

Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Bill

Government Bill

As reported from the Social Services Committee

Commentary

Recommendation

The Social Services Committee has examined the Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Bill and recommends that it be passed with the amendments shown.

Introduction

The Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Bill seeks to amend the Social Security Act 1964.

Extending the Youth Service

The Youth Service aims to improve educational and social outcomes for young beneficiaries. It provides youth coaching, along with services such as budgeting help and parenting courses.

Beneficiaries receiving youth services have obligations. These include attending courses and being subject to money management.¹

This bill would extend the Youth Service to include

- all 19-year-old beneficiaries with children

¹ Money management is the default payment structure for these young beneficiaries. This pays some of their costs, such as accommodation and utilities, directly to the supplier. The remainder goes into the beneficiary's bank account or onto a payment card that can be used only with certain suppliers, such as supermarkets and medical centres.

- 18- and 19-year-old beneficiaries without children who are considered to be at significant risk of long-term welfare dependency.

Remedial matters

The bill also seeks to remedy several practical issues that have arisen from the Act. These include

- changing the benefit start date so that a benefit would start on the day after a stand-down period ends, rather than the day the stand-down period ends on
- limiting appeal and review rights so that most people could only appeal decisions about their own benefit
- providing for terminal benefits to be paid into the account of the deceased person unless a surviving spouse or partner, or a person caring for the deceased person's child, applies to receive it
- authorising people who are no longer subject to money management to be paid any credit that remains on their payment card.

Benefit commencement dates

This bill seeks to change benefit start dates. Under clause 12, benefits would start on the day after the last day of the stand-down period instead of on the last day of a stand-down period.

We have become aware of new legislation, the Social Security (Commencement of Benefits) Amendment Act 2015, which came into force on 24 November 2015. This Act confirms which day a benefit payment should start on. Because of that legislation, it is not necessary to keep clause 12 or new clause 21 in clause 33(2) in this bill. We recommend removing them.

Consulting with young people about their referral

The bill does not require consultation with 18 or 19 year olds about their assessment and referral to the Youth Service. We believe consultation should be required, so we recommend inserting new subsection 171A(2A) into clause 29 of the bill.

This would require reasonable steps to be taken to consult with young people about their risk of long-term welfare dependency and the proposal to refer them to Youth Services.

Risk factors for referral to the Youth Service

Some submitters asked how the risk of long-term welfare dependency would be assessed. They said that the bill should specify the risk factors.

Although we agree with submitters' concerns about transparency, we also consider that flexibility is desirable. Flexibility would allow the risk model to be updated easily when new data or techniques become available.

We therefore recommend amending clause 29, new subsection 171A(6), to provide that the factors for determining risk of long-term welfare dependency would be set by

Ministerial direction. This would provide a balance between the desire for transparency and the ability to easily update risk models.

Encouraging young people to stay in education

It is important that the Youth Service is able to engage with people who are in—but who are at risk of leaving—education, training, and employment. We recommend that the bill reflect this by inserting clause 3A and amending clause 17.

Clause 3A would amend the purpose section of the Act by inserting a reference to encouraging and helping young people to “remain in” education, training, and employment.

In subclauses 17(1) and (2), we recommend changing the phrase “and remain in” to “or remain in”.

Young spouse or partner of a carer

We recommend inserting subclause 23(2) to amend the definition of “specified beneficiary”. The effect of this change would be that youth activity obligations would not be extended to a young spouse or partner of a young beneficiary who is caring for a patient. This is appropriate, because no additional amount is paid for that spouse or partner.

Extending money management to spouses or partners

We recommend amending subclause 28(10), which would insert new subsections after subsection 171(3) of the Act. We propose replacing subsections 171(4) and (5), and inserting new subsections 171(6) and (7).

Proposed new subsections 171(6) and (7) would extend money management to young spouses or partners of beneficiaries who enter the Youth Service. This would ensure consistent treatment of young spouses or partners and their peers in the Youth Service.

Exit date for spouses or partners

Proposed new subsections 171(4) and (5) would change the exit dates for these young spouses or partners. The new exit dates would match those of other Youth Service clients.

Start date is application date

Under clause 33(3), new clause 24 of Schedule 32, the benefit commencement date would determine whether 19-year-old parents receive a Young Parent Payment when the bill comes into force. For ease of operation, and to avoid confusion for clients when they apply for a benefit, we recommend amending new clause 24.

Our amendments would mean that 19-year-old parents who apply for a benefit after the bill comes into force would receive a Young Parent Payment. Those who apply before the bill comes into force would receive a different benefit.

Privacy Act 1993

New clause 25 in clause 33(3) of the bill would carry forward the existing information-sharing agreement, made under section 123F of the Social Security Act, between the Ministry of Education and the Ministry of Social Development. New clause 25 would provide that this agreement comes under Part 9A of the Privacy Act 1993.

Agreements such as this should be listed in Schedule 2A of the Privacy Act, which sets out approved information-sharing agreements. We recommend inserting new clause 44 and a Schedule to insert details of this agreement into Schedule 2A of the Privacy Act.

We also recommend amending new clause 25(2) to use the correct terminology of an “approved” information-sharing agreement.

Green Party of Aotearoa New Zealand minority view

The Green Party is voting against the Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Bill.

The Youth Service is still a relatively new intervention and comprehensive data is not yet available to establish whether the service is even effective or not. The Green Party shares the views of the Salvation Army that “the proposed extension of ‘young persons services’ and the associated obligations and sanctions, to 18 and 19 year olds is a clear example of the State placing its policy objectives ahead of the legitimate rights of citizens and that as a practice this is unwise and unfair”.

We are further concerned that the ministry will be using predictive risk modelling, with criteria open to change, to decide which young people will have more obligations and supervision. We have been told that the modelling is likely to consider educational outcomes, prior contact with Child, Youth and Family, gender, and reasons for leaving school.

Risk modelling requires information-sharing between the Ministry of Education, Child, Youth and Family, Work and Income, and potentially other core services in the future. While health information is currently not included it could be in the future, without parliamentary oversight in the decision-making process. We are concerned at this level of information-sharing for the purpose of placing increased restrictions and supervision onto certain groups of people, especially when the policy is as yet unproven.

Work and Income have said that they are very aware of the sensitivities of informing a young person that they will be required to attend the Youth Service. They have amended this bill to allow the young person to be told the basis on which a decision is being made to put them into a Youth Service and provide them the opportunity to correct or provide additional information. This bill will be passed without proof that this can be done without alienating young people. The amendments do not change the fact that choice is being removed and young people will be subject to increased monitoring and surveillance based on factors outside of their control. While ethnicity is not a criteria, 58 percent of young people in Child, Youth and Family’s care and protection

are Māori. We know there is a bias against Māori in policing and there is very likely to be a flow on bias in Child, Youth and Family youth justice. The Green Party is concerned that existing biases within the system will be exacerbated by this initiative and young people who have in all likelihood already had very negative experiences of the State will feel further marginalised.

Concerns were raised by Kay Brereton of the National Beneficiary Advocacy Group about how the service currently operates. They support wrap-around services but expressed the view that making young people's income dependent on meeting certain obligations fundamentally changed for the worse the relationship between the young people and the people in a position to help them. They also noted that there were indications that young people were not as aware of their appeal rights as people dealing directly with Work and Income and that there was a lack of transparency to the services.

The Green Party also opposes further restrictions to the right of appeal. The Government has told us the policy was always intended to restrict appeal rights to the applicant and never intended to allow appeal by those affected. In 2012 the Social Security Appeal Authority, in a case of a mother whose child was granted an unsupported child benefit payable to another caregiver, ruled that the law allowed affected people to appeal. The Government is now, over three years later, changing the policy to remove that right. This potentially also affects a large number of parents in 50/50 shared care arrangements who are not deemed to be the primary caregiver eligible for Sole Parent Support. While appeal will still be possible through judicial review, with changes to legal aid this option is increasingly inaccessible to beneficiaries.

Lastly, we were very disappointed to see the legal entitlements of beneficiaries being retrospectively removed in a manner referred to as a remedial matter in this bill, before that provision was removed from this bill and passed under urgency. We congratulate Kay Brereton for bringing this issue to public attention and supporting 20,000 beneficiaries to make claims before their rights were removed or restricted.

Appendix

Committee process

The Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Bill was referred to the committee on 23 July 2015. The closing date for submissions was 9 September 2015. We received and considered 10 submissions from interested groups and individuals. We heard four oral submissions.

We received advice from the Ministry of Social Development. The Regulations Review Committee reported to us on the powers contained in clause 2.

Committee membership

Alfred Ngaro (Chairperson)

Darroch Ball

Matt Doocey

Jan Logie

Todd Muller

Jono Naylor

Dr Parmjeet Parmar

Carmel Sepuloni

Stuart Smith

Poto Williams

**Social Security (Extension of Young Persons Services
and Remedial Matters) Amendment Bill**

Key to symbols used in reprinted bill

As reported from a select committee

text inserted unanimously

~~text deleted unanimously~~

Hon Anne Tolley

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Act **2015**.

2 Commencement

5

- (1) **Sections 5 to 9, 12, 13, and 33(1) and (2)** come into force on the day after the date on which this Act receives the Royal assent.
- (2) The rest of this Act comes into force on a date appointed by the Governor-General by Order in Council, and 1 or more orders may be made bringing different provisions into force on different dates.

10

Part 1

Amendments to the Social Security Act 1964

3 Principal Act

This Part amends the Social Security Act 1964 (the **principal Act**).

3A Section 1A amended (Purpose)

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In section 1A(ca), replace “move to” with “move into or remain in”.

4 Section 3 amended (Interpretation)

In section 3(1), insert in their appropriate alphabetical order:

NCEA level 2 means a level 2 National Certificate of Educational Achievement issued by the New Zealand Qualifications Authority established under Part 20 of the Education Act 1989

young person,—

- (a) in sections 1A(ca) and 123E,—
 - (i) means a person who is aged at least 15 years but is under the age of 18 years; and
 - (ii) includes a person aged 18 years who continues to receive services of the kind referred to in **section 123E(1)(a)**:
- (b) in all other cases,—
 - (i) means a person who is aged at least 16 years but is under the age of 20 years; and
 - (ii) includes—
 - (A) a person aged 20 years or over in respect of whom a young parent payment continues under section 168; and
 - (B) a person aged 20 years or over to whom obligations in section 170(1) continue to apply under **section 171(5)** or **171A(3)**

5 Section 3C amended (Transitional and savings provisions relating to amendments to this Act)

In section 3C(2), the table, after the item relating to the Social Security (Fraud Measures and Debt Recovery) Amendment Act 2014, insert:

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6 Section 10A amended (Review of decisions of chief executive made under delegation by other decision makers)

In section 10A(1), the table, replace item 1 with:

1 An applicant or a beneficiary	A decision of the chief executive made in relation to the applicant or beneficiary under any enactment referred to in any of the paragraphs of section 12J(1) (other than a decision referred to in section 12J(2) or (3))
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7 Section 10B amended (Right of appeal on medical grounds)

In section 10B(1), after “chief executive”, insert “made in relation to the applicant or beneficiary”.

8 Section 12J amended (Rights of appeal)

- (1) In section 12J(1), replace “Any applicant or beneficiary affected may appeal to the Appeal Authority against any decision or determination of the chief executive” with “An applicant or beneficiary may appeal to the Appeal Authority against any decision or determination of the chief executive made in relation to the applicant or beneficiary”. 5
- (2) Replace section 12J(5) and (6) with:
- (5) For the purposes of subsection (1), a decision or determination is not made in relation to an applicant or a beneficiary by reason only that the decision or determination has an economic or other effect on the applicant or beneficiary. 10
- (6) A beneficiary’s spouse or partner—
 - (a) may appeal to the Appeal Authority against a decision by the chief executive that section 83AA applies to the beneficiary in respect of a benefit apportioned under section 83(1) or (2) or against any component decision that some or all of the benefit paid to the spouse or partner— 15
 - (i) is an amount in excess of the amount to which the spouse or partner is by law entitled or is an amount to which the spouse or partner has no entitlement; or
 - (ii) is an amount obtained by fraud by the spouse or partner; but
 - (b) may not appeal against a decision or determination of the chief executive that relates only to the temporary deferral, rate, or method or methods of debt recovery from the beneficiary. 20

9 Section 12S amended (Appeals to Supreme Court)

Replace section 12S(1) with:

- (1) Any party to a proceeding under section 12Q or 12R in which a determination of the High Court or the Court of Appeal has been made may apply, in accordance with the Supreme Court Act 2003, to the Supreme Court for leave to appeal against the determination. 25

10 Section 20D amended (Sole parent support: standard eligibility requirements) 30

In section 20D(1)(b), replace “19 years” with “20 years”.

11 Section 40D amended (Supported living payment: on ground of caring for patient requiring care: eligibility)

In section 40D(2)(b), replace “19 years” with “20 years”.

12 Section 80BA amended (Calculation of stand down) 35

- (1) In section 80BA(4)(a)(i), replace “on which” with “after”.
- (2) In section 80BA(4)(b), replace “on the day on which” with “on the day after”.

13 Section 82 amended (Payment of benefits)

After section 82(3), insert:

- (3A) If any instalment of a benefit is payable after the beneficiary's death, that instalment may be paid,—
- (a) on application by the surviving spouse or partner of the beneficiary, to that spouse or partner; or 5
 - (b) if the beneficiary has no surviving spouse or partner but has a surviving dependent child, on application by the person who has the care of the child, to that person (or to another person appointed by the chief executive for the purpose) for the benefit of that child and any other surviving dependent children of the beneficiary; or 10
 - (c) in any other case, in the manner in which that instalment would have been paid if the beneficiary had not died.

14 Section 88B amended (Jobseeker support: standard eligibility requirements)

- (1) Replace section 88B(1)(b) with:
- (b) is not in full-time employment, but would comply with subparagraphs (i) to (iv) of paragraph (a) if it were not for circumstances that would qualify the person for—
 - (i) an exemption under section 105 from some or all work test obligations; or 20
 - (ii) a deferral of work test obligations under **section 88I(6A) or (6B)**; or
- (2) In section 88B(2)(b), replace “19 years” with “20 years”.

15 Section 88D amended (Jobseeker support: ineligibility)

In section 88D(a), after “the situation described in section 88C(2) or (3)”, insert “or if the person's work test obligations are deferred under **section 88I(6A) or (6B)** or if the person is granted an exemption from some or all of his or her obligations under section 60Q on the grounds in **regulation 3A(2)(g)** of the Social Security (Exemptions under Section 105) Regulations 1998”. 30

16 Section 88I amended (Jobseeker support: chief executive's powers and duties to defer work test obligations)

After section 88I(6), insert:

- (6A) The chief executive may grant to a beneficiary who is receiving jobseeker support a deferral under this section (whether or not the beneficiary has made an application for it) if the chief executive is satisfied that— 35
- (a) the beneficiary is a young person who is required to receive youth services under **section 171A(2)**; and

- (b) the beneficiary’s undertaking of a full-time course that will give the beneficiary credits towards NCEA level 2 or an equivalent qualification would reduce the beneficiary’s risk of long-term welfare dependency (within the meaning of **section 171A**); and
- (c) the deferral is necessary to enable the beneficiary to undertake that study. 5
- (6B) The chief executive may grant to an applicant for jobseeker support a deferral under this section (whether or not the person has made an application for it) for the purpose of enabling that benefit to be granted if the chief executive is satisfied that— 10
- (a) the applicant has become eligible for jobseeker support while receiving a youth payment; and
- (b) the applicant is a student in a full-time course of secondary instruction or tertiary education that will give the applicant credits towards NCEA level 2 or an equivalent or higher qualification that he or she commenced or was undertaking while receiving the youth payment; and 15
- (c) the deferral is necessary to enable the applicant to complete study towards that qualification.
- 17 Section 123E amended (Services to encourage young persons to move to education, training, and employment)** 20
- (1) In the heading to section 123E, after replace “**move to**”, insert with “**and move into or remain in**”.
- (2) In section 123E(a), after “move into”, insert “~~and~~or remain in”.
- (3) In section 123E, insert as subsection (2):
- (2) If, on the date that a young person turns 18, he or she is, in the chief executive’s opinion, continuing in a course of education or training, the services referred to in **subsection (1)(a)** may continue to be provided to the young person until,— 25
- (a) if the course is a course of secondary instruction or if the course ends in December, the close of the following 31 March: 30
- (b) in any other case, the close of the day on which the course ends.
- 18 Section 123F amended (Chief executive may enter into information-sharing agreement with chief executive of Ministry of Education)**
- (1) In section 123F(1), after “Ministry of Education”, insert “under Part 9A of the Privacy Act 1993”. 35
- (2) In section 123F(1), replace “123E(a)” with “**123E(1)(a)** or assessing young persons’ risk of long-term welfare dependency (within the meaning of **section 171A**)”.

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(3)	In section 123F(2)(a), replace “123E(a)” with “ 123E(1)(a) or is required for the assessment of the young persons’ risk of long-term welfare dependency (within the meaning of section 171A)”.		
19	Sections 123G and 123H repealed		
	Repeal sections 123G and 123H.		5
20	Section 125C amended (Release of personal information to and by contracted service provider)		
	In section 125C(4), replace “required by section 123G” with “required by section 96O of the Privacy Act 1993”.		
21	Section 125D amended (Information-sharing in relation to young persons)		10
	In section 125D(5), replace “required by section 123G” with “required by section 96O of the Privacy Act 1993”.		
22	Section 125H amended (Operation of certain provisions to be reviewed after 3 years)		
	In section 125H(1), delete “123G,”.		15
23	Section 157 amended (Interpretation)		
(1)	In section 157, repeal the definitions of NCEA level 2 and young person .		
(2)	<u>In section 157, definition of specified beneficiary, paragraph (b), after “supported living payment”, insert “under section 40B”.</u>		
24	Section 162 amended (Youth payment: continuation after age 18)		20
	Replace section 162(1)(b)(i) and (ii) with:		
	(i) if the course is a course of secondary instruction or if the course ends in December, the close of the following 31 March:		
	(ii) in any other case, the close of the day on which the course ends.		
25	Section 164 amended (Young parent payment: basic criteria)		25
	In section 164(2)(a), replace “18 years” with “19 years”.		
26	Section 165 amended (Young parent payment: single young persons)		
	In section 165(4), after “18 years” insert “or 19 years”.		
27	Section 168 amended (Young parent payment: continuation after age 19)		
(1)	In the heading to section 168, replace “ age 19 ” with “ turning 20 ”.		30
(2)	In section 168(1), replace “under 19 years” with “under 20 years”.		
(3)	In section 168(1)(a) and (b), replace “turns 19” with “turns 20”.		
(4)	Replace section 168(1)(b)(i) and (ii) with:		

- (i) if the course is a course of secondary instruction or if the course ends in December, the close of the following 31 March; or
- (ii) in any other case, the close of the day on which the course ends.

- 28 Section 171 amended (Obligations of spouses and partners of specified beneficiaries)** 5
- (1) In the heading to section 171, replace “**Obligations of spouses**” with “**Obligations of, and incentives for, spouses**”.
 - (2) In section 171(1), replace “spouse, or civil union or de facto partner,” with “spouse or partner”.
 - (3) In section 171(1)(b), after “60Q”, insert “; and”. 10
 - (4) After section 171(1)(b), insert:
 - (c) if the person meets the criteria prescribed for the purposes of section 163 by regulations made under this Act, is entitled to receive the appropriate incentive payment (if any) stated in Schedule 26 as if he or she were receiving a youth payment. 15
 - (5) In section 171(2), replace “18 years, has a dependent child or children, and is the spouse, or civil union or de facto partner,” with “19 years, has a dependent child or children, and is the spouse or partner”.
 - (6) In section 171(2)(b), after “60Q”, insert “; and”.
 - (7) After section 171(2)(b), insert: 20
 - (c) if the person meets the criteria prescribed for the purposes of section 169 by regulations made under this Act, is entitled to receive the appropriate incentive payment (if any) stated in Schedule 26 as if he or she were receiving a young parent payment.
 - (8) In section 171(3)(b), replace “116B.” with “116B; and”. 25
 - (9) After section 171(3)(b), insert:
 - (c) for a young person who is subject to a sanction under section 117, also results in—
 - (i) suspension of the young person’s incentive payments (if any) (if that sanction is a reduction or suspension of the young person’s benefit) until the young person recomplies; or 30
 - (ii) cancellation of the young person’s incentive payments (if any) (if that sanction is the cancellation of the young person’s benefit).
 - (10) After section 171(3), insert:
 - (4) ~~If a young person referred to in subsection (1) is aged 17 when the obligations in section 170(1) start to apply to him or her, those obligations continue for a 6-month period even if he or she turns 18 in that period.~~ 35

- (5) ~~If a young person referred to in subsection (2) is aged 19 when the obligations in section 170(1) start to apply to him or her, those obligations continue for a 6-month period even if he or she turns 20 in that period.~~
- (4) If a young person is aged under 18 when the obligations in subsection (1) start to apply to him or her, those obligations continue,— 5
- (a) until the close of the day that is 6 months after the date on which the obligations start to apply to the young person, even if he or she turns 18 during that 6-month period; or
- (b) in the case of a young person who, on the day when he or she turns 18, is continuing in a course of education, training, or work-based learning, until,— 10
- (i) if the course is a course of secondary instruction or if the course ends in December, the close of the following 31 March; or
- (ii) in any other case, the close of the day on which the course ends.
- (5) If a young person is aged under 20 when the obligations in subsection (2) start to apply to him or her, those obligations continue,— 15
- (a) until the close of the day that is 6 months after the date on which the obligations started to apply to the young person, even if he or she turns 20 during that 6-month period; or
- (b) in the case of a young person who, on the day when he or she turns 20, is continuing in a course of education, training, or work-based learning, until,— 20
- (i) if the course is a course of secondary instruction or if the course ends in December, the close of the following 31 March; or
- (ii) in any other case, the close of the day on which the course ends. 25
- (6) **Subsection (7)** applies to a young person who becomes subject to obligations under subsection (1) or (2) on or after the date on which **section 28** of the Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Act **2015** comes into force.
- (7) While a young person to whom this subsection applies is subject to obligations under subsection (1) or (2), section 179 applies to the young person as if he or she were receiving a youth support payment. 30

29 New section 171A inserted (Certain young persons may be required to receive youth services)

After section 171, insert:

171A Certain young persons may be required to receive youth services

- (1) This section applies to a young person aged 18 or 19 years without dependent children who—

- (a) is receiving jobseeker support under section 88B in his or her own right or as the spouse or partner of the person granted the benefit; or
 - (b) is the work-tested spouse or partner of a specified beneficiary (other than a spouse or partner described in **paragraph (a)**).
- (2) If the chief executive determines that a young person to whom this section applies is at significant risk of long-term welfare dependency, the chief executive may require the young person to receive services of a kind referred to in section 125A(1)(a)(ii) (**youth services**). 5
- (2A) However, before requiring the young person to receive youth services, the chief executive must take reasonable steps to consult the young person about— 10
 - (a) the young person's risk of long-term welfare dependency; and
 - (b) the proposal to require the young person to receive youth services.
- (3) A requirement under **subsection (2)** that is placed on a young person who is aged 19 at the time the requirement is made continues—
 - (a) until the close of the day that is 6 months after the date on which the requirement was placed on the young person, even if he or she turns 20 during that 6-month period; or 15
 - (b) in the case of a young person who, on the day when he or she turns 20, is continuing in a course of education, training, or work-based learning, until,— 20
 - (i) if the course is a course of secondary instruction or if the course ends in December, the close of the following 31 March:
 - (ii) in any other case, the close of the day on which the course ends.
- (4) The following apply to a young person who is required to receive youth services under **subsection (2)** as if the person's jobseeker support, or the portion of the jobseeker support or the specified beneficiary's benefit payable to the young person under section 83, were a youth payment: 25
 - (a) the obligations in section 170(1)(b) and (d) to (g) in addition to his or her work test obligations or obligations under section 60Q:
 - (b) sections 163(2) and 178 as if the appropriate incentive payments were those set out in items 7 and 8 of Schedule 26: 30
 - (c) sections 179 and 181:
 - (d) regulations 4 and 5 and Part 2 of the Social Security (Criteria for Incentive Payments and Money Management) Regulations 2012.
- (5) The chief executive may from time to time review a requirement placed on a young person under **subsection (2)** and may confirm or revoke it. 35
- (6) In this section, **risk of long-term welfare dependency**, in relation to a person, means the risk, determined using risk factors set by the Minister for the purposes of this section by direction under section 5, that the person will, for an indefinite period, not be able to obtain full-time employment and will be likely to 40

remain wholly or largely dependent for his or her financial support on all or part of a main benefit under this Act.

30 Section 172 amended (Department to explain obligations to young person)

In section 172, replace “170 or 171” with “170, 171, or **171A**”.

31 New section 174A inserted (Sanctions for failure by young person required to receive youth services to comply with obligations) 5

After section 174, insert:

174A Sanctions for failure by young person required to receive youth services to comply with obligations

- (1) **Subsection (2)** applies to a young person— 10
 - (a) who has been required to receive youth services under **section 171A(2)**; and
 - (b) whose benefit is subject to money management under section 179.
- (2) If satisfied that a young person to whom this subsection applies has, without good and sufficient reason, failed to comply with an obligation placed on him or her by **section 171A(4)(a)** or (in the case of a work-tested beneficiary) the work test or (in the case of a beneficiary who is required to comply with section 60Q(2)), the chief executive must treat that failure as if it were a failure to comply with an obligation under section 170, and section 173 applies accordingly. 15 20
- (3) **Subsection (4)** applies to a young person—
 - (a) who has been required to receive youth services under **section 171A(2)**; and
 - (b) whose benefit is not subject to money management under section 179.
- (4) If satisfied that a young person to whom this subsection applies has, without good and sufficient reason, failed to comply with an obligation placed on him or her by **section 171A(4)(a)**, the chief executive must,— 25
 - (a) in the case of a young person who is subject to the work test, treat the failure as a failure to comply with the work test for the purposes of section 117; and 30
 - (b) in the case of a young person who is subject to obligations under section 60Q, treat the failure as a failure to comply with section 60Q(2) for the purposes of section 116B; and
 - (c) in the case of a young person who is subject to a sanction under section 117,— 35
 - (i) suspend the young person’s incentive payments (if any) (if that sanction is a reduction or suspension of the young person’s benefit) until the young person recomplies; or

- (ii) cancel the young person's incentive payments (if any) (if that sanction is the cancellation of the young person's benefit).

32 Section 179 amended (Money management in relation to youth support payments: general)

After section 179(11), insert:

- (12) **Subsection (13)** applies to a young person if—
- (a) the young person ceases to be subject to money management under this section; and
 - (b) the young person has a payment card, voucher, or device to which an amount or amounts payable to the young person have been credited for the purchase of goods or services; and
 - (c) the amount on the card, voucher, or device has not been fully spent.
- (13) On application by a young person to whom this subsection applies, the chief executive may—
- (a) cancel the young person's payment card, voucher, or device; and
 - (b) pay the amount standing to the credit of the young person on the payment card, voucher, or device (after the deduction of any debt recoverable from the young person) to the young person in accordance with section 82(3).

33 Schedule 32 amended

- (1) In the heading to Schedule 32, replace “**Transitional**” with “**Validation, transitional**”.
- (2) In Schedule 32, after Part 3, insert:

Part 4

Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Act 2015

21 ~~Validation of calculation of end of stand down period~~

- (1) ~~For the purposes of determining the validity of any decision or determination made on or after 3 June 1998 as to when benefits commence following a stand down period, this Act must be read as if the amendments to section 80BA(4)(a)(i) and (b) made by **section 12** of the Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Act **2015** had come into force on that date.~~
- (2) ~~However, **subclause (1)** does not apply to any decision or determination made before the commencement of this Act that affects—~~
 - (a) ~~the appellant in Social Security Appeal No. SSA 001/14 and SSA 002/14 ([2014] NZSSAA 39); or~~

	(b) the appellant in Social Security Appeal No. SSA 115/14 and SSA 134/14 ([2014] NZSSAA 106).	
22	Validation of certain payments made after death of beneficiary	
(1)	In this clause, commencement date means the date on which section 13 of the Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Act 2015 comes into force.	5
(2)	Any of the following payments of a benefit after the beneficiary's death, made on or after 28 September 1982 and before the commencement date, were validly made:	
(a)	a payment to the estate of the deceased beneficiary:	10
(b)	a payment to the surviving spouse or partner of the deceased beneficiary (whether or not the spouse or partner applied for payment):	
(c)	a payment to or for the benefit of a surviving child of the deceased beneficiary (whether or not an application for payment was made by or on behalf of that child or the child's principal caregiver).	15
23	Validation of other payments	
(1)	In this clause, commencement date means the date on which section 32 of the Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Act 2015 comes into force.	
(2)	This clause applies to any payment before the commencement date of an amount standing to the credit of a young person on a payment card, voucher, or device in the circumstances and manner described in section 179(12) and (13) .	20
(3)	The payment must be taken to be, and to always have been, valid and authorised as if section 179(12) and (13) were in force when the payment was made.	25
(3)	In Schedule 32, after clause 23 , insert:	
24	Transfer to young parent payment on commencement date, and savings	
(1)	In this clause, commencement date means the date on which section 10 of the Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Act 2015 comes into force.	30
(2)	This subclause applies to a sole parent aged 19 who, immediately before the commencement date, was receiving sole parent support under section 20D.	
(3)	Despite section 20D(1)(b) (as it is on the commencement date), a person to whom subclause (2) applies is entitled to continue to receive sole parent support until the benefit ends or expires or is for any reason cancelled or terminated.	35
(4)	This subclause applies to a person aged 19 who is the parent or step-parent of a dependent child or dependent children and who, immediately before the com-	

- mencement date, was receiving jobseeker support (whether as the person granted that benefit or as the spouse or partner of the person granted the benefit) or a supported living payment under section 40D.
- (5) Despite section 40D(2)(b) or 88B(2)(b), a person to whom **subclause (4)** applies is entitled to continue to receive the appropriate benefit referred to in that subclause until the benefit ends or expires, or is for any reason cancelled or terminated. 5
- (6) This subclause applies to a person aged 19 who is—
- (a) a sole parent; or
- (b) a parent or step-parent of a dependent child or dependent children, and whose spouse or partner is aged not more than 19. 10
- (7) On or after the commencement date, the chief executive must determine, in accordance with the applicant's entitlement ~~immediately~~ before the commencement date, an application by a person to whom **subclause (6)** applies for sole parent support or a supported living payment under section 40D or jobseeker support that— 15
- (a) was made (but not decided or determined by the chief executive) before the commencement date; or
- (b) is made on or within 1 month after the commencement date.
- (7A) For the purpose of **subclause (7)**, an application is made on the earlier of— 20
- (a) the date on which it is received; and
- (b) the date on which it is treated under section 11D(7) as being received.
- (8) If it is determined that, ~~immediately~~ before the commencement date, the applicant was entitled to a benefit referred to in **subclause (7)**, the applicant must be treated as a person to whom **subclause (2)** or (as the case requires) **(4)** applies ~~(unless, because of a stand down or otherwise, the benefit would have commenced on or after the commencement date).~~ 25
- (9) If it is determined that the applicant had no entitlement to a benefit referred to in **subclause (7)**, the applicant's application must be treated,—
- (a) in the case of a sole parent, as an application for a young parent payment under sections 164 and 165; or 30
- (b) in any other case, as applications by both the applicant and his or her spouse or partner for a young parent payment under sections 164 and 166.
- ~~(10) This subelause—~~ 35
- ~~(a) applies to a person to whom **subclause (6)** applies and who, immediately before the commencement date, had been granted sole parent support or a supported living payment under section 40D or jobseeker support which, whether because of a stand down or otherwise, had not yet~~

	commenced (and would have commenced on or after the commencement date); and	
	(b) does not apply to a person who became eligible for sole parent support or a supported living payment under section 40D or jobseeker support while receiving a youth payment or a young parent payment.	5
(11)	A person to whom subclause (10) applies is entitled to receive a young parent payment until that benefit ends or expires or is for any reason cancelled or terminated, as if the person had applied for it, and commencing no earlier than the date on which the applicable benefit referred to in subclause (10)(a) would have commenced.	10
25	Saving of existing information-sharing agreement	
(1)	In this clause, commencement date means the date on which section 18 of the Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Act 2015 comes into force.	
(2)	An information-sharing agreement made under section 123F before the commencement date is taken from the commencement date to be an <u>approved</u> information-sharing agreement made under Part 9A of the Privacy Act 1993 and to have satisfied the requirements of section 96O of that Act.	15
26	Obligations of spouses or partners of specified beneficiaries	
(1)	In this clause, commencement date means the date on which section 23 of the Social Security (Extension of Young Persons Services and Remedial Matters) Amendment Act 2015 comes into force.	20
(2)	This subclause applies to a young person who, immediately before the commencement date, is aged 18 years, has a dependent child or children, and is the spouse or partner of a specified beneficiary (as defined in section 157) who is aged 20 years or older.	25
(3)	Despite section 171(2) and (4) (as it is on the commencement date), a young person to whom subclause (2) applies ceases to be subject to the obligations specified in that section on the day that he or she attains the age of 19 years.	
(4)	This subclause applies to a young person who is the parent or step-parent of a dependent child or dependent children and who is the spouse or partner of a specified beneficiary (as defined in section 157) and who, immediately before the commencement date, is aged 19 years.	30
(5)	Despite section 171(3) 171(3) and (5) , a young person to whom subclause (4) applies is not subject to the obligations specified in section 171.	35

Part 2

Amendments to other enactments

34 Social Security (Effect of Absence of Beneficiary from New Zealand) Regulations 2013 amended

- (1) This section amends the Social Security (Effect of Absence of Beneficiary from New Zealand) Regulations 2013. 5
- (2) After regulation 6(c), insert:

Other obligations of young persons
 - (d) in the case of a young person who is the spouse or partner of a specified beneficiary (within the meaning of section 157 of the Act), the obligations in section 171 of the Act: 10
 - (e) in the case of a young person who is required, under **section 171A** of the Act, to receive youth services, the obligations in that section.
- (3) In regulation 7(4)(a), replace “section 171” with “section 171 or **171A**”.
- (4) In regulation 7(4)(c), replace “section 170 or 171” with “section 170, 171, or **171A**”. 15

35 Social Security (Contracts and Information Sharing with Service Providers) Regulations 2012 amended

- (1) This section amends the Social Security (Contracts and Information Sharing with Service Providers) Regulations 2012. 20
- (2) In regulation 3(1), replace the definition of **young person** with:

young person—
 - (a) means a person who is aged at least 16 years but is under the age of 20 years; and
 - (b) includes— 25
 - (i) a person aged 20 years or over in respect of whom a young parent payment continues under section 168 of the Act; and
 - (ii) a person aged 20 years or over to whom obligations in section 170(1) continue to apply under **section 171(5)** or **171A(3)** of the Act; and 30
 - (c) in the following provisions, includes a person aged 15 years:
 - (i) the definition of contracted youth service:
 - (ii) regulation 4:
 - (iii) subpart 1 of Part 2:
 - (iv) regulation 12(b)(vi) and (xi) 35

36	Amendments to Social Security (Criteria for Incentive Payments and Money Management) Regulations 2012	
	Sections 37 to 39 amend the Social Security (Criteria for Incentive Payments and Money Management) Regulations 2012.	
37	Regulation 3 amended (Interpretation)	5
	In regulation 3(1), definition of specified payment , after paragraph (c)(iv), insert:	
	(v) if the young person has been required to receive youth services under section 171A(2) of the Act, any payment of—	
	(A) jobseeker support payable to the young person under section 82 or 83 of the Act; or	10
	(B) a portion of a benefit (other than jobseeker support) referred to in the definition of specified beneficiary in section 157 of the Act payable to the young person under section 83 of the Act	15
38	New regulation 6A inserted (When young person required to receive youth services meets criteria for return of incentive payments)	
	After regulation 6, insert:	
6A	When young person required to receive youth services meets criteria for return of incentive payments	20
(1)	Despite regulation 4, a young person required to receive youth services under section 171A(2) of the Act meets the criteria for the resumed payment of an education, training, or work-based learning incentive payment if—	
(a)	he or she met the criteria for that payment while receiving a youth support payment; and	25
(b)	the incentive payment was suspended under section 173(1)(a) or 174(1)(a) of the Act because the young person failed to comply with 1 or more obligations placed on the young person under section 170 of the Act; and	
(c)	before the young person satisfied the requirement to comply with the 1 or more obligations, he or she stopped receiving a youth support payment; and	30
(d)	after being required to receive youth services, the young person satisfies those 1 or more obligations (in the manner specified in section 176(1) of the Act) as if the young person were receiving a youth payment.	35
(2)	Despite regulation 5, a young person required to receive youth services under section 171A(2) of the Act meets the criteria for the resumed payment of a budgeting incentive payment if—	

	(a) he or she met the criteria for that payment while receiving a youth support payment; and (b) the incentive payment was suspended under section 173(1)(a) or 174(1)(a) of the Act because the young person failed to comply with 1 or more obligations placed on the young person under section 170 of the Act; and (c) before the young person satisfied the requirement to comply with the 1 or more obligations, he or she stopped receiving a youth support payment; and (d) after being required to receive youth services, the young person satisfies those 1 or more obligations (in the manner specified in section 176(1) of the Act) as if the young person were receiving a youth payment.	5 10
39	Regulations 10 amended (When young person may opt out of money management)	
(1)	In regulation 10(2)(a), replace “19 years” with “20 years”.	15
(2)	After regulation 10(2), insert:	
(2A)	A young person required to receive youth services under section 171A(2) of the Act may opt out of money management if—	
	(a) he or she is 20 years or older; and (b) the requirement is being continued under section 171A(3)(b) of the Act.	20
40	Social Security (Monetary Benefits) Regulations 2007 amended	
(1)	This section amends the Social Security (Monetary Benefits) Regulations 2007.	
(2)	In regulation 6(1)(b), replace “in accordance with section 80BD(4) of the Act” with “in accordance with section 82(3A) of the Act”.	25
41	Amendments to Social Security (Exemptions under Section 105) Regulations 1998	
	Sections 41 and 42 amend the Social Security (Exemptions under Section 105) Regulations 1998.	
42	Regulation 3A amended (Exemption from obligations under section 60Q)	30
(1)	In regulation 3A(2)(f)(iv), replace “court.” with “court; or”.	
(2)	After regulation 3A(2)(f), insert:	
	(g) the person— (i) is a young person in receipt of jobseeker support who is required to receive youth services under section 171A(2) of the Act; and	35

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	(ii) has been granted under section 88I(2) or (6) of the Act a deferral of work test obligations because of sickness, injury, or disability; and (iii) would have a reduced risk of long-term welfare dependency if he or she were to undertake a full-time course that would give him or her credits towards NCEA level 2 or an equivalent qualification, and the exemption is necessary to enable the person to undertake that course of study.	5
43	New regulation 8D inserted (Exemption from obligations under section 171A: young persons required to receive youth services)	10
	After regulation 8C, insert:	
8D	Exemption from obligations under section 171A: young persons required to receive youth services	
(1)	This regulation applies to any young person who has been required by the chief executive to receive youth services under section 171A(2) of the Act.	15
(2)	Any young person to whom this regulation applies may apply under section 105 of the Act to be exempted from some or all of his or her obligations under section 171A(4)(a) of the Act on any ground specified in regulation 8A or 8C.	
44	<u>Amendment to Privacy Act 1993</u>	20
(1)	<u>This section amends the Privacy Act 1993.</u>	
(2)	<u>In Schedule 2A, after the item relating to public services for vulnerable children, insert the item set out in the Schedule.</u>	

Schedule
Amendment to Schedule 2A of Privacy Act 1993

s 44

Information-sharing to support services for disengaged youth: information sharing agreement between the Ministry of Education and the Ministry of Social Development made on 8 August 2012	To provide services to encourage and help young persons who have ceased to be enrolled at a registered school or a tertiary education organisation to move into, or remain in, education, training, and employment rather than to receiving financial support under the Social Security Act 1964	http://www.youthservice.govt.nz/for-providers/provider-guide/need-clients/information-sharing.html	Ministry of Social Development	(a)	student name (and any alternative names):
				(b)	gender:
				(c)	ethnicity:
				(d)	date of birth:
				(e)	residency information (if known):
				(f)	address:
				(g)	home and mobile phone numbers (if known):
				(h)	email address:
				(i)	schools attended (including geographical regions and deciles):
				(j)	number of schools attended:
				(k)	date left school and year level:
				(l)	leaving reason (for each school):
				(m)	qualification information at time of leaving school:
				(n)	details of any interventions that student may have participated in:
				(o)	any information on student's participation in tertiary education:

**Social Security (Extension of Young Persons Services
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