension, reduction,*”, insert “*non-financial sanction,*”. 10
- 42 Section 320 amended (Effect of no longer being subject to work-test or young person obligations)**
- (1) ~~In section 320(1), after “a person whose benefit has been suspended or reduced,”, insert “or who is subject to a non-financial sanction,”.~~ 15
- (1) In section 320(1), replace “a person whose benefit has been suspended or reduced,” with “a person whose benefit has been suspended, or whose rate of benefit has been reduced (by half or to zero), or who is subject to a non-financial sanction,”.
- (2) In section 320(1), after “236”, insert “**236A, 236B,**”. 20
- (2A) In section 320(1), after “**236B,**”, insert “**236E, 236H,**”.
- (3) In section 320(1)(a) and (b), after “other than because of the imposition of that suspension, reduction,”, insert “non-financial sanction,”.
- (3A) In section 320(2)(a), replace “suspension or reduction of the benefit” with “suspension of the benefit or reduction (by half or to zero) of the rate of benefit”. 25
- (4) After section 320(2)(a), insert:
- (aa) the non-financial sanction ceases to have effect in respect of the person;  
or
- 43 Section 321 amended (Effect of no longer being subject to dependent children obligations)** 30
- (1) In section 321(1)(a), after “236”, insert “**236A, 236B,**”.
- (2) In section 321(1)(a), after “**236B,**”, insert “**236E, 236H,**”.
- 44 Section 322 amended (Effect of no longer being subject to work-preparation obligations)**
- (1) In section 322(1)(a), after “236”, insert “**236A, 236B,**”. 35
- (2) In section 322(1)(a), after “**236B,**”, insert “**236E, 236H,**”.

**45 Section 325 amended (General rule if person's entitlement to benefit ceases)**

Replace section 325(2) with:

- (2) This section is subject to sections 326 to 330, and to regulations made under **section 441(1), (2)(d), and (4A)**, which require conditional payments of— 5
- (a) the specified benefit; and
  - (b) all other assistance under this Act—
    - (i) that is payable to the person immediately before the expiry date for the specified benefit; and
    - (ii) that would have continued to be payable to the person had their 10 specified benefit not expired.

**46 Section 332 amended (General rule)**

Replace section 332(2) with:

- (2) This section is subject to sections **334** and 336, and to regulations made under **section 441(1), (2)(d), and (4A)**, which require conditional payments of— 15
- (a) the specified benefit; and
  - (b) all other assistance under this Act—
    - (i) that is payable to the person immediately before the expiry date for the specified benefit; and
    - (ii) that would have continued to be payable to the person had their 20 specified benefit not expired.

**47 Section 334 replaced (Exemptions)**

Replace section 334 with:

- 334 Exceptions for specified benefit based on prescribed circumstances**
- (1) This section applies to a specified benefit if 1 or more of the prescribed circumstances apply to the beneficiary at any time or times, or at all times, on or after the date on which— 25
- (a) MSD gives the beneficiary a notice stating the matters set out in section 335(1)(a) to (c), as required by section 335(1); or
  - (b) MSD takes reasonable steps to advise the beneficiary of those matters, as 30 required by section 335(2) and (3).
- (2) In particular, this section applies (without limiting the generality of **subsection (1)**) to a specified benefit if 1 or more of the prescribed circumstances apply to the beneficiary at any time or times, or at all times,— 35
- (a) on or after the expiry date for that benefit; and
  - (b) within any period regulations made under section 441 provide for completing requirements for regrant of that benefit.

- (3) The specified benefit—
- (a) does not expire under section 332; and
  - (b) must continue to be paid until the date that would be the expiry date for it if it had expired and were reapplied for and was regranted.
- (4) This section overrides sections 325 and 332, but does not limit any review under section 304. 5
- (5) In **subsection (1)**, **prescribed circumstances** means any circumstances that are—
- (a) circumstances in which under this section a specified benefit does not expire under section 332; and 10
  - (b) prescribed for the purposes of this section by regulations made under section 441(1).

**48 Section 339 amended (Payment generally to, or on account of, beneficiary personally)**

After section 339(2)(a), insert: 15

- (aa) **section 340A**, on the manner of payment of certain payments to people subject to a sanction for a first failure; and

**49 Section 340 amended (Required manner of payment: general)**

Before section 340(2)(a), insert:

- (aaa) **section 340A**, on the manner of payment of certain payments to people subject to a sanction for a first failure; and 20

**50 New sections 340A and 340B inserted**

After section 340, insert:

**340A Required manner of payment: money management for certain payments to people subject to sanction for first failure** 25

- (1) Regulations made under **section 418(1)(jb)** for the purposes of this section may prescribe the required manner of payment for money management for certain payments to a person (**P**)—
- (a) who is subject to a sanction for a first failure; and
  - (b) to whom **section 236A** applies; and 30
  - (c) while money management imposed on P has effect.
- (2) Those regulations may, without limitation,—
- (a) require, while money management imposed on P has effect, that the prescribed proportion of an instalment of P's main benefit that is an instalment payable to P (*see* regulations made under **section 418(1)(ia)**) must be paid to P by crediting an amount to a payment card for a prescribed period to enable P to obtain goods or services— 35

- (i) that MSD considers are essential; and
- (ii) from participating suppliers:
- (b) define participating suppliers:
- (c) provide for how specified arrears that MSD must pay, and that are arrears that relate to a period while money management imposed on P has effect, are credited or paid: (for example, by providing that—
  - (i) the prescribed proportion of the specified arrears is credited to P's payment card; and
  - (ii) the rest of the specified arrears is paid to P personally under section 339(1):
- (d) provide for how specified debt that MSD must recover, and that is debt that relates to a period while money management imposed on P has effect, is recovered: (for example, by providing that the specified debt is recovered—
  - (i) from P personally; and
  - (ii) not from, or from amounts to be credited to, P's payment card).

#### **340B Credit on payment card at end of money management**

- (1) This section applies to a person to whom **section 236A** applies (P) if—
  - (a) money management was, but is no longer, imposed on P; and
  - (b) under the prescribed required manner of payment for money management for certain payments to P (*see* **section 340A** and regulations made under **section 418(1)(jb)**), P has a payment card to which 1 or more amounts payable to P have been credited for the purchase of goods or services; and
  - (c) the amounts on the card have not been fully spent.
- (2) MSD may, after receiving an oral or a written application to do so made (in any form, and using any wording, that is reasonable for the purpose) by or on behalf of P, pay the amount standing to the credit of P on the card to P under section 339.

#### **51 Subpart 5A heading in Part 6 amended**

In Part 6, in the subpart 5A heading, delete “in respect of information share child support payments”.

#### **52 Section 363A amended (Use of automated electronic systems to make decisions, exercise powers, comply with obligations, and take related actions)**

- (1) Replace the heading above section 363A(3) with:

*What specified provision must be about*

- (2) Replace section 363A(3) with:
- (3) The specified provision must be about—
- (a) how an information share child support payment is or affects any person's assets, income, or other means of any kind (however described), for the purposes of, or for any purpose related to,—
    - (i) a benefit; or
    - (ii) any other assistance under this Act; or
  - (b) sanctions for breach of obligations other than young person or young parent obligations; or
  - (c) sanctions for breach of young person or young parent obligations.
- 53 Section 363A amended (Use of automated electronic systems to make decisions, exercise powers, comply with obligations, and take related actions)**
- After section 363A(3)(c), insert:
- (d) expiry and regrant of specified benefits.
- 54 Section 418 amended (Regulations: general)**
- (1) Before section 418(1)(j), insert:
- (ia) **section 236A(4)(a)** (money management: prescribed proportion of an instalment of P's main benefit that is an instalment payable to P that is paid by the required manner of payment for money management (prescribed by regulations made under **paragraph (jb)** of this subsection)):
  - (ib) **section 236A(5) and (6)(b)** (money management: prescribed period ~~after the imposition of money management takes effect~~ starting when the sanction takes effect under **section 236A(6)(a)** within which P must recommit and until the end of which money management has effect):
  - (ic) **sections 236B(4) and 236C** (community work experience: prescribed search period starting when the sanction takes effect under **section 236B(5)(a)** for finding ~~position with a community or voluntary sector organisation that MSD is satisfied is reasonably suitable~~ 1 or more positions that comply with **section 236B(4)(a)**):
  - (id) **sections 236B(4) and 236C** (community work experience: prescribed minimum number of ~~minimum~~ hours per week for prescribed minimum number of weeks (that start as specified in **section 236B(4)(b)(ii))**):
- (1A) After **section 418(1)(id)**, insert:
- (ie) **sections 236E(4) and 236F(2) and (4)** (report job search: prescribed period starting when the sanction takes effect under **section 236E(5)(a)** and prescribed minimum number of job-search activities per week):

- (if) **sections 236H(4) and 236I(2) and (4)** (upskilling: prescribed period starting when the sanction takes effect under **section 236H(5)(a)** and prescribed minimum number of hours per week of attendance at and participation in 1 or more employment-related training programmes or courses): 5
- (2) After section 418(1)(ja), insert:
- (jb) **section 340A** (required manner of payment: money management for certain payments to people subject to sanction for first failure):
- 55 Section 441 amended (Regulations: expiry and regrant of specified benefits)** 10
- (1) Replace section 441(2)(c) and (d) with:
- (c) specify circumstances for the exception under **section 334(1)** from expiry under section 332:
- (d) specify, for section 336(2), requirements—
- (i) for the regrant of a specified benefit; and 15
- (ii) that may override sections 325 to 332 in the way specified in **subsection (4A)**; but
- (iii) that must otherwise be not inconsistent with this Act.
- (2) After section 441(4), insert:
- (4A) **Subsection (2)(d)** authorises (without limitation) the regulations to require granting and payment to a person of conditional payments of— 20
- (a) the specified benefit; and
- (b) all other assistance under this Act—
- (i) that is payable to the person immediately before the expiry date for the specified benefit; and 25
- (ii) that would have continued to be payable to the person had their specified benefit not expired.
- (4B) Conditional payments mentioned in **subsection (4A)** are—
- (a) for the relevant period, on and after that expiry date, in which the requirements for regrant of the specified benefit must be completed; and 30
- (b) subject to the condition that the person is liable to repay the whole of any amount paid for that relevant period if the person’s specified benefit is not regrant.
- 56 Amendments to update references to money management**
- Amend the principal Act as set out in **Schedule 1** of this Act. 35
- 57 Schedule 1 amended**
- In Schedule 1,—

- (a) insert the Part set out in **Schedule 2** of this Act as the last Part; and
- (b) make all necessary consequential amendments.

## 58 Schedule 2 amended

(1) In Schedule 2, insert in their appropriate alphabetical order:

**community work experience** means the non-financial sanction with that name imposed under **sections 232(2)(a) and 236B** 5

**jobseeker profile** is defined in **section 183A(3A)** for the purposes of **sections 183A to 183D**

**money management** means the non-financial sanction with that name imposed under **sections 232(2)(a) and 236A** 10

**non-financial sanction** means a sanction that is either of the following:

- (a) money management;
- (b) community work experience

**section 252A notice** has the same meaning as in **section 252A** (MSD must give notice of non-financial sanction) 15

**youth money management manner of payment**, in relation to payment of a benefit, means a manner of payment, prescribed in regulations made under section 418(1)(k), that is designed to assist certain young people to manage their money effectively

(1A) In Schedule 2, definition of **drug-testing obligation**,—

- (a) before “250,”, insert “**236B**,”; and 20
- (b) after “261,”, insert “**261A**,”.

(1B) In Schedule 2, definition of **drug-testing obligation**, after “**236B**,”, insert “**236E, 236H**,”.

(1C) In Schedule 2, replace the definition of **job-search activity** with:

**job-search activity**, for a person (P), means an activity undertaken by P— 25

- (a) as a work-tested beneficiary, or under section 261, **261C**, or 324; and
- (b) to seek or obtain employment (including, without limitation, to help to comply with P’s work-test obligation under section 144(a) to be available for, and take reasonable steps to obtain, suitable employment)

(1D) In Schedule 2, replace the definition of **non-financial sanction** with: 30

**non-financial sanction** means a sanction that is any of the following:

- (a) money management;
- (b) community work experience;
- (c) report job search;
- (d) upskilling 35

(1E) In Schedule 2, insert in their appropriate alphabetical order:

**report job search** means the non-financial sanction with that name imposed under **sections 232(2)(a) and 236E**

**upskilling** means the non-financial sanction with that name imposed under **sections 232(2)(a) and 236H**

- (2) In Schedule 2, repeal the definition of **money management manner of payment**. 5

## Part 2 Amendments to Social Security Regulations 2018

### 59 Principal regulations

This Part amends the Social Security Regulations 2018. 10

### 60 Regulation 163 amended (Guide to Part 5)

- (1) After regulation 163(a), insert:
- (aa) prescribes a proportion and a period for the non-financial sanction called money management; and
  - (ab) prescribes a search period, and a minimum number of ~~minimum~~ hours per week for a minimum number of weeks, for the non-financial sanction called community work experience; and

- (2) After **regulation 163(ab)**, insert:

- (ac) prescribes a period, and a minimum number of job-search activities per week, for the non-financial sanction called report job search; and 20
- (ad) prescribes a period, and a minimum number of hours per week of attendance at and participation in 1 or more employment-related training programmes or courses that MSD considers are suitable, for the non-financial sanction called upskilling; and

### 61 New regulations 163A and 163B inserted

After regulation 163, insert:

#### 163A Money management: prescribed proportion and prescribed period

- (1) For the purposes of **section 236A(4)(a)** of the Act, the prescribed proportion of an instalment of P's main benefit is half.
- (2) For the purposes of **section 236A(5) and (6)(b)** of the Act, the prescribed period ~~after the imposition of money management takes effect~~ (starting when the sanction takes effect under **section 236A(6)(a)** of the Act) within which P must reemploy and until the end of which money management has effect is 4 weeks. 30

**163B Community work experience: prescribed search period and prescribed minimum number of ~~minimum~~ hours per week for prescribed minimum number of weeks**

- (1) For the purposes of **sections 236B(4) and 236C** of the Act, the prescribed search period (starting when the sanction takes effect under **section 236B(5)(a)** of the Act) for finding ~~a position with a community or voluntary sector organisation that MSD is satisfied is reasonably suitable~~ 1 or more positions that comply with **section 236B(4)(a)** of the Act is ~~within 2 weeks of the sanction taking effect.~~ 5
- (2) For the purposes of **sections 236B(4) and 236C** of the Act,— 10
- (a) the prescribed minimum number of ~~minimum~~ hours per week is 5; and
- (b) the prescribed minimum number of weeks (that start as specified in **section 236B(4)(b)(ii)** of the Act) is 4.

**61A New regulations 163C and 163D inserted**

After **regulation 163B**, insert: 15

**163C Report job search: prescribed period and prescribed minimum number of job-search activities per week**

- (1) For the purposes of **sections 236E(4) and 236F(2) and (4)** of the Act, the prescribed period (starting when the sanction takes effect under **section 236E(5)(a)** of the Act) is 4 weeks. 20
- (2) For the purposes of **section 236E(4)** of the Act, the prescribed minimum number of job-search activities per week is 3.

**163D Upskilling: prescribed period and prescribed minimum number of hours per week of attendance at, and participation in, 1 or more employment-related training programmes or courses**

- (1) For the purposes of **sections 236H(4) and 236I(2) and (4)** of the Act, the prescribed period (starting when the sanction takes effect under **section 236H(5)(a)** of the Act) is 4 weeks. 25
- (2) For the purposes of **section 236H(4)** of the Act, the prescribed minimum number of hours per week of attendance at, and participation in, 1 or more employment-related training programmes or courses that MSD considers are suitable is 5. 30

**62 Regulation 165 amended (Guide to Part 6)**

In regulation 165(c), replace “190” with “190O”.

**63 Regulation 165 amended (Guide to Part 6)**

After regulation 165(d), insert:

- (da) **subpart 4A (regulation 192A)** deals with money management: 35

**64 Regulation 187 amended (Expiry date for jobseeker support)**

- (1) In the heading to regulation 187(1), replace “12-month anniversary of” with “26 weeks after”.
- (2) In regulation 187(1), replace “to (6)) the 12-month anniversary of” with “and (3)) the date that is 26 weeks after”.
- (3) Replace regulation 187(2) with:
- (2) For a beneficiary whose sole parent support is replaced with jobseeker support under section 33 of the Act when the beneficiary’s youngest dependent child turns 14 years old, that expiry date is the earlier of—
- (a) the 12-month anniversary of the date on which the beneficiary’s original benefit commenced or, as the case may be, last commenced; and
- (b) the date that is 26 weeks after the beneficiary’s jobseeker support commenced.
- (4) Revoke regulation 187(4) to (6).

**65 Regulation 189 replaced (Exemptions from expiry)**

Replace regulation 189 with:

**189 Circumstances in which under section 334 of Act specified benefit does not expire under section 332 of Act**

Each of the following paragraphs prescribes circumstances in which under **section 334** of the Act a specified benefit does not expire under section 332 of the Act:

- (a) the beneficiary is a patient in hospital care within the meaning of section 4(1) of the Health and Disability Services (Safety) Act 2001:
- (b) the beneficiary is in residential disability care or rest home care within the meaning of section 4(1) of the Health and Disability Services (Safety) Act 2001:
- (c) the beneficiary resides in, or is present in and cannot reasonably leave, an area in respect of which a state of local emergency or state of national emergency is in force under Part 4 of the Civil Defence Emergency Management Act 2002:
- (d) the beneficiary resides in, or is present in and cannot reasonably leave, an area that is or may be affected by an outbreak of a quarantinable disease in respect of which an epidemic notice has been given, and is in force, under section 5(1) of the Epidemic Preparedness Act 2006:
- (e) the beneficiary resides in, or is present in and cannot reasonably leave, an area that is or may be affected by any exceptional circumstances other than those prescribed by **paragraphs (c) and (d)**.

**66 Regulation 190 replaced (Requirements for regrant of specified benefits)**

Replace regulation 190 with:

*Requirements for regrant: specified benefits other than jobseeker support*

**190 Specified benefits to which regulations 190A to 190G apply**

- (1) **Regulations 190A to 190G** apply only to specified benefits other than jobseeker support. 5
- (2) A reference in **regulations 190A to 190G** to a specified benefit therefore excludes jobseeker support (*see regulations 190H to 190O*).

**190A Requirements for reapplication form, supporting evidence, etc**

- (1) A specified benefit must not be regrant to a person to whom section 336 of the Act applies unless— 10
- (a) MSD has received—
- (i) a reapplication form (provided by MSD for the purpose) completed to MSD's satisfaction by or on behalf of the beneficiary and the beneficiary's spouse or partner who is included in the beneficiary's specified benefit (if any) (in this regulation, and in **regulations 190B to 190G**, called any **included spouse or partner**); and 15
- (ii) any supporting evidence reasonably required by MSD; and
- (b) the beneficiary and the beneficiary's work-tested spouse or partner (if they are an included spouse or partner) have participated, to the satisfaction of MSD, in a comprehensive work assessment of a kind specified by MSD. 20
- (2) **Subclause (1)** is subject to **subclause (3)** and to **regulations 190B to 190G**. 25
- (3) For the purposes of this regulation, a failure of a beneficiary's work-tested spouse or partner to participate in a comprehensive work assessment in accordance with **subclause (1)(b)**—
- (a) must not be treated as a failure to complete the requirements of **subclause (1)(a) and (b)**; but 30
- (b) must be treated as a failure by that spouse or partner to comply with that spouse's or partner's work-test obligations.

**190B Requirements completed before expiry date**

- (1) This regulation applies only if, in relation to a person, the requirements of **regulation 190A(1)(a) and (b)** are completed (by the person and by any included spouse or partner) before the expiry date (as defined in section 331(1) of the Act) for the person's specified benefit. 35

- (2) MSD must regrant the person's specified benefit if MSD is satisfied that the person meets or continues to meet the eligibility criteria for that benefit.
- (3) If regranted, that benefit commences on that expiry date.

#### **190C Requirements completed in 20 working days starting on expiry date**

- (1) This regulation applies if, in relation to a person and any included spouse or partner,— 5
- (a) the requirements of **regulation 190A(1)(a) and (b)** are completed (by the person and by any included spouse or partner) within 20 working days starting on the expiry date for the person's specified benefit; and
- (b) MSD is satisfied that, at any time or times when or after MSD did the following, exceptional circumstances existed that prevented those requirements from being completed before that expiry date: 10
- (i) gave the beneficiary a notice stating the matters set out in section 335(1)(a) to (c) of the Act, as required by section 335(1) of the Act; or 15
- (ii) took reasonable steps to advise the beneficiary of those matters, as required by section 335(2) and (3) of the Act.
- (2) MSD must regrant the person's specified benefit if MSD is satisfied that—
- (a) the person meets the eligibility criteria (including, without limitation, the requirements in section 29 of the Act) for that benefit set out in Part 2 of the Act; and 20
- (b) on and after that expiry date, and unless exceptional circumstances prevented the person from doing so, the person continued to meet the eligibility criteria for that benefit.
- (3) If regranted, that benefit commences on that expiry date. 25
- (4) If regranted, that benefit is not payable to the person for the relevant period as well as the conditional payment to the person for the relevant period of the following that are payable under **regulation 190E**:
- (a) the specified benefit; and
- (b) the other assistance specified in **regulation 190E(3)(b)**. 30

#### **190D Person intending to reapply contacts MSD before expiry date**

- (1) This regulation applies if a person intending to reapply for a specified benefit, or any included spouse or partner, contacts MSD before the expiry date for the person's specified benefit.
- (2) MSD may set a time (being a time within 10 working days starting on that expiry date) before which the requirements of **regulation 190A(1)(a) and (b)** are to be completed (by the person and by any included spouse or partner). 35

- (3) If those requirements are completed (by the person and by any included spouse or partner) before that time, MSD may regrant that benefit if MSD is satisfied that—
- (a) the person meets the eligibility criteria (including, without limitation, the requirements in section 29 of the Act) for that benefit set out in Part 2 of the Act; and 5
  - (b) on and after that expiry date, and unless exceptional circumstances prevented the person from doing so, the person continued to meet the eligibility criteria for that benefit.
- (4) If regranting, that benefit commences on that expiry date. 10
- (5) If regranting, that benefit is not payable to the person for the relevant period as well as the conditional payment to the person for the relevant period of the following that are payable under **regulation 190E**:
- (a) the specified benefit; and
  - (b) the other assistance specified in **regulation 190E(3)(b)**. 15

#### **190E Conditional payment of specified benefit and other assistance**

- (1) This regulation applies only if, in relation to a person,—
- (a) the requirements of **regulation 190A(1)(a) and (b)** are not completed (by the person and by any included spouse or partner) before the expiry date (as defined in section 331(1) of the Act); and 20
  - (b) the person's specified benefit is not regranting, and does not commence on that expiry date, under **regulation 190B(2) and (3)**; and
  - (c) those requirements may be completed in the relevant period.
- (2) The **relevant period**, for the purposes of this regulation, is—
- (a) the 20-working-day period mentioned in **regulation 190C**; or 25
  - (b) if **regulation 190D** applies, the period that—
    - (i) starts when the person, or any included spouse or partner, contacts MSD; and
    - (ii) ends at the time MSD sets under **regulation 190D** before which the requirements of **regulation 190A(1)(a) and (b)** are to be 30 completed.
- (3) MSD must, for the relevant period, grant and pay the person—
- (a) the specified benefit; and
  - (b) all other assistance under this Act—
    - (i) payable to the person immediately before the expiry date for the 35 specified benefit; and
    - (ii) that would have continued to be payable to the person had their specified benefit not expired.

(4)	<b>Subclause (3)</b> does not limit any review under section 304 of the Act.	
(5)	Payment of a benefit and assistance granted under this regulation is subject to the condition that the person is liable to repay the whole of any amount paid for the relevant period if the person's specified benefit is not regranted under <b>regulation 190C or 190D</b> .	5
(6)	Any amount the person is liable to repay under this regulation is a debt due to the Crown and subject to recovery under section 362(1) of the Act (MSD's duty to recover debts) by MSD from the person.	
<b>190F</b>	<b>When reapplication form meets application form requirements</b>	
	<b>Regulations 190A to 190D</b> apply for the purposes of section 297 of the Act.	10
<b>190G</b>	<b>When reapplication form treated as new application form</b>	
(1)	This regulation applies to a person if the requirements of <b>regulation 190A(1)(a) and (b)</b> —	
(a)	are not completed (by the person and by any included spouse or partner) within 20 working days starting on the expiry date for the person's specified benefit; or	15
(b)	were completed (by the person and by any included spouse or partner) within that 20-working-day period, and MSD is satisfied that there were no exceptional circumstances that prevented those requirements from being completed (by the person and by any included spouse or partner) before that expiry date.	20
(2)	The specified benefit must not be regranted to the person.	
(3)	Any reapplication form received from or on behalf of that person must be treated as an application form for the purposes of section 297(1) of the Act and regulation 166.	25
	<i>Requirements for regrant: specified benefits that are jobseeker support</i>	
<b>190H</b>	<b>Specified benefits to which regulations 190I to 190O apply</b>	
	<b>Regulations 190I to 190O</b> apply only to jobseeker support.	
<b>190HA</b>	<b><u>Meaning of period allowed to complete requirements</u></b>	
	<i>Definition</i>	30
(1)	<b><u>In regulations 190I to 190O, the period allowed to complete the requirements, for a person and any included spouse or partner referred to in regulation 190I(1)(a)(i), means—</u></b>	
(a)	<b><u>for the purposes of the person and any included spouse or partner completing requirements in regulation 190I(1)(a) and (b), the period specified in subclause (2); and</u></b>	35

(b) for the purposes of the person and any included spouse or partner completing requirements in **regulation 190I(1)(c)**, the period specified in **subclause (3)**.

*Period for requirements in regulation 190I(1)(a) and (b)*

(2) The period for requirements in **regulation 190I(1)(a) and (b)**— 5

(a) starts when MSD gives the person notice of the matters set out in section 335(1)(a) to (c) of the Act, as required by section 335(1) of the Act, or when MSD takes reasonable steps to advise the person of those matters, as required by section 335(2) and (3) of the Act; and

(b) ends at the close of the day before the expiry date (as defined in section 331(1) of the Act) for the person's jobseeker support. 10

*Period for requirements in regulation 190I(1)(c)*

(3) The period for requirements in **regulation 190I(1)(c)** is the 13-week period that—

(a) starts on the day that is 13 weeks before the expiry date (as defined in section 331(1) of the Act) for the person's jobseeker support; and 15

(b) ends at the close of the day before the expiry date (as defined in section 331(1) of the Act) for the person's jobseeker support.

## **190I Requirements for reapplication form, supporting evidence, etc**

*Requirements* 20

(1) Jobseeker support must not be regranted to a person unless ~~at any time or times within 13 weeks before the expiry date (as defined in section 331(1) of the Act) for the person's jobseeker support~~—

(a) MSD receives within the period allowed to complete the requirements—

(i) a reapplication form (provided by MSD for the purpose) completed to MSD's satisfaction by the person, ~~or~~ and by the person's spouse or partner who is included in the person's jobseeker support (if any) (in **regulation 190HA**, in this regulation, and in **regulations 190J to 190O**, called any **included spouse or partner**); and 25 30

(ii) any supporting evidence reasonably required by MSD; and

(b) the person and any included spouse or partner have confirmed to MSD within the period allowed to complete the requirements that they will continue to meet their obligations under Part 3 of the Act; and

(c) MSD is satisfied within the period allowed to complete the requirements that— 35

(i) information provided by or on behalf of the person and any included spouse or partner shows that the person meets the requirements in section 20(a) and (c) to (e) of the Act; and

- (ii) the person is available for work (within the meaning of section 20(b) and 22 of the Act) and has participated, to the satisfaction of MSD, in an engagement that MSD considers suitable for improving their work readiness or prospects for employment; and
- (iii) any work-tested spouse or partner (if they are an included spouse or partner) has participated, to MSD's satisfaction, in an engagement that MSD considers suitable for improving their work readiness or prospects for employment. 5
- Requirements subject to subclauses (3) to (5) and to regulations 190J to 190O*
- (2) **Subclause (1)** is subject to— 10
- (a) **subclauses (3) to (5)**; and
- (b) **regulations 190J to 190O**.
- Exception to requirements in subclause (1)(a) to (c)*
- (3) Any included spouse or partner is not required to complete the requirements in **subclause (1)(a) to (c)** if the spouse or partner is in any of the specific circumstances described in **regulation 189**. 15
- Exception to requirements in subclause (1)(c)(ii)*
- (4) The requirements in **subclause (1)(c)(ii)** do not apply to—
- (a) a person who holds an exemption granted under section 158(1) of the Act from all of the person's— 20
- (i) work-preparation obligations; and
- (ii) work-test obligations; or
- (b) a person who is receiving jobseeker support on the ground of a health condition, injury, or disability, and who has—
- (i) a job to return to; and 25
- (ii) a confirmed return-to-work date.
- How MSD may be satisfied requirements in subclause (1)(a) to (c) completed*
- (5) Requirements in **subclause (1)(a) to (c)** may be completed at different times within ~~13 weeks before the expiry date~~ the period allowed to complete the requirements, and MSD may be satisfied that those requirements are completed based on information— 30
- (a) available to MSD during ~~that 13 week~~ that period; and
- (b) related to the circumstances of the person and any included spouse or partner, and to their entitlement to assistance under this Act.
- 190J Requirements completed before expiry date** 35
- (1) This regulation applies only if, in relation to a person, the requirements of **regulation 190I(1)(a) to (c)** are completed (by the person and by any inclu-

ded spouse or partner) within ~~13 weeks before the expiry date for the person's jobseeker support~~ the period allowed to complete the requirements.

- (2) MSD must regrant the person's jobseeker support.
- (3) If regranted, that benefit commences on that expiry date.

#### **190K Requirements completed in 20 working days starting on expiry date** 5

- (1) This regulation applies if, in relation to the person and any included spouse or partner,—
  - (a) the requirements of **regulation 190I(1)(a) to (c)** are completed (by the person and by any included spouse or partner) within 20 working days starting on the expiry date for the person's jobseeker support; and 10
  - (b) MSD is satisfied that, at any time or times ~~when or after MSD did the following~~ within the period allowed to complete the requirements, exceptional circumstances existed that prevented those requirements from being completed ~~before that expiry date; within that period.~~
    - (i) ~~gave the beneficiary a notice stating the matters set out in section 335(1)(a) to (e), as required by section 335(1); or~~ 15
    - (ii) ~~took reasonable steps to advise the beneficiary of those matters, as required by section 335(2) and (3).~~
- (2) MSD must regrant the person's jobseeker support if MSD is satisfied that—
  - (a) the person meets the eligibility criteria for that benefit in section 20 of the Act; and 20
  - (b) on and after that expiry date, and unless exceptional circumstances prevented the person from doing so, the person continued to meet the eligibility criteria for that benefit in section 20 of the Act.
- (3) If regranted, that benefit commences on that expiry date. 25
- (4) If regranted, that benefit is not payable to the person for the relevant period as well as the conditional payment to the person for the relevant period of the following that are payable under **regulation 190M**:
  - (a) jobseeker support; and
  - (b) the other assistance specified in **regulation 190M(3)(b)**. 30

#### **190L Person intending to reapply contacts MSD before expiry date**

- (1) This regulation applies if a person intending to reapply for jobseeker support, or any included spouse or partner, contacts MSD before the expiry date for the person's jobseeker support.
- (2) MSD may set a time (being a time within 10 working days starting on that expiry date) before which the requirements of **regulation 190I(1)(a) to (c)** are to be completed (by the person and by any included spouse or partner). 35

- (3) If those requirements are completed (by the person and by any included spouse or partner) before that time, MSD may regrant the person's jobseeker support if MSD is satisfied that—
- (a) the person meets the eligibility criteria for that benefit in section 20 of the Act; and 5
  - (b) on and after that expiry date, and unless exceptional circumstances prevented the person from doing so, the person continued to meet the eligibility criteria for that benefit in section 20 of the Act.
- (4) If regranted, that benefit commences on that expiry date.
- (5) If regranted, that benefit is not payable to the person for the relevant period as well as the conditional payment to the person for the relevant period of the following that are payable under **regulation 190M**: 10
- (a) jobseeker support; and
  - (b) the other assistance specified in **regulation 190M(3)(b)**.
- 190M Conditional payment of jobseeker support and other assistance** 15
- (1) This regulation applies only if, in relation to a person,—
- (a) the requirements of **regulation 190I(1)(a) to (c)** are not completed (by the person and by any included spouse or partner) ~~before the expiry date for the person's jobseeker support~~ within the period allowed to complete the requirements; and 20
  - (b) the person's jobseeker support is not regranted, and does not commence on that expiry date, under **regulation 190J(2) and (3)**; and
  - (c) those requirements may be completed in the relevant period.
- (2) The **relevant period**, for the purposes of this regulation, is—
- (a) the 20-working-day-day period mentioned in **regulation 190K**; or 25
  - (b) if **regulation 190L** applies, the period that—
    - (i) starts when the person, or any included spouse or partner, contacts MSD; and
    - (ii) ends at the time MSD sets under **regulation 190L** before which the requirements of **regulation 190I(1)(a) to (c)** are to be completed. 30
- (3) MSD must, for the relevant period, grant and pay the person—
- (a) jobseeker support; and
  - (b) all other assistance under this Act—
    - (i) payable to the person immediately before the expiry date for the person's jobseeker support; and 35
    - (ii) that would have continued to be payable to the person had their jobseeker support not expired.

- (4) **Subclause (3)** does not limit any review under section 304 of the Act.
- (5) Payment of jobseeker support and assistance granted under this regulation is subject to the condition that the person is liable to repay the whole of any amount paid for the relevant period if the person's jobseeker support is not regranted under **regulation 190K or 190L**. 5
- (6) Any amount the person is liable to repay under this regulation is a debt due to the Crown and subject to recovery under section 362(1) of the Act (MSD's duty to recover debts) by MSD from the person.
- 190N When reapplication form meets application form requirements**
- Regulations 190I to 190L** apply for the purposes of section 297 of the Act. 10
- 190O When reapplication form treated as new application form**
- (1) This regulation applies to a person if the requirements of **regulation 190I(1)(a) to (c)**—
- (a) are not completed (by the person and by any included spouse or partner) within 20 working days starting on the expiry date for the person's jobseeker support; or 15
- (b) were completed (by the person and by any included spouse or partner) within that 20-working-day period, and MSD is satisfied that there were no exceptional circumstances that prevented those requirements from being completed (by the person and by any included spouse or partner) within ~~13 weeks before that expiry date~~ the period allowed to complete the requirements. 20
- (2) Jobseeker support must not be regranted to the person.
- (3) Any reapplication form received from or on behalf of the person is treated as an application form for the purposes of section 297(1) of the Act and regulation 166. 25

**67 New subpart 4A of Part 6 inserted**

After regulation 192, insert:

**Subpart 4A—Money management**

- 192A Required manner of payment: money management for certain payments to people subject to sanction for first failure** 30
- Application*
- (1) This regulation applies—
- (a) to a main benefit of a person to whom **section 236A** applies (P); and
- (b) while money management imposed on P has effect. 35

- (2) In particular, this regulation applies to P's main benefit (without limiting the generality of **subclause (1)**) while both of the following apply:
- (a) P's main benefit is suspended for reasons unrelated to a sanction for failure to comply with 1 or more obligations under this Act that are specified in section 233 of the Act:
  - (b) money management imposed on P has effect.
- General rule*
- (3) The prescribed proportion of an instalment of P's main benefit, and that is an instalment payable to P (*see* **regulation 163A(1)**), must be paid by crediting ~~an~~ that amount to a payment card for 4 weeks to enable P to obtain goods or services—
- (a) that MSD considers are essential; and
  - (b) from participating suppliers.
- (4) A **participating supplier**, for the purposes of this section, means a supplier who has agreed with MSD to supply goods or services—
- (a) that MSD considers are essential; and
  - (b) to a person on whom money management has been imposed; and
  - (c) on the person's presentation of the payment card.
- Exceptions: arrears that MSD must pay, or debt that MSD must recover*
- (5) Arrears that MSD must pay to P, and that are arrears that relate to a period while money management imposed on P has effect (even if the arrears are unrelated to P's main benefit, but excluding arrears relating to a suspension to which **subclause (2)** applies), are—
- (a) paid to P personally under section 339(1) of the Act; and
  - (b) not credited to P's payment card.
- (5A) Arrears that MSD must pay to P, and that are arrears that relate to a period while money management imposed on P has effect (even if the arrears are unrelated to P's main benefit), and that are arrears relating to a suspension to which **subclause (2)** applies, are paid as follows:
- (a) the prescribed proportion of them is credited to P's payment card:
  - (b) the rest of them is paid to P personally under section 339(1) of the Act.
- (6) Debt that MSD must recover from P, and that is debt that relates to a period while money management imposed on P has effect (even if the debt is unrelated to P's main benefit, but excluding and even if it is debt relating to a suspension to which **subclause (2)** applies), is recovered—
- (a) from P personally; and
  - (b) not from, or from amounts to be credited to, P's payment card.

**68 Regulation 206 amended (Debts due to the Crown)**

In regulation 206(b), examples, after the item about an amount recoverable under regulation 185 (seasonal workers made redundant after benefit commences), insert:

An amount recoverable under **regulation 190E(6)** (conditional payment of specified benefit and other assistance). 5

An amount recoverable under **regulation 190M(6)** (conditional payment of jobseeker support and other assistance).

**69 Amendments to update references to money management**

Amend the principal regulations as set out in **Schedule 3** of this Act. 10

**70 Schedule 1 amended**

In Schedule 1,—

- (a) insert the Part set out in **Schedule 4** of this Act as the last Part; and
- (b) make all necessary consequential amendments.

**71 Schedule 6 amended**

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In Schedule 6, delete “Jobseeker support paid at the rate in clause 1(c), (e), or (f) of Part 1 of Schedule 4 of the Act”.

**Schedule 1**  
**Amendments to Social Security Act 2018 to update references to  
 money management**

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- In section 162(1)(i)(ii), before “money management under section 341”, insert “youth”. 5
- In section 165(7)(e), delete “regulations 4 and 5 and Part 2 of the Social Security (Criteria for Incentive Payments and Money Management) Regulations 2012 (as saved by clauses 12 and 41(3) of Schedule 1), or”.
- In section 168(6)(e), delete “regulations 4 and 5 and Part 2 of the Social Security (Criteria for Incentive Payments and Money Management) Regulations 2012 (as saved by clauses 12 and 41(3) of Schedule 1), or replacement”. 10
- In the heading to section 275, before “**money management**”, insert “**youth**”.
- In section 275(1)(b), before “money management under section 344”, insert “youth”.
- In section 276(1)(b), before “money management under section 344”, insert “youth”. 15
- In the heading to section 277, before “**money management**”, insert “**youth**”.
- In section 277(1)(b), before “money management”, insert “youth”.
- In section 278(1)(b), before “money management”, insert “youth”.
- In section 338(6), before “money management”, insert “youth”.
- In section 339(2)(b), before “money management”, insert “youth”. 20
- In the heading to section 341, before “**money management for certain payments to young people**”, insert “**youth**”.
- In section 341(1), before “**money management manner of payment**”, insert “**youth**”.
- In section 341(2) and (3), before “money management manner of payment”, insert “youth”. 25
- In the heading to section 342, replace “**Money**”, with “**Youth money**”.
- In the heading to section 344, before “**money management**”, insert “**youth**”.
- In section 344(1), before “money management manner of payment”, insert “youth”.
- In the heading to section 345, before “**money management**” insert “**youth**”. 30
- In section 345(1)(a), before “money management manner of payment”, insert “youth”.
- In section 418(1)(l), before “money management”, insert “youth”.



	<i>Other amendments relating to obligations failures</i>	
(2)	Any other amendments made to this Act by the amendment Act and relating to an obligation failure apply only to an obligation failure that is—	
	(a) an obligation failure that occurred, in whole, after commencement; or	
	(b) an obligation failure by a person ( <b>P</b> ) that—	5
	(i) occurred, in whole or in part, before commencement; and	
	(ii) is active at commencement ( <i>see</i> <b>subclause (3)</b> ).	
(3)	An obligation failure by P is active at commencement under <b>subclause (2)(b)(ii)</b> only if, at commencement, 1 or both of the following applied to it:	
	(a) a section 252 notice had been given to P:	10
	(b) P had not yet recompiled.	
(4)	<b>Subclause (3)</b> applies whether or not, at commencement, <del>a reduction by half, suspension, or cancellation of P's benefit, youth payment, or young parent payment</del> <u>any of the following had effect:</u>	
	(a) <u>a reduction (by half or to zero) of the rate of P's main benefit:</u>	15
	(b) <u>a suspension or cancellation of P's main benefit:</u>	
	(c) <u>a suspension of P's in-hand allowance and any incentive payments (if P is receiving a youth payment or young parent payment):</u>	
	(d) <u>a suspension or cancellation of P's youth payment and any incentive payments:</u>	20
	(e) <u>a suspension or cancellation of P's young parent payment and any incentive payments.</u>	
<b>102</b>	<b>Application of amendments about work gap eligibility for, and expiry and regrant of, jobseeker support or other specified benefits</b>	
	<i>Amendments to which clause applies</i>	25
(1)	The amendments made to this Act by the amendment Act on <b>1 July 2025</b> apply only to a benefit that commences or, as the case may be, last commences, on or after that date.	
(2)	However, <b>subclause (1)</b> is subject to—	
	(a) <b>Part 14</b> of Schedule 1 of the Social Security Regulations 2018 (as inserted by the amendment Act); and	30
	(b) the savings in <b>subclauses (3) and (4)</b> ; and	
	(c) <b>clause 103</b> (regulations for transitional and savings purposes).	
	<i>Saving of section 21(3)</i>	
(3)	Section 21(3) continues to apply, despite its repeal on <b>1 July 2025</b> , to jobseeker support that, under <b>clause 25</b> of Schedule 1 of the Social Security	35

Regulations 2018, remains subject to Schedule 6 of those regulations as in force immediately before **1 July 2025**.

*Saving of exemptions granted under section 334 and in force on 1 July 2025*

- (4) An exemption granted under section 334 and regulation 189 (as that section and regulation were in force before their repeal and revocation on **1 July 2025**), and that is in force on **1 July 2025**, remains in force—
- (a) according to the terms on which the exemption was granted; and
  - (b) as if that section and regulation were not so repealed and revoked.

### **103 Regulations for transitional and savings purposes**

*Power to make regulations on recommendation of Minister* 10

- (1) The Governor-General may, by Order in Council made on the recommendation of the Minister, make regulations prescribing transitional provisions, savings provisions, or both, related to amendments made by the Social Security Amendment Act **2024** to this Act.

*Regulations must be for specified transitional or savings purposes* 15

- (2) The regulations must be for either or both of the following purposes:
- (a) facilitating, or ensuring the orderliness of, the transition to those amendments being brought into operation;
  - (b) ensuring that existing rights or obligations continue as part of, or despite, that transition. 20

*Requirements for recommendation of Minister*

- (3) The Minister must not recommend the making of regulations made under **subclause (1)** unless satisfied that those regulations—
- (a) are reasonably necessary for either or both of the purposes in **subclause (2)(a) and (b)**; and 25
  - (b) are consistent with the purposes of the amendments made by the Social Security Amendment Act **2024** to this Act.

*Provisions prescribed may be in addition to or instead of specified clauses*

- (4) The transitional provisions or savings provisions prescribed by regulations made under **subclause (1)** may be provisions in addition to or instead of all or any of **clauses 99 to 102** of this Part as inserted by the Social Security Amendment Act **2024**. 30

*What prescribed transitional provisions or savings provisions may do*

- (5) The transitional provisions or savings provisions prescribed by regulations made under **subclause (1)** may do all or any of the following: 35
- (a) provide that, for a transitional period, in any circumstances, or subject to any conditions, specified in the regulations, 1 or more provisions

- (including definitions) of this Act do not apply, or apply with modifications or additions:
- (b) provide that, for a transitional period, in any circumstances, or subject to any conditions, specified in the regulations, 1 or more provisions repealed, amended, or revoked by those amendments are to continue to apply, or apply with modifications or additions, as if they had not been repealed, amended, or revoked: 5
  - (c) provide for any other matter necessary for either or both of the purposes in **subclause (2)(a) and (b)**. 10
- Secondary legislation*
- (6) Regulations made under this clause are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements). 10
- Power ends at, and any regulations made are revoked at, start of 1 July 2028*
- (7) Regulations made under this clause cannot be made after, and are revoked by this clause at, the start of 1 July 2028. 15

**Schedule 3**  
**Amendments to Social Security Regulations 2018 to update**  
**references to money management**

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- In regulation 165(e), before “money management”, insert “youth”. 5
- In Part 6, in the subpart 5 heading, replace “Money” with “Youth money”.
- In the heading to regulation 193, before “**money management**”, insert “**youth**”.
- In the heading to regulation 196, before “**money management**”, insert “**youth**”.
- In regulation 196(1), (2), (3), and (4), before “money management”, insert “youth” in each place. 10
- In the heading to regulation 198, before “**money management**”, insert “**youth**”.
- In regulation 198(1), before “money management”, insert “youth”.
- In the heading to regulation 199, before “**money management**” insert “**youth**”.
- In regulation 199, before “money management”, insert “youth” in each place.
- In the heading to regulation 200, before “**money management**”, insert “**youth**”. 15
- In regulation 200, before “money management”, insert “youth”.
- In regulation 266(c), before “money management”, insert “youth”.

**Schedule 4**  
**New Part 14 inserted into Schedule 1 of Social Security**  
**Regulations 2018**

s 70

<b>Part 14</b>	5
<b>Provisions relating to Social Security Amendment Act 2024</b>	
<b>22 Definitions for this Part</b>	
In this Part, unless the context otherwise requires,—	
<b>amendment Act</b> means the Social Security Amendment Act <b>2024</b> .	
<b>23 Amendments related to expiry date for jobseeker support</b>	10
<i>Benefits to which amendments apply</i>	
(1) The amendments made to regulation 187 by the amendment Act (the <b>amendments</b> ) apply, on and after <b>1 July 2025</b> , only to the following jobseeker support, and apply subject to <b>subclauses (2) to (6)</b> :	
(a) jobseeker support that commences or, as the case may be, last commences, on or after <b>1 July 2025</b> ; and	15
(b) jobseeker support that commences or, as the case may be, last commences,—	
(i) on or after <b>4 February 2025</b> ; but	
(ii) before <b>1 July 2025</b> ; and	20
(c) jobseeker support that commences or, as the case may be, last commences, before <b>4 February 2025</b> ; and	
(d) jobseeker support specified in <b>clause 25(1)(b)</b> .	
(2) Jobseeker support specified in <b>subclause (1)(a), (b) or (c)</b> excludes jobseeker support if, immediately before <b>1 July 2025</b> , the weekly income (other than any information share child support payment) of the person receiving that jobseeker support is calculated over 52 weeks under—	25
(a) clauses 11 and 13 of Part 3 of Schedule 3 of the Act; and	
(b) regulation 205(1) of these regulations; and	
(c) the appropriate number of weeks specified for that benefit in item 1 of Schedule 6 of these regulations.	30
<i>Example of jobseeker support specified in subclause (1)(a), (b), (c), or (d)</i>	
(3) Jobseeker support specified in <b>subclause (1)(a), (b), (c), or (d)</b> includes, without limitation, jobseeker support that under section 33—	

- (a) commences on the date that the youngest dependent child in a person's (P's) care turns 14 years old; and
- (b) replaces P's sole parent support that expires on that date; and
- (c) is taken to be granted to P as if P had applied for it.
- How amendments apply to jobseeker support specified in subclause (1)(a)* 5
- (4) The amendments apply to jobseeker support specified in **subclause (1)(a)** only from the time that benefit commences or, as the case may be, last commences.
- How amendments apply to jobseeker support specified in subclause (1)(b)*
- (5) The amendments apply to jobseeker support specified in **subclause (1)(b)** as if its first expiry date under regulation 187 on and after **1 July 2025** is the date that is 26 weeks after that jobseeker support commences or, as the case may be, last commences. 10
- How amendments apply to jobseeker support specified in subclause (1)(c)*
- (6) The amendments apply to jobseeker support specified in **subclause (1)(c)** as follows: 15
- (a) it remains subject to regulation 187 as in force immediately before **4 February 2025**; but
- (b) on its expiry date under that regulation 187, it ceases to be subject to that regulation 187, and instead becomes subject to regulation 187 as in force on and after 1 July 2025. 20
- How amendments apply to jobseeker support specified in subclause (1)(d)*
- (7) The amendments apply to jobseeker support specified in **subclause (1)(d)** as follows: 25
- (a) it remains subject to regulation 187 as in force immediately before **1 July 2025** until the end of the 52 weeks specified in **clause 25(1)(b)**; but
- (b) at the end of those 52 weeks, it ceases to be subject to that regulation 187, and instead becomes subject to regulation 187 as in force on and after 1 July 2025. 30
- 24 Saving of old regulation 190 for reapplications in progress**
- (1) This clause applies to a beneficiary—
- (a) granted jobseeker support before **1 July 2025**; and
- (b) notified or advised under section 335 of the Act that their entitlement to that benefit will cease unless the beneficiary reapplies for that benefit and it is regranted; and 35
- (c) whose reapplication for regrant of jobseeker support was, on **1 July 2025**, neither withdrawn nor finally determined.

- (2) The reapplication remains subject to regulation 190 as in force immediately before **1 July 2025**.
- (3) Any jobseeker support regranted—
- (a) commences or, as the case may be, last commences, on or after **1 July 2025**; and therefore 5
- (b) is under **clause 23(1)(a)** subject to the amendments made to regulation 187.
- 25 Amendment relating to how person’s weekly income (other than any information share child support payment) is calculated**
- Jobseeker support to which amendment applies* 10
- (1) The amendment made to Schedule 6 by the amendment Act (the **amendment**) applies only to the following jobseeker support, and applies subject to **subclauses (2) to (4)**:
- (a) jobseeker support that commences or, as the case may be, last commences, on or after **1 July 2025**: 15
- (b) jobseeker support that commences or, as the case may be, last commences, before **1 July 2025**, if, and only if, immediately before **1 July 2025**, the weekly income (other than any information share child support payment) of the person receiving that jobseeker support is calculated over 52 weeks under— 20
- (i) clauses 11 and 13 of Part 3 of Schedule 3 of the Act; and
- (ii) regulation 205(1) of these regulations; and
- (iii) the appropriate number of weeks specified for that benefit in item 1 of Schedule 6 of these regulations.
- Example of jobseeker support specified in subclause (1)(a) or (b)* 25
- (2) Jobseeker support specified in **subclause (1)(a) or (b)** includes, without limitation, jobseeker support that under section 33—
- (a) commences on the date that the youngest dependent child in a person’s (**P’s**) care turns 14 years old; and
- (b) replaces P’s sole parent support that expires on that date; and 30
- (c) is taken to be granted to P as if P had applied for it.
- When amendment applies to jobseeker support specified in subclause (1)(a)*
- (3) The amendment applies to jobseeker support specified in **subclause (1)(a)** only from the time that benefit commences or last commences.
- When amendment applies to jobseeker support specified in subclause (1)(b)* 35

- (4) The amendment applies to jobseeker support specified in **subclause (1)(b)** only from the end of the 52 weeks specified in **subclause (1)(b)**.

**Legislative history**

9 December 2024  
10 December 2024

Introduction (Bill 103–1)  
First reading and referral to Social Services and Community  
Committee