

Departmental Disclosure Statement

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

It identifies:

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

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

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

22 April 2026

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Part One: General Policy Statement

Introduction

The Social Security (Jobseeker Support and Accommodation Supplement) Amendment Bill (the **Bill**) amends the Social Security Act 2018. The amendments support fiscal sustainability in the welfare system by better targeting financial assistance to those most in need of support.

The Bill implements 2 initiatives announced in Budget 2025 aimed at targeting welfare assistance by—

- tightening the eligibility criteria for jobseeker support and the equivalent emergency benefit for young people aged 18 and 19 and, in particular circumstances, those aged 16 and 17¹ (collectively referred to as ‘a young person’ or ‘young people’); and
- targeting accommodation supplement more tightly to some homeowners who have higher weekly qualifying accommodation costs relative to their income and assets.

Context

Tightening eligibility for young people

There has been an increase in benefit dependency among young people. As of 2017, 18- and 19-year-olds on jobseeker support were projected to spend an average of 12 future years on a main benefit. Modelling indicates that, by 2024, this estimate had increased to an average of 21 future years supported by a main benefit.² Evidence shows that longer periods on benefit can lead to negative outcomes for young people. The Government intends to reduce welfare dependency among this cohort, while also reducing the cost to government of benefit receipt.

Accommodation supplement entry threshold

The settings for how much a client must contribute towards their weekly qualifying accommodation costs before they can receive accommodation supplement (the **entry threshold**) were last set in 1993. The entry threshold is based on 25 percent of the relevant base rate³ for renters and boarders. For homeowners, the entry threshold is relatively higher (30 percent of the base rate) to reflect that they are being supported to accumulate a personal asset. As the proportion of income commonly spent on accommodation costs has since increased, there is a need to align the homeowner entry threshold with the higher accommodation costs in the current housing environment. This is intended to ensure that accommodation supplement remains targeted to supporting homeowners with high weekly qualifying accommodation costs relative to their income and assets.

¹ If a 16- or 17-year-old is in a recognised relationship with a person aged 18 or older and is included as a partner in this person’s jobseeker support or the equivalent emergency benefit, or if a 16- or 17-year-old has a partner who is aged 18 or older and that partner is or would be included in the 16- or 17-year-old’s jobseeker support student hardship or the equivalent emergency benefit (if they meet the parental assistance test when required).

² Based on the 2024/25 Social Outcomes Model results. These results are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI) which is carefully managed by Stats NZ. For more information about the IDI, please visit: <https://www.stats.govt.nz/integrated-data/>.

³ The base rate is an indicator of a client’s (and their partner’s, if applicable) income, which is based on main benefit rates (and the family tax credit, if applicable).

Objectives of Bill

The objectives of the Bill are to—

- support fiscal sustainability in the welfare system by targeting welfare assistance to those most in need of support; and
- reduce benefit dependency among young people by strengthening the incentives to enter employment, education, or training; and
- reduce reliance on accommodation supplement for some homeowners while continuing to support vulnerable homeowners.

What Bill does to help achieve those objectives

To help achieve those objectives, the Bill does the following things:

Tightening eligibility for young people

- The Bill introduces a parental assistance test for tightening the eligibility criteria for jobseeker support⁴ and the equivalent emergency benefit for young people without dependent children.
- Through the parental assistance test, the Ministry of Social Development (**MSD**) will determine if it is satisfied of either or both of the following:
 - that a young person cannot reasonably be expected to rely on their parent(s) for financial support:
 - that the young person's parental income is at or below the income limit.
- That change will reinforce the expectation that young people who are not in employment, education, or training should be financially supported by their parents, instead of relying on the welfare system. It is intended to support a reduction in benefit dependency, and target access to welfare assistance to young people who have no other resources to rely on.
- That change will not impact young people applying for any other benefits (for example, supported living payment, or young parent payment), and will also not impact supplementary or hardship assistance that young people can get from MSD if they are otherwise eligible for those supports.

Accommodation supplement entry threshold

- The Bill also targets accommodation supplement more tightly by increasing the entry threshold for some homeowners from 30 to 40 percent of the relevant base rate⁵:
- That change will not impact clients receiving New Zealand superannuation, veteran's pension, supported living payment, or emergency benefit (that is the equivalent to supported living payment), or their partners, as those cohorts are considered likely to require welfare assistance over the longer term.

⁴ Jobseeker support on all grounds including work ready; health condition, injury or disability; student hardship; and hardship.

⁵ The change will also flow through to recipients of accommodation benefit for single students with a supported child, as this is calculated in accordance with section 65 of the Social Security Act 2018.

Part Two: Background Material and Policy Information

Published reviews or evaluations

2.1. Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?	YES
<p><i>Tightening eligibility for young people</i></p> <p>Modelling suggests that, on average, young people who receive a benefit will likely do so for many years. See the <i>Benefit System Report</i>, MSD, October 2025, available at https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/benefit-system/benefit-system-report-2025.html, and <i>Future years on benefit</i>, MSD, May 2024, available at https://www.msd.govt.nz/about-msd-and-our-work/newsroom/media-releases/2024/future-years-on-benefit.html. Studies have found that young people who are not in employment, education, or training are more likely to be inactive in the labour market later in life. As a result, they are likely to face longer periods on benefit, low income, and long-term unemployment, all of which can have negative impacts on their mental health, social relationships, and economic outcomes later in life. See <i>Preparing All Young People for Satisfying and Rewarding Working Lives: Long-term Insights</i> Briefing, MSD, January 2023, available at https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/long-term-insights-briefings/ltib-preparing-all-young-people-for-satisfying-and-rewarding-working-lives.pdf.</p> <p><i>Accommodation supplement entry threshold</i></p> <p>Not applicable</p>	

Relevant international treaties

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

2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?	YES
<p><i>Tightening eligibility for young people</i></p> <p>See <i>Regulatory Impact Statement: Tightening access to Jobseeker Support and Emergency Benefit for 18 and 19 year olds</i>, MSD, 10 September 2025, available at: https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/cabinet-papers/2025/tightening-access-to-jobseeker-support-and-emergency-benefit-for-18-and-19-year-olds/regulatory-impact-statement-tightening-eligibility-for-18-and-19-year-olds.pdf. Parts of the RIS were withheld under appropriate grounds of the Official Information Act 1982.</p> <p><i>Accommodation supplement entry threshold</i></p> <p>A Regulatory Impact Statement was not prepared when Cabinet took policy decisions on increasing the entry threshold for some homeowners receiving accommodation supplement. However, in accordance with the necessary requirements, MSD produced a Supplementary Analysis Report (SAR) on 24 March 2026 titled <i>Increasing the entry threshold for the Accommodation Supplement for some homeowners</i>. The SAR would be available following the Bill's introduction at: https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/regulatory-impact-statements/sar-increasing-the-as-entry-threshold-for-homeowners.pdf</p>	

2.3.1. If so, did the Ministry for Regulation provide an independent opinion on the quality of any of these regulatory impact statements?	NO
<p><i>Tightening eligibility for young people</i></p> <p>The RIS on <i>Tightening eligibility</i> policy did not meet the threshold for receiving an independent opinion on the quality of the RIS from the RIA Team based in the Ministry for Regulation. The RIS was reviewed by a panel of representatives from MSD, with the following comment provided by the assessment panel: <i>“This Regulatory Impact Statement has been assessed as 'partially meets' against the quality assurance criteria for the purposes of informing Cabinet decisions. The assessment recognises that the analysis could have been strengthened by consultation and further analysis in some areas. The panel noted there were some limitations to the analysis due to time constraints.”</i></p> <p><i>Accommodation supplement entry threshold</i></p> <p>The Ministry for Regulation was not required to provide an independent opinion on the quality of the SAR on <i>Increasing the entry threshold for the Accommodation Supplement for some homeowners</i>. The SAR was reviewed by a panel of representatives from MSD and the Ministry of Housing and Urban Development. The following comment was provided by the assessment panel: <i>“Policy staff from MSD and HUD reviewed the SAR and concluded that it partially meets the quality assurance requirements. Overall, the SAR meets some of the required criteria. It is well structured, but some parts, such as the modelling assumptions and the effects on specific groups, would benefit from more detailed explanation, particularly behavioural changes and wider social effects. The analysis is generally sound and uses available data, fiscal forecasts, and relevant evidence to support its findings. The SAR includes some consultation with agencies and stakeholders, but this was limited due to time constraints.”</i></p>	

2.3.2. Are there aspects of the policy to be given effect by this Bill that were not addressed by, or that now vary materially from, the policy options analysed in these regulatory impact statements?	YES
<p><i>Tightening eligibility for young people</i></p> <p>Some aspects of the <i>Tightening eligibility</i> policy were subsequently modified through the decisions of the Minister for Social Development and Employment under delegated authority from Cabinet. These changes remain in line with the overall intent as agreed to by Cabinet, and include decisions relating to the detailed design of the overarching parental assistance test (including that of the parental income test and the parental support gap test), decisions regarding how the parental assistance test will be re-checked at reapplication, how a change in circumstances may affect a young person’s eligibility for a relevant benefit, and decisions regarding associated savings and transitional provisions. Note, the Minister for Social Development and Employment intends to provide further directions to MSD under section 7 of the Social Security Act 2018 regarding the verification of parental support gaps. Cabinet also subsequently agreed that the parental assistance test will apply to some 16- and 17-year-olds in particular circumstances (when in a relationship with a person aged 18 or older), and that all agreed settings for 18- and 19-year-olds will also extend to this cohort where applicable. Cabinet also agreed that young people (and partners of such young people, if any) receiving foster care allowance for a child in their care will not be subject to the parental assistance test.</p> <p><i>Accommodation supplement entry threshold</i></p> <p>Not applicable</p>	

Extent of impact analysis available

2.4. Has further impact analysis become available for any aspects of the policy to be given effect by this Bill?	NO
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2.5. For the policy to be given effect by this Bill, is there analysis available on:	
(a) the size of the potential costs and benefits?	YES
(b) the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth?	YES
<p><i>Tightening eligibility for young people</i></p> <p>Refer to pages 3 to 5, and pages 29 to 30 of the Regulatory Impact Statement (see 2.3 for the RIS link) for analysis of the potential costs, benefits and distributional impacts of the <i>Tightening eligibility</i> policy. MSD acknowledges that the potential costs and benefits are likely to be impacted by behavioural impacts of the policy on young people which have not been able to be accounted for.</p> <p><i>Accommodation supplement entry threshold</i></p> <p>Refer to Section 2 of the SAR for an analysis of the potential costs, benefits, and distributional impacts of the accommodation supplement entry threshold changes. It is estimated that most of the households that will be impacted are lower- to middle-income working households. There is a risk that some homeowners who receive a reduction in their accommodation supplement or those who are no longer eligible may find it more challenging to meet their accommodation costs.</p>	

2.6. For the policy to be given effect by this Bill, are the potential costs or benefits likely to be impacted by:	
(a) the level of effective compliance or non-compliance with applicable obligations or standards?	YES
(b) the nature and level of regulator effort put into encouraging or securing compliance?	YES
<p><i>Tightening eligibility for young people</i></p> <p>Young people who are eligible to receive support from MSD will face a greater compliance burden through the requirement to meet an additional eligibility test. MSD would rely on accurate information being supplied by young people in relation to their parental assistance test, including any information regarding parental income, parental support gap, or any relevant changes in their or their parents' circumstances. The effective implementation of this policy would therefore depend on and be likely to be impacted by the level of effective compliance by young people. Further analysis can be found in the Regulatory Impact Statement, pages 3 to 5, and pages 29 to 30 (see 2.3 for the RIS link). Appropriate measures have been put in place to minimise such risks through the design of the policy.</p> <p><i>Accommodation supplement entry threshold</i></p> <p>Not applicable</p>	

Part Three: Testing of Legislative Content

Consistency with New Zealand’s international obligations

3.1. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with New Zealand’s international obligations?

Tightening eligibility for young people

MSD undertook assessment of the *Tightening eligibility* policy against New Zealand’s obligations under the International Covenant on Economic, Social and Cultural Rights; and the United Nations Convention on the Rights of the Child, with the latter being considered in particular relation to some 16- and 17-year-olds being included in the scope of the policy. Officials concluded that the initiative is consistent with those obligations.

Accommodation supplement entry threshold

Not applicable

Consistency with the government’s Treaty of Waitangi obligations

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

The Crown has an obligation under Article One of the Treaty of Waitangi to act in good faith, including consulting with Māori where there are Māori interests involved. Due to budget sensitivity, MSD did not have the opportunity to engage with Māori prior to Cabinet decisions. However, following Cabinet decisions and the Budget announcement in May 2025, MSD subsequently engaged with the Māori Reference Group (an advisory body established by MSD) to inform them about the details and impacts of these policies on Māori.

Tightening eligibility for young people

MSD acknowledges that young Māori people are overrepresented in the benefit system. However, they are more likely to be from a lower socio-economic background, meaning they will be more likely than other ethnicities to be able to continue to access relevant benefits due to the application of the parental income test. Refer to pages 4 and 13 of the Regulatory Impact Statement for further information.

Accommodation supplement entry threshold

Of the total number of clients estimated to be impacted by this policy, those who identify as Māori only represent a relatively small proportion. While Māori are not disproportionately represented among the impacted group, MSD acknowledges this is indicative of a broader issue of lower homeownership rates among Māori. Refer to Section 2 of the SAR for further information.

Consistency with the New Zealand Bill of Rights Act 1990

3.3. Has advice been provided to the Attorney-General on whether any provisions of this Bill appear to limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990?

YES

The Ministry of Justice is in the process of completing vetting of the Bill with respect to the consistency of the Bill with the rights and freedoms contained in the New Zealand Bill of Rights Act 1990. Advice provided by the Ministry of Justice to the Attorney-General will become publicly available on the Ministry of Justice website upon the Bill's introduction, accessible at: <https://www.justice.govt.nz/justice-sector-policy/constitutional-issues-and-human-rights/the-bill-of-rights-act/advice/>.

Offences, penalties and court jurisdictions

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

Privacy issues

3.5. Does this Bill create, amend or remove any provisions relating to the collection, storage, access to, correction of, use or disclosure of personal information?	YES
<p><i>Tightening eligibility for young people</i></p> <p>The Bill maintains the original intent for the collection of personal information under the Social Security Act 2018. However, it introduces provisions for the collection of additional personal information. In certain instances, this information may be obtained from sources other than the individuals directly involved, provided that appropriate consent is secured from the source. This approach aims to effectively implement the parental assistance test being introduced by the Bill. The Bill also allows for the use of personal information collected to be included in the current automated decision-making processes. This will occur during the 26-week reapplication process for jobseeker support, when a young person confirms that their and their parents' circumstances remain unchanged and that they have obtained parental consent to share their parents' information during the reapplication process. MSD will conduct a privacy risk assessment and verify compliance with the Automated Decision-Making Standard and the Privacy Act 2020 through the established Privacy, Human Rights, and Ethics Certification and Accreditation process before implementation.</p> <p><i>Accommodation supplement entry threshold</i></p> <p>Not applicable</p>	

3.5.1. Was the Privacy Commissioner consulted about these provisions?	YES
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Consultation on the draft Cabinet paper and the draft Bill was undertaken by MSD with the Office of the Privacy Commissioner (OPC) in April 2026.

Tightening eligibility for young people

In relation to the *Tightening eligibility* policy, the OPC noted it would be important that strong privacy protective practices are adhered to by MSD regarding the collection, management, and disclosure of personal information from young people and their parents. The OPC highlighted the need to limit the information collected to only what is essential for MSD for the purposes of making parental assistance test assessments. Additionally, it was recommended that MSD establishes clear guidelines for the retention of personal information and effectively communicates the retention and disposal policies to individuals. MSD will address these concerns before the initiative's implementation.

Accommodation supplement entry threshold

Not applicable

External consultation

3.6. Has there been any external consultation on the policy to be given effect by this Bill, or on a draft of this Bill?	YES
<p>Consultation on the associated draft Cabinet papers and the draft Bill was undertaken by MSD with relevant government agencies.</p> <p><i>Tightening eligibility for young people</i></p> <p>In October 2025, MSD undertook targeted engagement with key stakeholder organisations on a part of the parental assistance test being introduced by the Bill. MSD also worked closely with Oranga Tamariki throughout the design of the parental assistance test to consider the unique circumstances of care-experienced young people.</p> <p><i>Accommodation supplement entry threshold</i></p> <p>Due to budget sensitivity, external engagement on the proposal prior to Cabinet decisions was limited to the Ministry of Housing and Urban Development, the Ministry of Education, and The Treasury. Following the Budget announcement in May 2025, MSD carried out targeted engagement with external stakeholders to inform them about the impacts of the proposal and to seek their views on the detailed policy design.</p>	

Other testing of proposals

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

Compulsory acquisition of private property

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

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

4.3. Does this Bill affect rights, freedoms, or impose obligations, retrospectively?	NO
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Strict liability or reversal of the usual burden of proof for offences

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

Civil or criminal immunity

4.5. Does this Bill create or amend a civil or criminal immunity for any person?	NO
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Significant decision-making powers

4.6. Does this Bill create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?	YES
<i>Tightening eligibility for young people</i> The Bill introduces a parental assistance test which could impact whether a young person is granted a relevant benefit. The design of the parental assistance test means that any changes in a young person's circumstances, as well as those relating to their parents, may affect the young person's entitlement to a relevant benefit. The Bill extends the existing obligation under section 113 of the Social Security Act 2018 on people to inform MSD of any changes to their personal circumstances, to also include any changes to the circumstances of a young person's parents where relevant to the parental assistance test (including changes to parental income and relationship between parents).	
<i>Accommodation supplement entry threshold</i> Not applicable	

Powers to make delegated legislation

4.7. Does this Bill create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?	YES
<p><i>Tightening eligibility for young people</i></p> <p>The Bill introduces regulation-making powers that will enable the Governor-General, by Order in Council, to make regulations that can:</p> <ul style="list-style-type: none">• include income that has been exempted as income, from the general definition of income, under Part 4 of Schedule 8 of the Social Security Regulations 2018, in the definition of parental income, and• exclude additional sources of income (not already excluded under the general definition of parental income) from the definition of parental income. <p><i>Accommodation supplement entry threshold</i></p> <p>Not applicable</p>	

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

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