Government Bill

As reported from the Social Services Committee

Commentary

Recommendation

The Social Services Committee has examined the Social Security (Youth Support and Work Focus) Amendment Bill and recommends by majority that it be passed with the amendments shown.

Introduction

The Social Security (Youth Support and Work Focus) Amendment Bill seeks to amend several aspects of the Social Security Act 1964. It is part of a comprehensive package of welfare reforms to be implemented over 2 years. The bill aims to introduce a new system of support, obligations, and financial assistance for young people, and to extend work availability requirements and work preparation obligations for sole parents, widows, women alone, and partners of people receiving a main benefit.

The Youth Package is a proposed new system of financial support for young people. Most of the benefits received by young people at present will be replaced by the Youth Payment for 16- and 17-year-

olds, and the Young Parent Payment for parents aged 18 years, or 16 to 17 years if they come from a low-income family, are married or in a civil union or de facto relationship, or are single or sole parents in exceptional circumstances.

The bill seeks to introduce a managed system of payments for young people receiving the new Youth Payment or Young Parent Payment. Their essential costs such as rent and power would be paid directly to the relevant provider, and they would receive an allowance and a payment card for living costs. The new system aims to improve the outcomes for vulnerable young people by changing the nature of the assistance and support provided and increasing the expectations on them to meet their obligations.

The Ministry of Social Development would contract service providers to provide "wraparound support" to young people who are receiving the new payments or who are the spouses or partners of older main beneficiaries, and to help disengaged young people into education, training, or employment. These people would be obliged to improve their educational and social outcomes, by means such as full-time education, training, or work-based learning leading to an NCEA level 2 qualification or its equivalent; participating in an approved budgeting programme and fulfilling the associated requirements; and, if they are parents, participating in an approved parenting education programme and fulfilling the associated requirements. The ministry would assist with childcare costs through the Guaranteed Childcare Assistance Payment while the young person was in education, training, or work-based learning.

The bill seeks to allow information sharing between the Ministry of Social Development and the Ministry of Education to assist in identifying the school leavers most at risk of receiving a benefit from the age of 18. It also seeks to allow information to be shared between the Ministry of Social Development and contracted service providers, and by local agencies with the ministry and contracted service providers, to facilitate the delivery of services to help these young people to return to education, training, or employment.

The bill also aims to change the work availability and preparation requirements for sole parents, widows, women alone, and partners by requiring sole parents with children aged 5 years and older to be available for and seek part-time work; requiring sole parents with children aged 14 years and older to be available for and seek full-time

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work; extending these work expectations to women receiving the Widow's and Domestic Purposes—Women Alone benefits and to partners of beneficiaries with children; and allowing Work and Income to direct people to prepare for work. Parents who have another child while on a benefit would have to meet work availability expectations based on the age of their previous youngest child once their youngest child reaches 12 months old. This requirement is in line with current parental leave entitlements for employees, which allow 12 months' leave for parents.

This commentary covers the major amendments that we recommend and key issues we discussed where we did not recommend amendments. We also recommend some minor technical amendments to clarify the intent of the bill and to correct drafting omissions, which are not discussed in this commentary.

New Zealand Bill of Rights Act 1990

Concerns were raised that aspects of the bill discriminated on the basis of age, gender, family status, and employment status. Legal advice from the Ministry of Justice to the Attorney-General was that the discrimination in the bill is justifiable, and that the bill is therefore consistent with the New Zealand Bill of Rights Act 1990. The bill was drafted to provide a degree of flexibility in the application of its provisions, and the chief executive of the Ministry of Social Development is given discretion in some areas—for example, clause 34, new section 60GAF, as outlined below. We recommend no amendments to the bill in this area.

Information sharing

The bill seeks to allow the Ministry of Education and the Ministry of Social Development to share information about school leavers, so that the Ministry of Social Development can identify at-risk young people before they enter the benefit system. The ministry or a contracted provider could then deliver services to such young people in an effort to reduce the likelihood of their needing financial assistance in the future.

We recommend amendments to the information-sharing provisions found in clauses 18 and 19 to address concern about the adequacy of the safeguards provided, and to make the information-sharing frame-

work mirror more closely the proposals in the Privacy (Information Sharing) Bill, which is currently before the Justice and Electoral Committee. New section 125GA is being added to the provisions to be inserted by clause 19, to provide for the new information-sharing provisions (new sections 123F, 123G, 125C, and 125D) to be subject to review for consistency with other privacy legislation by the chief executive of the ministry 3 years after Part 1 is enacted. The 3-year review period was chosen in preference to a sunset provision because the latter would require a new consultation procedure for an information-sharing agreement that had already been in operation for some time before the sunset provision came into effect. A sunset provision also assumes that the Privacy (Information Sharing) Bill will be enacted, which is not guaranteed. We also recommend inserting a new clause requiring the chief executive of the Ministry of Social Development to report to the Minister for Social Development on the review and any resulting recommendations for amendments. In addition, a new section 123H requires that the chief executive of the ministry must review the operation of any agreement developed under new section 123F(1) once it has been in effect for 3 years. There is also a requirement in clause 18, new section 123G, that requires consultation with the Privacy Commissioner and the inviting of submissions from representatives of interested parties.

We recommend amending clause 19, new sections 125C and 125D, so that the regulations made under these sections, which relate to the release of information to and by service providers and agencies such as doctors and police, would be subject to the consultation requirements set out in clause 18, new section 123G, as mentioned above. We also recommend amending clause 19, new sections 125C and 125D, to specify the purpose of these provisions and ensure that regulations are made for that purpose; to require that the party releasing the information be satisfied "on reasonable grounds" that the requirements for disclosure are met by the provider; and to make it clear in new section 125D that the information required would have to be relevant to the provision of services.

We recommend amending clause 18, new section 123F, which would allow information-sharing agreements between the chief executive of the Ministry of Social Development and that of the Ministry of Education, to allow the chief executive of the Ministry of Education

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to provide any information that he or she considers may facilitate the provision of the services in question.

We recommend inserting new clause 19A in the bill to make it clear that people affected by the information-sharing provisions who are unhappy about the way the provisions are administered would have an avenue of complaint through the Privacy Commissioner.

Definitions

Commentary

We recommend amendments to definitions in clause 20, new section 157. The first is to the definition of "work-based learning" to make it clear that this means learning in the course of employment; therefore, the usual rights and provisions of employment law, such as the minimum wage, would apply. The second is to restrict the definition of a "young person" to those aged at least 15 years, but only for the purposes of services of the kind referred to in clause 18, new section 123E(a). The bill as introduced defines a young person as being between 16 and 20 years old, but we recognise that some 15-year-olds leave school, for example via an Early Leaving Exemption, and we do not want the ministry or its contracted providers to be prevented from helping such young people until they turn 16.

We recommend an amendment to clause 36 to repeal and replace subsection (1) of section 96A, to make it clear that for the purposes of subsections (2)(b) and (c), the definition of "suitable employment" in section 3(1) applies as if the person were a work-tested beneficiary. This would align the provision with the work-availability expectations for people on a benefit by allowing referral for employment of less than either 15 or 30 hours a week.

We are aware of concern about the reference to "suitable" childcare, which would be needed in order for young parents to participate in education, training, or work-based learning, and for sole parents, widows, and women alone with children to be available for work. Some of us consider that it would not be appropriate to define the concept of suitable childcare in legislation or operational guidelines, as it would limit parents' right to decide upon care arrangements for their children. The intention is to strongly encourage enrolment in early childhood education, which research has shown to be beneficial for children, especially those from disadvantaged backgrounds. Case managers and childcare co-ordinators could help parents organise suitable childcare; for Young Parent Payment recipients, service providers would undertake this role. The availability of suitable childcare would be taken into consideration, as it is now, when the ministry or service providers were working with parents. Several forms of financial assistance would still be available, such as subsidies for low-income families whose children are attending licensed early childhood education services or are aged between 5 and 14 years. A new Guaranteed Childcare Assistance Payment of \$6 per hour would also be introduced, and would cover most teenage parents with children under 5 to help them meet their obligations under the Youth Support package.

Youth support payments and obligations

The bill is designed to ensure that young people receiving the Youth Payment or the Young Parent Payment, and those aged 16 to 18 years who are spouses and partners of main beneficiaries, meet the obligations set out for them. The obligations include

- being in, or available for, full-time education, training, or work-based learning leading to NCEA level 2 or its equivalent
- completing budgeting education
- working alongside, co-operating with, and reporting to their service provider or Work and Income
- for young parents, completing parenting education programmes and their associated requirements.

Some of the Youth Payment or Young Parent Payment would be directed straight to the young person's accommodation and utility costs. Recipients of these payments would also receive a cash allowance of up to \$50; any money left after the allowance and their accommodation and utility costs would be loaded onto a payment card for food and groceries. We note that as at 24 April 2012 there were 1,384 suppliers defined as food suppliers for the purposes of the payment card would attract less stigma than the direct credit letter the ministry has previously used.

We recommend inserting a provision in clause 20 to make it clear that young people could earn the right to manage their own money by complying with certain conditions set out in regulations. Some of us consider this preferable to the alternative of taking self-management of money as a starting point and imposing direct payment arrangements only in response to breaches of obligations. Some of us are satisfied that the new provision of money management ought to be applied to everyone receiving the Youth Payment or the Young Parent Payment; there is overseas evidence that this is most effective for this age group.¹ We see the requirement to participate in budgeting programmes as an important step to help young people understand their financial situation.

We recommend amending clause 20, new section 170(1)(f), so that young parents receiving the Young Parent Payment would now be required to report to their service providers on their compliance with the obligations set out in section 170(2). Currently, the bill does not include the specific obligations of a young parent regarding their dependent children. This amendment would require a young person receiving this payment to enrol every dependent child with a primary health organisation, keep children under 5 years old up-to-date with WellChild checks or any similar programme established in its place, and ensure those aged under 5 attend an approved early childhood education programme or other suitable childcare while the parent is in education, training, or work.

In keeping with the bill's policy intent that spouses and partners of main beneficiaries be subject to the same obligation to participate in budgeting discussions with service providers or the Ministry of Social Development as Youth Payment or Young Parent Payment recipients, we recommend that clause 20, new sections 171(1) and (2), be amended to provide that the obligations in section 170(1)(g)(i) apply to young people covered in section 171.

Sanctions

We are not recommending any changes to the policy regarding sanctions relating to the Youth Package. However, as these provisions were of interest to submitters we wanted to clarify what the bill actually proposes in regard to sanctions. Young people receiving the Youth Payment or the Young Parent Payment who do not meet their obligations without good and sufficient reason will be subject to sanc-

For example: C Farrell, R Brown, and W O'Connor, *Perspectives of Social Fund Loans and Third Party Deductions—A Qualitative Study of Recipients*, 2005.

tions. As with the current benefit system, these sanctions would comprise a three-stage approach. A young person on the Youth Payment would have their "In-Hand" allowance and any incentive payments suspended the first two times they failed to meet their obligations. If they did not re-comply within 4 weeks, their total payment including any incentive payments and any supplementary assistance would be suspended until they did comply. A third failure would result in their total payment being cancelled and they would be subject to a non-entitlement period of up to 13 weeks unless they completed an approved 6-week activity.

Those on the Young Parent Payment would be subject to the same sanctions for their first two failures as those on the Youth Payment (except their benefit would not be suspended if they had not re-complied within 4 weeks). For a third failure, the young person would continue to receive 50 percent of their Young Parent Payment and a portion of any supplementary assistance to which they were entitled, to ensure that their child or children were not disadvantaged by their failure. We agree with the ministry that there would be many opportunities for young people to meet their obligations, and that the support of service providers means that the use of sanctions should be minimal.

Service providers

No recommendations for change to the policy regarding external service providers are being made, but due to interest in the role of service providers we thought it prudent to mention their purpose in this bill. The majority of recipients of the Youth Payment or the Young Parent Payment, and the spouses and partners of main beneficiaries, would be referred by the Ministry of Social Development to external service providers. The service providers would provide a wraparound service to support those young people to meet their obligations, as outlined above. Although there were concerns about the use of external service providers, we are satisfied that Work and Income's experience with contracting to third-party providers, and the overseas research in support of incentive-based, outcome-focused contracting when structured appropriately, means that young people would have the appropriate support and expertise necessary from service providers. Some of us were concerned about the ability of service providers to adequately support Māori and Pacific Island young people. As is current Ministry of Social Development practice, the Request-for-Proposal process would require service providers to demonstrate success in working with youth, and this would include demonstrating success in working with Māori and Pacific Island youth. Proposals from all community groups, including iwi, and, for example, a collective of marae, would be able to be considered.

Service providers would also be required to identify options for overcoming any barriers to a young person's ability to meet their obligations, leading towards NCEA level 2 or its equivalent.

Children, Young Persons, and Their Families Act 1989

We are aware of concern from the Office of the Children's Commissioner and the Human Rights Commission among others about young people transitioning from care under the Children, Young Persons, and Their Families Act 1989. We recommend amending clause 20 to make it explicit that young people moving from care via an extended care agreement, custody order, or guardianship order into the new model of financial support could qualify for the payments, provided they met all other eligibility criteria; and to clarify that they would not be subject to an assessment of family breakdown, because evidence of it would already be available.

Disability

We heard concerns from some submitters that those with disabilities would not be able to comply with the requirements set out in the bill. We have not recommended any new amendments as existing regulations set out situations where people can be exempted from some or all work availability or work preparation expectations, or obligations to be in full-time education, training or work-based learning: for example, where a parent is caring for a child with special needs or the parent has an illness or disability that prevents them working or limits their work capacity, or where a young person is considered to be unable to reasonably meet their obligations due to a permanent or severe disability that means they would qualify for the Invalid's Benefit, or meet the qualifications for the Sickness Benefit. Some of us believe that the regulations adequately protect the interests of disabled children and their families.

New Zealand Labour Party minority view

Labour opposes the reforms contained in this bill. We believe that those currently in need of Government support deserve a set of measures that are grounded in evidence and in the reality of the current economic environment, and that address the barriers that exist in moving from the welfare system and into work.

In the past 3 years we have seen tens of thousands of New Zealanders move onto some form of Government support, not because they have experienced a change in their attitude to work but because the economic environment and job market have changed dramatically. We believe that there should be a responsibility on the part of the Government to acknowledge that addressing the structural issues in the economy would go a long way to improving the lot of thousands of Kiwis. Ultimately, if you want to fix welfare, fix the economy.

We believe that by and large, New Zealanders want to work. This is borne out not only by the Household Labour Force Survey, but by the anecdotal evidence of thousands of people lining up outside of supermarkets for a few hundred low-paid jobs and the benefit statistics in the past few years.

The New Zealand Council of Trade Unions articulated this point best when it stated in its submission that "the number on unemployment benefit fell from 162,000 in late 1999 to 17,700 in May 2008...When jobs were there, the number of people on unemployment benefit plummeted. In other words, there was not a policy problem in relation to the structure and availability of the benefit system. Nor is there one today. What has changed since 2008 is the availability of work."

It is with this lens that we have looked at the reforms contained in this package. It is our view that there is an assumption by the Government that New Zealanders do not wish to work, and therefore punitive measures such as benefit reductions are required to convince them that they should.

We do, however, acknowledge that for many people trying to move off Government support, there are barriers. Surveys have identified these barriers, and for sole parents they include the following: a lack of work, be it part-time or full-time, not having the appropriate training and/or education for the jobs that are available, and trouble accessing appropriate and accessible childcare or early childhood education.

These became the three tests that we applied to the reforms presented to us by the Government, and on these tests they were either inadequate, or, in our view, will have a negative impact on those they are designed to help.

Youth services model

We are very concerned about the content of the youth services provisions, and the way in which these services are currently being contracted. We understand that a very short tender process occurred while this bill was being considered (roughly 2 weeks from the time that the Ministry of Social Development gave a presentation on the package), leaving considerable uncertainty for those involved with the process. Tender documents also reveal that the details of this part of the policy have still not been completed, including the content of parenting courses that teen parents will be compelled to take part in, and at the time of writing they are due to be rolled out in 8 weeks. This is a sizeable package, and we remain deeply concerned at the speed at which providers have been asked to prepare for these changes.

We do not agree with the youth services package. While we have no objection to the concept of wraparound services, and agree this is an area that needed greater resourcing, we believe the Government would have been best to build on the Youth Transition Services model rather than scrapping it and starting again. We are also deeply concerned by the delivery mechanism, the narrowing of contracts to only cover 16- and 17-year-olds, and the use of a bonus payment system.

Young people's experiences are not linear. From our knowledge of Youth Transition Services currently in the field, many young people leave school with sometimes shaky plans that can fall over after a few months or even a year. Under this model, young people will only be able to access services via Work and Income, whereas previously they would have been eligible for the community-based Youth Transition Services.

We are also concerned that the narrow target based on age will mean that some providers just will not bother working with certain vulnerable young people. For instance, the maximum bonus payment is heavily based on the achievement of NCEA level 2, yet many people using services like these now have poor literacy and numeracy and in some cases do not have NCEA level 1. We believe a service worried about its funding levels would have a disincentive to work with a young person like this, who is unlikely to reach the milestones, and therefore will not be eligible for them to receive a \$1,200 payment. Quite simply, every young person could be looked at with the lens "Can I afford to work with you?"

The youth services model is also heavily focused on achievement of NCEA. While this is understandable, we do not believe the reality of the situation for many of these young people has been taken into account. A 16-year-old who has left school, often because they believe they would rather be in work or were struggling in a school environment, is not going to be easily coaxed back into a classroom. Under the current model we have, but are replacing, providers are able to offer a range of options for that young person without having to consider the financial incentives attached to each of them as a contractor. We believe that the new model has moved the focus away from the best interests of the young person with the design of its financial incentives.

The Treasury also shared its concern that a system like this could lead to gaming of the system. We believe this is a very valid concern. We heard from submitters about a recent case in the United Kingdom where a provider had done just that when a similar system was introduced. It remains our view that little has been done to prevent this from occurring, and that considerable oversight will be required.

It remains of concern that those who have been most successful in providing Youth Transition Services to date see little merit in the Government's proposed reforms. None have probably been as successful as the Otorohonga transition service, under the leadership of the chair of the Mayors' Taskforce for Jobs and local mayor, Dale Williams. As a result of this local model, unemployment amongst the town's young people has sat at between two and zero people. We believe that it should have been a significant flag to the ministry that based on its programme's success, it would potentially lose the service under this funding model; and as a result, it did not place a bid in the initial tender process.

Youth Payment card

The Youth Payment card was raised by many submitters. The Government's justification for this new method of administering youth benefit payments (for current Independent Youth Benefit recipients and young sole mothers) was that it would improve a young person's budgeting skills. We were also told that a young person would, over time, be able to "earn back" the right to take over the management of their own money. We have two objections to this argument. Firstly, if the policy aim is to assist a young person to learn budgeting, then surely this is best achieved if they have some control over the way their money is managed. The payment card removes all of the responsibility from the young person, into the hands of a third party. Secondly, we question the assumption that all young people should automatically be put on this card, and instead would have preferred that young people only be moved onto it if they have shown that they are in need of greater assistance with financial management. We believe the card system should be a back-stop provision, not a blanket default measure. We recommended this alternative option as part of the select committee process, but it was rejected.

Information sharing

This bill sets out considerable changes to current information-sharing provisions. We accept that for the purposes of ensuring that young people are aware of the services available to them once they leave school, some of these changes are necessary. We are, however, concerned that the Government's compressed timelines did not allow for the Privacy (Information Sharing) Bill to be completed first, which would have then enabled this bill to more closely reference its final provisions. Although additional safeguards were added during the select committee stage, we were disappointed that these were not able to be tested with the Privacy Commissioner, and that any further review of these provisions and their consistency with privacy legislation will not occur until 3 years after enactment.

Work testing

This bill contains considerable changes to existing work testing provisions. We remain concerned about two elements of these changes. Firstly, we do not believe there was enough discussion about the best interests of the children affected by these work testing arrangements. Circumstances will of course differ for each family, and some sole parents (in fact the majority, based on evidence) will move into work after 4 years on the Domestic Purposes Benefit. But work testing in some cases when a child is as young as 12 months old is counter to research and evidence around child development. While the Government argued that this is a choice that many families no longer have, we would argue that sole parents by default will face greater barriers with the care of their children, and that we should be seeking ways to improve the lot of all families and the choices they have rather than continuing to race to the bottom.

Of course families, including sole parents, will be better off in work. But the question these reforms have not addressed is when. With the Children's Commissioner arguing that a child who does not have the best start in life comes with a price-tag of \$1 million, we believe this question needed to be considered.

Secondly, work testing with no regard to improving investment in training and education for sole parents on the Domestic Purposes Benefit means they will be competing in an already difficult labour market, without (in many instances) the skills required to earn enough to cover the childcare costs associated with this transition.

The continued refusal by the Government to reinstate the original criteria for the Training Incentive Allowance is a case in point, and exemplified by the case of a Domestic Purposes Benefit parent who recently approached one of our members' offices. She is a sole parent and her child is aged 22 months. She currently works 11 hours per week at a cafe, which was topped up by the Government. This young mum wanted more for her child than what she felt her current skills could provide, so applied for assistance (via a Work and Income loan) for foundation courses so that she could enrol in a nursing degree. This request was denied on the grounds that this young mother already had work. Such a short-term approach does nothing for the future of our children and our sole parents.

Work testing exemptions

We wish to highlight the need for suitable discretion to be used by Work and Income around work testing exemptions, and wanted this to be explicitly stated in the bill. As a select committee we heard compelling arguments around why sole parents with children who have a disability (which based on ministry research amounts to 25.8 percent of Domestic Purposes Benefit recipients) may need to be exempt from the provisions in this bill. We agree with the need for exemptions and wish to ensure they are appropriately used by the chief executive, an assurance we were given by the ministry.

Childcare and early childhood education

While the Government reforms hint at the accessibility of childcare being a barrier to work for sole parents (by looking to increase assistance for teen parents to \$6 per hour per child) the remaining 114,000 recipients of the Domestic Purposes Benefit will not receive any additional support.

We also remain concerned that while the bill sets out that work testing must take into account the availability of "suitable work", including availability of "suitable childcare", there is no definition contained in the bill as to what might be considered suitable childcare. We continue to believe that this needs to be set out in legislation, particularly given that the Minister for Social Development floated the idea of loose and informal "babysitter" networks in a Cabinet paper on these reforms.

These reforms also rely on the assumption that currently subsidised or free early childhood education is widely available. We know this not to be the case, especially in low-income communities. We agree with the Children's Commissioner that reforms should have greater obligations on the Ministry of Social Development and the Ministry of Education to ensure the availability of quality early childhood education and childcare services.

Impact on women

Almost 90 percent of sole parents in New Zealand are women, and will therefore be the most heavily affected by these reforms. As raised previously in this report, we are concerned by the lack of discussion through this process on the importance of valuing the role of

motherhood and balancing this against the transition into work. Our sole parents are also characterised by a high percentage of Māori and Pacific women, who are overrepresented in low-income work. There was sadly little discussion around the types of work that these women are expected to move into, which, based on the profile of our current workplaces, are often low wage. If we are genuinely going to remove barriers to work for these women, "work must pay", which quite simply means it must cover the additional costs of work, including childcare for shifts that sometimes run into the night and, of course, transport, and we do not believe that a minimum wage of \$13.50 an hour does that.

We also believe this bill has not treated young mothers in an evenhanded way. These reforms will mean a young woman with a child will stay on a Youth Payment card until she is 19. A male who is, for instance, transitioning from a Youth Payment to an unemployment benefit will move off the card at 18.

Given the impact of this bill on women, we are concerned that the Ministry of Women's Affairs' analysis was not included in the regulatory impact statement. We also note that the Ministry of Justice provided legal advice to the Attorney-General that a number of the bill's provisions amounted to discrimination, but concluded that this was justified. The Human Rights Commission took a counter view.

Green Party minority view

The Green Party believes that this bill will hurt New Zealand's most vulnerable people, increase their housing and food insecurity, encourage discrimination against beneficiaries, and exacerbate the growing gap between wealthy and poor families. The work-first approach ignores the fact that two out of five families living in poverty in this country are working poor. We believe that the best interests of the child should be paramount and included in the purpose and practice of welfare as it applies to children.

New Zealand Bill of Rights Act 1990

Many groups raised concerns that aspects of the bill discriminated on the basis of age, gender, family status, and employment status. While advice from the Ministry of Justice to the Attorney-General stated that the discrimination is justifiable, the Human Rights Commission disagreed. The Green Party shares the view of the Human Rights Commission that insufficient consideration of other options has been undertaken to demonstrate that the bill's proposals are the least intrusive way to meet its policy objectives and that prima facie discrimination is not justifiable.

We believe that discretion, rather than being a guaranteed safeguard, can create a lack of clarity and inconsistency in the application of the rules and make it harder for beneficiaries to find out what they are actually entitled to. In our discussions with community advocates and beneficiaries, while we have heard positive examples of the use of discretion, we have also heard again and again of people not being told of their entitlements, being humiliated, and being talked down to. We would also like to note the increasing number of disputes—for example, Internal Formal Reviews and at the Benefit Review Committee—that seem to reflect this. We have concerns at the increased level of discretion in this bill in this environment.

Service providers and wraparound services

The Green Party still has concerns regarding the contracting out of Work and Income functions. The Treasury warned Cabinet against the contracting-out approach, noting that due to the complex nature of beneficiary casework it would be very difficult to evaluate and ascertain whether contracted providers of employment services are offering the best value for money. We share this concern.

The Green Party supports in principle the concept of investing in young people and providing more supportive developmental services. We are not, however, convinced that these reforms will deliver on that intention. Many young, disenfranchised people have had negative experiences of the State through school, police, and Child, Youth and Family, and building a trusting relationship is essential to assisting them to develop resilience and start seeing their strengths. Requiring community-based organisations, which have often bridged that gap, to report on young people not meeting their obligations will in our view remove the potential for trust and turn community organisations/marae/businesses into arms of the State. We have spoken to several respected providers who have not tendered as they believe it would compromise their ethics. They noted that others have applied even with significant concerns because they are not sure how the organisation would survive financially without the funding.

We also have concerns regarding the speed of the development of this project and tendering process. There are still too many unanswered questions. One young person raised concerns about the lack of professional qualifications required of the organisations—"So they want young people to be qualified but not the workers." When we asked young people who they thought should be doing this work, they said "social workers". They also reflected on caseloads for providers, which speak to the per person financial incentive: "Some promise, promise, promise, then more people come in and you get lost."

We have not yet seen evidence that providers of services such as budgeting and parenting services, and even appropriate education providers, will be available in the areas of most need or in rural areas, and we worry that this will further compromise effectiveness.

The Green Party is concerned that the tight time-frame for tendering and planning, a lack of clarity of practice, and the ethical challenges will mean money that is being reprioritised from programmes that have been proven to be effective will be wasted.

Information sharing

While pleased with the improvement to the privacy-sharing provisions in this bill, the Green Party is disappointed that the committee has chosen to go ahead without the drafting support of the Privacy Commissioner, and we maintain a degree of concern at the focus on the provision of services rather than sharing information to benefit young people.

Youth Support payments and obligations, and income management

The Green Party shares the concern expressed by the Children's Commissioner that requiring programmes to lead to NCEA level 2 will not be helpful for young people who have been mostly out of the school system. Setting aspirational targets for educational outcomes will typically disengage the learner. Some young people have come to New Zealand as refugees in their early teens without any formal education. We are concerned their needs will be ignored in this one-size-fits-all approach.

We are also concerned that providers may create hotchpotch learning plans of perceived easiness to achieve NCEA level 2 credits that will not give them the NCEA level 1 literacy and numeracy requirements needed for apprenticeships or full societal functioning.

Concerns have been expressed about the availability and quality of childcare and we support these concerns. We also note that the young mothers and mothers-to-be we spoke with were very conscious of bonding and the importance of spending time with their babies, as well as putting their babies' needs first. One young mother talked about only being willing to attend a course that she could take her baby to. Another young woman talked about her unwillingness to risk her baby's health by taking him, with gear, on a bus in the cold and rain. While we believe young mothers should be supported to stay in education, we have concerns that the low income of the benefit combined with family estrangement and limited social networks to offer the necessary practical support, will result in negative outcomes for both parents and children. We support the view of these young women that the best interests of their children need to come first.

Compulsory income management for at least 6 months is unjustifiable discrimination and adds another layer of bureaucracy. This may slow down a young person's ability to move when they need to. It has also been noted that taking away control of money is not the best way to teach someone how to use money. The Green Party also has concerns regarding the loss of privacy that may arise from income management. Young people have also noted that if someone wants to get around this, they will, but it is just going to create more criminality.

Extension of work testing

All of our concerns expressed in our minority view for the Social Assistance (Future Focus) Bill regarding work testing those on the Domestic Purposes Benefit still stand.

The Green Party asserts that the Future Focus work-testing regime has not had any significant impact in moving domestic purposes beneficiaries into paid work.

Domestic violence is at epidemic levels in this country, when research shows that one in three women are likely to experience domestic violence, and some research indicates that around 50 percent

of women on the Domestic Purposes Benefit may be leaving violent relationships. To reduce levels of domestic violence and keep women and children safe, we need to ensure that women are supported to leave those relationships and stay away. Financial support is critical in this equation, as is time to look after the needs of the children. In recognition of this, a work-test exemption has been in place since the introduction of the Future Focus reforms, and yet Work and Income reported that as at February 2012 only 22 people were exempt from work testing because of family or domestic violence. In a meeting of five women who had gone on the Domestic Purposes Benefit after leaving a violent relationship, not one of them was told of the work test exemption, and Work and Income even had a protection order on file for one of them. The Ministry of Social Development has responded to this criticism by saying that it will introduce training. We do not believe this is an adequate response, and it puts lives at risk as the women we spoke to commented: "Some people go back because of money and stress on their children," and "My parents, who are conservatives, don't want me to work yet because they say I'm finally putting my kids first for the first time in 13 years, and they need that."

We also lack confidence that the discretion will support the needs of the 20 percent of parents who have a disability or who have children with a disability.

We absolutely oppose sanctions for parents, as we believe this will have negative impacts for parents and children.

Subsequent children

The Green Party believes this is inconsistent with Whānau Ora, is a breach of women's human rights, and cannot reasonably be considered to be in the best interests of children. The Green Party believes this provision seeks to punish women for choosing to have babies, even when they may not have chosen to get pregnant and most certainly did not choose to be on the Domestic Purposes Benefit. Referring women to get free long-term contraception is overstepping the role of the State, as is recommending women get an abortion, which some women have reported is happening now.

New Zealand First minority view

New Zealand First is concerned about a number of changes proposed in the Social Security (Youth Support and Work Focus) Amendment Bill. These include

- the use of the private sector in finding jobs
- information-sharing provisions within the bill
- the wider welfare reform package
- the cost to the taxpayer.

Furthermore, we believe the bill is a distraction and Parliament's time would be better focused on improving economic management and providing the right setting for job creation.

Private providers

Commentary

New Zealand First has some serious reservations about the increase in the use of the private sector in finding jobs. The goal is to pay private companies or organisations for every person who comes off welfare. While fine in principle, we are not convinced that sufficient audits or safeguards are in place to ensure that these private providers actually assist young people into employment. The case of A4e, where the service provider defrauded the system in the United Kingdom, should serve as a warning. Most submitters were also opposed to allowing external contractors to provide these services, questioning whether these contractors would be competent enough in providing relevant services.

Information-sharing provisions

New Zealand First has concerns around the information-sharing provisions in the bill. The provisions are inadequate and lack important safeguards for protecting personal information. Under new section 125D there is no explanation given as to which organisations will have accessibility rights and which individuals will have their information shared. We find no problem with the Ministry of Education providing information to the Ministry of Social Development. This is with reference to the provisions relating to the use of the National Student Number. With respect to the provisions relating to the use of the National Student Number, we will support the inclusion of a specific provision concerning information sharing between the Ministry of Education and the Ministry of Social Development. We agree with the Privacy Commissioner that the changes in this bill target a group for whom "trust in authority may already be in short supply." Young people who are at risk of breaching the conditions of their benefits and have left school before the age of 18 will feel their freedoms being further eroded.

We see the Privacy (Information Sharing) Bill currently before the House as a means of replacing clauses 18 and 19 of the bill, as it would address issues concerned. It would be a framework for all sharing proposed under this bill, thus ensuring consistent application of the Privacy Act 1993 and that individual rights to complain under the Privacy Act are retained.

Wider welfare reform package

New Zealand First has great concerns over the changes in the bill that are a part of a wider welfare reform package. This is in reference to work availability expectations for people receiving the Widow's Benefit, the Domestic Purposes Benefit—Women Alone, and the Domestic Purposes Benefit—Sole Parent.

We believe that expecting recipients of the Women Alone benefit and Widow's Benefit to find work is unreasonable given the present job market. The majority of these recipients are women of 50 years-plus who may have spent most of their lives in homemaker or carer positions and may not have the relevant work experience or skills necessary to gain employment, particularly in the current economic environment. We propose a more community-involved initiative where women in this bracket could give back to the community by being involved in projects that are relevant to their experiences. For example, this could be in the form of contributing towards community gardening or parenting groups with a focus on motherhood, etc. The experience these women have to offer is of immeasurable social value.

Sole parents not only have to raise their children alone, but also they would have the added pressure of finding a job in a non-existent job market. No consideration has been given to issues around childcare accessibility, flexibility, and affordability. We believe the proposed changes put an undue burden on sole parents. Furthermore, the changes totally ignore the needs of children.

Research has proven that investment in the early years of a child's life is vital for establishing an attachment (bond) between child and

parent. A more one-on-one relationship is crucial in the future development of a child. As shown by a submission from Professor Innes Asher, who works at the Department of Paediatrics at the University of Auckland, "the unpaid work of nurturing needs to be given equivalent value to job-seeking and paid work." Labelling parents of infants and young children as jobseekers is not conducive to this.

Uncertainty surrounds employers hiring sole parents with children when a child becomes sick. The bill marginalises widows and lumps them into the same category as young sole parents, with no regard to extenuating circumstances that often befall widows.

Conclusion

Commentary

The Social Security (Youth Support and Work Focus) Amendment Bill does nothing to reduce the cost of unemployment to the taxpayer. Many of the changes contained in this legislation are unfair, Draconian measures that are designed to shame unemployed people into work at a time when there is simply not enough work available. The bill deflects the focus away from the real problem, which is the failure to create new jobs.

Appendix

Committee process

The Social Security (Youth Support and Work Focus) Amendment Bill was referred to the committee on 27 March 2012. The closing date for submissions was 13 April 2012. We received and considered 85 submissions from interested groups and individuals. We heard 21 submissions in Wellington.

We received advice from the Ministry of Social Development. The Regulations Review Committee reported to the committee on the powers contained in clause 18, new sections 123F and 123G, and clause 19, new sections 125C and 125D.

Committee membership

Peseta Sam Lotu-Iiga (Chairperson) Jacinda Ardern Hon Jo Goodhew Melissa Lee Jan Logie Le'aufa'amulia Asenati Lole-Taylor Tim Macindoe Alfred Ngaro Dr Rajen Prasad Mike Sabin Su'a William Sio

Key to symbols used in reprinted bill

As reported from a select committee

text inserted by a majority

text deleted by a majority

Hon Paula Bennett

Social Security (Youth Support and Work Focus) Amendment Bill

Government Bill

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Social Security (Youth Support and Work Focus) Amendment Act **2012**.

2	Commencement	5
<u>(1A)</u>	Part 1 (except for sections 17A, 18, 18A, and 19A), Part	
	2 , and the schedules come into force on 30 July 2012.	

 $cl \ 2$

- (1) **Parts 3 and 4** come into force on 15 October 2012.
- (2) The rest of this Act comes into force on 30 July 2012 the day after the date on which it receives the Royal assent.

3 Principal Act

This Act amends the Social Security Act 1964 (the **principal** 5 **Act**).

Part 1

Substantive provisions taking effect on 30 July 2012 or immediately

4 Section 1A amended (Purpose)

- (1) After section 1A(12)(c), insert the following paragraph:
 - "(ca) to provide services to encourage and help young persons to move to education, training, and employment rather than to receiving financial support under this Act:".

10

15

(2) In section 1A(d), insert after "this Act", insert ", and, in the case of young persons, seeking or receiving financial support under this Act, educational, budget management, and (where appropriate) parenting requirements".

5 Section 3 amended (Interpretation) 20

- (1) In section 3(1), definition of **benefit**, after paragraph (b)(ii), insert:
 - "(iia) an incentive payment, a youth payment, and a young parent payment:".
- (2) In section 3(1), insert in their appropriate alphabetical order: 25
 "contracted service provider has the meaning given by section 125A(1)

"incentive payment means a payment referred to in any of items clauses 7 to 9 of Schedule 26

"young parent payment means a young parent payment 30 payable under Part 5

"youth payment means a youth payment payable under Part
5

cl 3

6

"youth support payment means a young parent payment or youth payment".

- (3) In section 3(1), definition of **dependent child**, paragraph (d), replace "and 18" with "18, and **26**".
- (4) In section 3(1), definition of **dependent child**, after paragraph 5 (d), insert:
 - "(e) does not include a child in respect of whom a young parent payment is being paid except in relation to that child's parent or step-parent".
- (5) In section 3(1), replace the definition of work-tested spouse 10 or partner with—

"work-tested spouse or partner means a person-

"(a) who—

- "(i) has no dependent child under 6 years (or has no dependent child at all); and 15
- "(ii) is not subject to obligations under **section 171**; and
- "(iii) has not been granted an exemption from the work test; and

"(b) who—

20

- "(i) is the spouse or partner of a person granted an unemployment benefit, a sickness benefit, or an invalid's benefit, (being, in each case, a benefit granted at a work-test married rate); or
- "(ii) both—

25

- "(A) is the spouse or partner of a person granted an emergency benefit at a work-tested married rate; and
- "(B) has under section 61A(1A) been required by the chief executive to comply with the 30 work test; or

"(iii) is—

- "(A) the spouse or partner of a person who is receiving long-term residential care in a hospital or rest home; and 35
- "(B) aged under 60 years; and
- "(C) in receipt of an invalid's benefit under section 42(2) or an emergency benefit under regulations under section 155".

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5A Section 11D amended

Part 1

In section 11D, after subsection (3) insert:

- <u>"(3A)</u> If the chief executive considers that the appropriate benefit for an applicant is a youth support payment, he or she may require as supporting evidence under subsection (2)(b) evidence of the applicant's accommodation costs and service costs (within the meaning of section 157), debts, and other liabilities.
- $\frac{(3B)}{(2)(b)."}$ Subsection (3A) does not limit the generality of subsection

6 (1)	Section 12J amended (Right of appeal) In the heading to section $12J(1)(a)$, replace "Right" with "Rights".	10
(2)	In section 12J(1)(a), replace "or Part 4" with "Part 4, or Part 5 ".	
7	Section 21 amended (Widows' benefits) In section 21(1)(a), after "who", insert "is aged 19 years or over and".	15
8	Section 27B amended (Domestic purposes benefits for solo parents) Replace section 27B(2)(a) with: "(a) the applicant is aged 19 years or over; and".	20
9 (1)	Section 27G amended (Domestic purposes benefits for care at home of the sick or infirm) In section 27G(2), delete "has attained the age of 16 years and".	25
(2) "(2A)	Replace section 27G(2A) with: An applicant must not be granted a domestic purposes benefit under this section unless,— "(a) in the case of an amplicant without a dependent shild he	

- "(a) in the case of an applicant without a dependent child, he or she is aged at least 18 years: 30
- "(b) in any other case, he or she is aged at least 19 years."

10	Section 54 amended (Sickness benefit: standard eligibility requirements) Replace section 54(2) with:	
"(2)	An applicant for a sickness benefit— "(a) must be aged at least 18 years, in the case of an applicant without a dependent child:	5
	"(b) must be aged at least 19 years, in any other case."	
11	Section 54A amended (Sickness benefit: grounds of hardship)	
	Repeal section 54A(2).	10
12	Sections 60F to 60GAC <u>and cross-heading above section</u> <u>60F</u> repealed	
	Repeal sections 60F to 60GAC and the cross-heading above section 60F.	
13 (1)	Section 82 amended (Payment of benefits) After section 82(6D), insert:	15
"(6E)	Subsections (6B) to (6D) do not apply to the advance payment of a youth support payment, or to the advance payment of any other benefit payable to a person receiving a youth support payment."	20
(2)	After section 82(7), insert:	
"(8)	This section is subject to section 176 <u>179</u> ."	
14	Section 83 amended (Apportionment of benefit between spouses or partners)	
(1)	In section 83(1), replace "subsection (2)" with "subsections (2) and (2A) ".	25
(2)	After section 83(2), insert:	
"(2A)	Nothing in this section applies to—	
	"(a) a rate of youth payment or young parent payment; or "(b) the rate of any herefit (other then a youth payment or	20
	"(b) the rate of any benefit (other than a youth payment or young parent payment) payable to a person receiving a youth payment or young parent payment."	30

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Focus) Amendment Bill	

15	Section 89 amended (Unemployment benefit: standard eligibility requirements) Replace section 89(2) with:	
"(2)	 An applicant for an unemployment benefit— "(a) must be aged at least 18 years, in the case of an applicant without a dependent child: "(b) must be aged at least 19 years, in any other case." 	5
16 (1)	Section 105 amended (Exemption from obligations) In section 105(1), after "work test obligations", insert "or obli- gations under section 170 or 171".	10
(2)	 In section 105(5),— (a) after "work test obligations", insert "or obligations under section 170 or 171; and"; and 	
	(b) after "117", insert "or (as the case requires) section 173 or 174".	15
17	Section 123D(a) amended (Regulations) In section 123D(a), after "work test obligations", insert "or obligations under section 170 or 171 ".	
<u>17A</u>	New section 123E inserted Before section 124, insert the following section:	20
<u>"123</u>	E Services to encourage young persons to move to education, training, and employment The chief executive may do either or both of the following things:	
	"(a) provide services to encourage and help young persons to move into education, training, and employment rather than to receiving financial support under this Act:	25
	"(b) enter (under section 125A) into contracts with service providers to provide services of that kind on the chief executive's behalf."	30
18	New sections 123E to 123G <u>123F to 123H</u> inserted Before section 124, <u>After section 123E (as inserted by sec-</u> <u>tion 17A of this Act), insert the following sections</u> :	

Part 1 cl 15

"123E Services to encourage young persons to move to education, training, and employment

The chief executive may do either or both of the following things:

- "(a) provide services to encourage and help young persons 5 to move into education, training, and employment rather than to receiving financial support under this Act:
- (b) enter (under section 125A) into contracts with service providers to provide services of that kind on the chief 10 executive's behalf.

"123F Chief executive may enter into information-sharing agreement with chief executive of Ministry of Education

- "(1) The chief executive may enter into an agreement with the chief executive of the Ministry of Education relating to the sharing, for the purposes of facilitating the provision of services of a kind described in section 123E(a), of information about young persons who have ceased to be enrolled at a registered school (as defined in section 2 of the Education Act 1989) or a tertiary education organisation (being an organisation as defined in section 159B(1) of that Act).
- "(2) While the agreement is in force, the chief executive of the Ministry of Education—
 - "(a) may provide to the chief executive any information to which subsection (1) applies that the former thinks 25 will considers may facilitate the provision by the latter of services of a kind described in section 123E(a); and
 - "(b) may use national student numbers for the purpose of gathering the information.
- "(3) **Subsection (2)** overrides section 344(2) of the Education Act 30 1989.

"123G Consultation on proposed agreement

- "(1) Before entering into an agreement under **section 123F(1)**, the parties must—
 - "(a) consult on the proposed agreement, and invite submis- 35 sions on it from,—
 - "(i) the Privacy Commissioner; and

Part 1 cl 18

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		"(ii) any person or organisation that they consider represents the interests of the classes of individuals <u>kinds of people</u> whose personal information will be shared under the proposed agreement; and	
		"(iii) any other person or organisation that the parties consider should be consulted; and	5
	"(b)	consider all submissions received within a reasonable time of being invited.	
"(2)	The F	Privacy Commissioner—	
	"(a)	must consider the privacy implications of the proposed	10
	()	agreement; and	
	"(b)	may make any submissions under subsection (1)(a)(i)	
	(-)	that he or she thinks fit.	
"123]	Η Λαν	eements to be reviewed after 3 years	
"(1)		ptly after an agreement under section 123F(1) has been	15
(1)		ect for 3 years, the chief executive must conduct a review	15
		operation.	
((^)			
"(2)		nducting the review, the chief executive must consult—	
	"(a)	the chief executive of the Ministry of Education (as the	•
		other party to the agreement); and	20
	<u>"(b)</u>	the Privacy Commissioner; and	
	"(c)	any organisation or other person that he or she considers	
		to represent the interests of the kinds of people whose	
		personal information may be shared under the agree-	
		ment.	25
"(3)	In con	nducting the review, the chief executive must consider—	
	"(a)	whether (and if so, to what extent) the agreement is op-	
		erating	
		"(i) in a way that is unusual; or	
		"(ii) otherwise than was expected by the parties when	30
		they entered into it; or	
		"(iii) otherwise than was expected by the Privacy	
		Commissioner when he or she was consulted on	
		it under section 123G(1)(a)(i); and	
	"(b)	the extent to which the agreement is facilitating the	35
		provision of services of a kind described in section	
		123E(a) ; and	

	Social Security (Youth Support and Work Focus) Amendment BillPart 1 cl 18A	
	<u>"(c)</u> the extent to which the agreement is impinging on the privacy of individuals; and	
	"(d) whether (and if so, to what extent) the benefits of shar- ing information under the agreement justify the costs of	
	<u>sharing it; and</u> <u>"(e)</u> all submissions made in the course of the consultation	5
<u>"(4)</u>	<u>required by</u> subsection (2) . After conducting the review, the chief executive must report to the Minister on its findings, and make to the Minister any recommendations arising from them that the chief executive	10
	considers appropriate."	10
<u>18A</u>	New sections 125A to 125E inserted After section 125, insert:	
"125	A Chief executive may contract with service providers	
"(1)	The chief executive may from time to time, on behalf of the	15
	Crown, enter into a contract with any person, body, or organ-	
	isation (a contracted service provider) for the provision by	
	the contracted service provider of services-	
	<u>"(a)</u> that are—	
	"(i) services of the kind referred to in section	20
	123E(a) ; or	
	"(ii) services in relation to Part 5 ; and	
	"(b) that are services of a kind or description stated for the	
	purposes of this section by regulations under this Act.	
"(2)	The chief executive must not enter into a contract with a per-	25
	son, body, or organisation for the provision of services of a	
	kind stated in subsection (1) unless the chief executive is	
	satisfied that it—	
	"(a) is suitable to provide the services specified in the con-	20
	$\frac{\text{tract; and}}{1}$	30
	<u>((b)</u> is suitable to work with young persons in providing	
	"(a) those services; and "(a) has the powers and conseity to enter into and perform a	
	<u>"(c)</u> has the powers and capacity to enter into and perform a contract for those services.	
	contract for those services.	

 contract for those services.

 "(3)
 In this section, young person has the meaning given by section 157.
 35

"125B Contracts with service providers: contents and form

- "(1) A contract under section 125Amust set out the responsibilities of the contracted ser-"(a) vice provider and the chief executive in respect of each of the services the provider is to provide under the con-5 tract; and "(b) must require the provider to co-operate with the chief executive; and "(c) must contain all terms and conditions (if any) stated for the purposes of that section by regulations under this 10 Act. The contract must be in writing. ·(2) Subsection (1) does not limit section 125A. "(3) "125E Chief executive may adopt existing contracts The chief executive may agree in writing with the other party 15 to any contract the chief executive has entered into before the commencement of the Social Security (Youth Support and Work Focus) Amendment Act 2012 that this Act applies to the contract as if it had been entered into under section **125A**; and in that case, after the agreement takes effect, this 20 Act applies to the contract (to the extent that it was capable of being entered into under that section) as if it had been entered
- 19 New sections 125A to <u>125C, 125D, 125F, and 125G</u> inserted

into under that section."

(1) Before section 126, After section 125B (as inserted by section 18A of this Act), insert:

"125A Chief executive may contract with service providers

- "(1) The chief executive may from time to time, on behalf of the Crown, enter into a contract with any person, body, or organisation (a contracted service provider) for the provision by the contracted service provider of services— "(a) that are—
 - "(i) services of the kind referred to in section 123E; or

25

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"(ii) services in relation to Part 5; and

	"(b)	that are services of a kind or description stated for the	
		purposes of this section by regulations under this Act.	
"(2)	The e	thief executive must not enter into a contract with a per-	
	son, i	body, or organisation for the provision of services of a	
	kind	stated in subsection (1) unless the chief executive is	5
	satisf	ied that it—	
	"(a)	is suitable to provide the services specified in the con-	
		tract; and	
	"(b)	is suitable to work with young persons in providing	
		those services; and	10
	"(c)	has the powers and capacity to enter into and perform a	
		contract for those services.	
"(3)	In thi	s section, young person has the meaning in section 157.	
"125 1	B Cor	ttracts with service providers: contents and form	
"(1)		ttract under section 125A-	15
()	"(a)	must set out the responsibilities of the contracted ser-	
		vice provider and the chief executive in respect of each	
		of the services the provider is to provide under the con-	
		tract; and	
	"(b)	must require the provider to co-operate with the chief	20
		executive; and	
	"(c)	must contain all terms and conditions (if any) stated for	
		the purposes of that section by regulations under this	
		Act.	
"(2)	The c	contract must be in writing.	25
"(3)	Subs	ection (1) docs not limit section 125A.	
(-)		(),	
"1250	C Rel	ease of personal information to and by contracted	
	servi	ce provider	
"(1A)	The	purpose of this section is—	
	"(a)	to authorise the department and any contracted service	30
	_	provider to disclose to each other relevant personal in-	
		formation about young persons to whom the provider's	
		contract under section 125A applies; and	

"(b) to assist the department to exercise and perform powers and functions under Part 5 and section 123E(a) and 35 the provider to provide services under the contract; and

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	<u>"(c)</u>	to enable the prescription of—	
		"(i) the circumstances in which the personal inform	na-
		<u>tion may be disclosed; and</u> <u>((ii)</u> <u>conditions governing the disclosure of the p</u>	er_
		sonal information ; and	
		"(iii) conditions governing the way in which the p	er-
		sonal information is to be dealt with by the p	
		son to whom it is disclosed.	
'(1)	This	section applies to any personal information about a you	ing
	perso	on or young persons to whom a contract under secti	on
		A applies that is held by the contracted service provide	der
	conce	erned or the department.	
'(2)	-	lations For the purposes of this section, regulations und	der
		Act may state—	
	"(a)	the circumstances in which a contracted serv	
		provider and its employees may release or disclose the chief executive and employees of the departme	
		information to which this section applies held by	
		contracted service provider and the conditions w	
		which the chief executive and employees of the depa	
		ment must comply in dealing with the information; of	
	"(b)	the circumstances in which the chief executive and e	
		ployees of the department may release or disclose to	o a
		contracted service provider and its employees inform	
		tion to which this section applies held by the depa	
		ment and the conditions with which the contracted s	
		vice provider and its employees must comply in deali	ing
	_	with the information.	
(2A)		ulations of the kind referred to in subsection (2) m	
		be made except on the recommendation of the Minist	
		he Minister must not recommend the making of the reg	
		ns unless satisfied that the chief executive has consult the proposed regulations in the manner required by set	
		123G for an agreement under section 123F(1).	
<u>()</u>		chief executive and employees of the department, a	l
'(3)		members of a contracted service provider, may relea	
		sclose information in accordance with regulations of	
	ਾ ਧਾ	sciose information in accordance with regulations of	une

- "(3) If satisfied on reasonable grounds that its disclosure is in accordance with regulations of the kind referred to in subsection (2), the chief executive, an employee of the department, a contracted service provider, or an employee of a contracted service provider may release or disclose information to which 5 this section applies.
- (4) Nothing in this section requires the chief executive, employees of the department, or staff members of a contracted service provider, a contracted service provider, or employees of a contracted service provider to provide access to, or release 10 or disclose, release or disclose any information.
- "(5) In this section,—

"employee, in relation to a contracted service provider, includes a volunteer

"held includes deemed for the purposes of the Official Infor- 15 mation Act 1982 to be held.

"staff member, in relation to a contracted service provider, includes a volunteer.

"Compare: 2004 No 50 s 199J

"125D Information-sharing in relation to young persons

- 20
- "(1A)The purpose of this section is to authorise local agencies (for
example, schools, primary health organisations, and the New
Zealand Police) to disclose relevant personal information
about a young person to the department or a contracted service
provider where the agency concerned considers it relevant to
the exercise or performance of powers or functions under this
Act in respect of the young person.25
- "(1) An agency specified by the Governor-General by Order in Council for the purposes of this subsection may, for the purposes of this section, disclose any information about a 30 young person to the chief executive, if satisfied <u>on reasonable</u> <u>grounds that</u>—
 - "(a) **subsection (3)** applies to the young person; and
 - "(b) the information will help the department to assist the department in______35
 - "(i) <u>perform performing</u> any function, or <u>exercise ex-</u> <u>ercising</u> any power, under **Part 5**; or

"(ii) achieve achieving any of the purposes of this Act.

"(2)	An agency specified by the Governor-General by Order in	
	Council for the purposes of this subsection may, for the pur-	
	poses of this section, disclose any information about a young	
	person to a contracted service provider, if satisfied on reason-	5
	<u>able grounds that</u>	
	"(a) the provider is the young person's contracted service	
	provider; and	
	"(b) subsection (3) applies to the young person; and	
	"(c) the information will help the provider to provide as-	10
	sist the provider in providing services under a contract	
	under section 125A.	
"(3)	This subsection applies to a young person if he or she—	
	"(a) has applied for or is receiving a youth support payment;	
	or	15
	"(b) is subject to obligations under section 171 ; or	
	"(c) has left or finished education, and is not or may not be	
	in employment or training; or	
	"(d) has left or finished training, and is not or may not be in	
	employment.	20
<u>"(</u> 3A	An order of the kind referred to in subsection (1) or (2) must	
	not be made except on the recommendation of the Minister;	
	and the Minister must not recommend the making of the order	
	unless satisfied that the chief executive has consulted on the	
	proposed order in the manner required by section 123G for	25
	an agreement under section 123F(1).	
"(4)	Orders under subsection (1) or (2) may specify particular	
	agencies, or agencies of any specified class or description.	
"(5)	In this section, agency has the meaning given to it by section	
	2(1) of the Privacy Act 1993.	30
"125	E Chief executive may adopt existing contracts	
	The chief executive may agree in writing with the other party	
	to our contract the shief encouting has entered into hefere	

The chief executive may agree in writing with the other party to any contract the chief executive has entered into before the commencement of the Social Security (Youth Support and Work Focus) Amendment Act **2012** that this Act applies to the 35 contract as if it had been entered into under section **125A**; and in that case, after the agreement takes effect, this Act applies

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to the contract (to the extent that it was capable of being entered into under that section) as if it it had been entered into under that section.

"125F Information on provision of contracted services to be published

The chief executive must ensure that there is published, no later than 1 October in every year,—

- "(a) a general description of the services provided by contracted service providers during the year ending on 30 June in that year, and of the contracted service 10 providers; and
- "(b) details of the providers concerned.

"125G Actions of contracted service providers to be treated for certain purposes as if actions of department

- "(1) For the purposes of section 80AA, any action or inaction of 15 a contracted service provider must be treated as an action or inaction of an officer of the department.
- "(2) For the purposes of section 80A, a contracted service provider must be treated as an officer of the department.
- "(3) For the purposes of section 86(9A) and (9B), the provision of 20 information by, and any act or omission of, a contracted service provider must be treated as having been done or omitted by an officer of the department."
- (2) After section 125E (as inserted by section 18A of this Act), insert: 25

<u>"125F Information on provision of contracted services to be published</u>

The chief executive must ensure that there is published, no later than 1 October in every year,—

- "(a) a general description of the services provided by contracted service providers during the year ending on 30 June in that year, and of the contracted service providers; and
- <u>"(b)</u> details of the providers concerned.

<u>"125G</u> Actions of contracted service providers to be treated for certain purposes as if actions of department

"(1) For the purposes of section 80AA, any action or inaction of a contracted service provider must be treated as an action or inaction of an officer of the department.

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- "(2) For the purposes of section 80A, a contracted service provider must be treated as an officer of the department.
- "(3) For the purposes of section 86(9A) and (9B), the provision of information by, and any act or omission of, a contracted service provider must be treated as having been done or omitted by an officer of the department.

<u>"125GA</u> Operation of certain provisions to be reviewed after 3 years

- "(1)Promptly after the expiration of 3 years after the commence-
ment of section 19 of the Social Security (Youth Support
and Work Focus) Amendment Act 2012, the chief execu-
tive must conduct a review of the operation of sections 123F,
123G, 125C, and 125D for consistency with the general le-
gislation then in force relating to the privacy of personal infor-
mation.1520
- <u>"(2)</u> In conducting the review, the chief executive must consult— "(a) the Privacy Commissioner; and
 - (b) any organisation or other person that he or she considers to represent the interests of the kinds of people whose personal information may be disclosed under any 25 of those provisions.
- "(3) After conducting the review, the chief executive must report to the Minister on its findings, and make to the Minister any recommendations for the amendment of those provisions arising from them that the chief executive considers appropriate." 30

<u>19A</u> <u>New section 125H inserted</u> <u>After section 125GA (as inserted by section 19(1) of this</u> <u>Act, insert:</u>

- <u>"125H</u> Complaints to Privacy Commissioner
- "(1) A person may complain to the Privacy Commissioner if personal information relating to the person has been disclosed

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under **section 125C or 125D**, on the grounds that the disclosure was in breach of—

- "(a) regulations of the kind referred to in **section 125C**; or
- "(b) the requirements of section 125D.
- <u>A person may complain to the Privacy Commissioner if personal information relating to the person has been disclosed pursuant to an information-sharing agreement under section 123F, on the grounds that the disclosure was in breach of the agreement.</u>
- "(3) Part 8 of the Privacy Act 1993—
 - "(a) applies to a complaint under **subsection (1)** as if the regulations concerned and **section 125D** together constituted a code of practice issued under Part 6 of that Act; and
 - "(b) applies to a complaint under **subsection (2)** as if the 15 information-sharing agreement concerned were a code of practice issued under Part 6 of that Act."
- 20 New Part 5 inserted

After section 155, insert:

"Part 520"Financial support for young people

"156 Purpose

The purpose of this **Part** is to specify the supports, obligations, and sanctions that apply to certain young people who receive financial assistance under this Act.

"157 Interpretation

In this Part and in Schedule 26,-

"accommodation costs, in relation to any young person, has the same meaning as in section 61E(1) except that, in relation to a person who is a boarder or lodger in any premises, it means 30 100% of the amount paid for board or lodging

"approved training means an employment-related training course approved by the chief executive

"**full-time course** has the same meaning as in regulation 2(1) of the Student Allowances Regulations 1998

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"**in-hand allowance** means the component of a youth support payment set out in **clause 6** of **Schedule 26** under that name "**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 5 "**parents**, in relation to a young person,—

- "(a) means the parents or guardians or other person who had the care of the young person most recently before the young person turned 16 years; and
- "(b) includes any other parent, or guardian or former 10 guardian, willing to have financial responsibility for the young person; but
- "(c) does not include—
 - "(i) the chief executive of the department responsible for administering the Children, Young Persons, 15 and Their Families Act 1989 in his or her official capacity; or
 - "(ii) any body or organisation approved under section 396 of that Act

"service costs has the same meaning as in section 61E(1)
"specified beneficiary means a person who is married, in a civil union, or in a de facto relationship and receives in his or her own right—

- "(a) a domestic purposes benefit under section 27G; or
- "(b) an emergency benefit, invalid's benefit, sickness bene- 25 fit, or unemployment benefit; or
- "(c) New Zealand superannuation paid at <u>the a</u> rate specified in clause 2 of Schedule 1 of the New Zealand Superannuation and Retirement Income Act 2001; or
- "(d) a veteran's pension paid at a rate specified in clause 2 30 of Schedule 11 of the War Pensions Act 1954

"**teen parent unit** means an educational facility for teenage parents attached to a State school (within the meaning of the Education Act 1989)

"WFF tax credit has the same meaning as in section YA 1 of 35 the Income Tax Act 2007

"work-based learning means any course or programme that includes a component of practical or on-the-job vocational learning (for example, industry training programmes and apprenticeships)

"work-based learning, in relation to any person, means a course or programme undertaken (or to be undertaken) in the course of or by virtue of his or her employment that comprises, 5 or includes a component of, practical or on-the-job vocational learning (for example, an industry training programme or apprenticeship)

"young person means a person aged at least 16 years but under the age of 20 years.

"young person, —

- "(a) except in **section 123E**, means a person aged at least 16 years but under the age of 20 years; and
- "(b) in section 123E, means a person aged at least 15 years but under the age of 18 years.

"Youth payment

"158 Youth payment: basic criteria

"(1) The basic qualifications for entitlement to a youth payment are in subsection (2). The qualifications for a single young person are in section 159. The qualifications for a young 20 person who is or has been married, in a civil union, or in a de facto relationship are in section 160.

"(2) The basic qualifications for entitlement to a youth payment are that the young person—

"(a) is aged 16 or 17 years; and

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- "(b) is without a dependent child or dependent children; and"(c) either—
 - "(i) is undertaking or is available for a full-time course of secondary instruction, or tertiary education, or approved training, or approved 30 work-based learning, leading to—
 "(A) NCEA level 2: or
 - "(A) NCEA level 2; or
 - "(B) an equivalent qualification (in the opinion of the chief executive); or

"(C) a higher qualification; or

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"(ii) would be so available but for circumstances that would qualify the young person for an exemption

under section 105 from the obligation to undertake education or training or work-based learning in **section 170(1)(a)**; and

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- "(d) meets the residential requirements set out in section 74AA; and
- "(e) has no income or an income of less than the amount that would fully abate the youth payment.
- "(3) Nothing in **subsection (2)(e)** affects the entitlement of a young person to receive a youth payment if, during a temporary period, the person has income sufficient to abate the 10 payment fully but the person otherwise fulfils the conditions of entitlement to the payment.

"Compare: 1964 No 136 ss 60F(1), (2), 89(5)

"159 Youth payment: single young persons

(1) A single person is entitled to a youth payment if—	
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- "(a) section 158(2) applies to him or her; and
- "(b) the chief executive is satisfied that the young person is in exceptional circumstances.
- "(2) For the purposes of **subsection (1)**, a young person is in **exceptional circumstances** if—
 - "(a) each of his or her parents (and guardians (if any)) is unable to support him or her financially; or
 - "(b) his or her relationship with his or her parents (and guardians (if any)) has broken down, and none of them is prepared to support him or her financially; or 25
 - "(ba) he or she has ceased to be subject to—
 - "(i) an agreement under section 140 of the Children, Young Persons, and Their Families Act 1989; or "(ii) an order under section 78, 101, or 283(n) of that
 - <u>an order under section 78, 101, or 283(n) of that</u>
 <u>Act; or</u>
 a sole guardianship order under section 110 of
 - that Act; or
 - "(c) the chief executive is satisfied that (for some other good and sufficient reason) the young person cannot reasonably be expected to be financially dependent on his or 35 her parents or any other person.
- "(3) However, a young person is not in **exceptional circumstances** if—

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	"(a)	he or she has the option of living with a parent or	
	"(b)	guardian but chooses not to; and the chief executive is not satisfied that there are good and sufficient reasons for the young person not to live with that parent or guardian.	5
	"Comj	pare: 1964 No 136, s 60FA	5
"160	marr	h payment: young persons who are or have been 'ied, or in civil union or de facto relationship	
	A per "(a)	rson who is entitled to a youth payment if— he or she is or has been married or in a civil union or de facto relationship; and	10
	"(b)	he or she is not married to, or in a civil union or de facto relationship with, a specified beneficiary within the meaning of any of paragraphs (b) to (d) of the	
	"(c)	definition of that term in section 157 ; and section 158(2) applies to him or her.	15
"161	The of tion paragenetic for the official sector of the official sector official sector of the official sector of t	h payment: ground of hardship chief executive may grant a youth payment under sec- 159 or 160 to a young person who meets the criteria in graphs (a) to (c) and (e) of section 158(2) but does neet the criteria referred to in paragraph (d) of that sub-	20
	sectio "(a) "(b)	on if— the young person is suffering hardship; and the young person is not qualified to receive any other benefit; and	25
	"(c)	the young person is unable to earn a sufficient income to support the person himself or herself and his or her spouse or partner (if any).	23
	"Comj	pare: 1964 No 136 s 90(1)	
" 162 "(1)	A yo was a	h payment: continuation after age 18 uth payment granted when the young person concerned aged under 18 years continues, if he or she is otherwise fied for it,—	30
	"(a)	in the case of a payment granted on an application made on or after the commencement of Part 1 of the Social Security (Youth Support and Work Focus) Amendment	35

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l cl 20	Focus) Amendment Bill

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Act 2012, until the close of the day on which the period of 6 months from the commencement of the payment expires, even if he or she turns 18 during the period; or "(b) in the case only of a payment granted to a young person who, on the day when he or she turns 18, is (in the chief 5executive's opinion) continuing in a course of education, training, or work-based learning, until,-"(i) if the course is a course of secondary instruction, the close of the calendar year in which the young 10 person turned 18: "(ii) in any other case, the earlier of— "(A) the close of the calendar year in which the young person turned 18; and "(B) the close of the day the course ends. "(2) While a youth payment continues by virtue of subsection 15 (1)(a), the young person concerned is not eligible to be granted any of the following benefits: "(a) a widow's benefit: "(b) a domestic purposes benefit: "(c) a sickness benefit: 20 "(d) an emergency benefit: "(e) an unemployment benefit. **"163 Youth payment: rate and components** "(1) A youth payment is payable at the appropriate rate, and ineludes the component, set out in Schedule 26, which includes 25 the component set out in that schedule. "(2) If a young person to whom a youth payment is payable meets the criteria prescribed for the purposes of this section by regulations made under this Act, there is payable together with that payment the appropriate incentive payment (if any) stated in 30 Schedule 26. "(3) Subsection (2) is subject to section 178. "Young parent payment "164 Young parent payment: basic criteria

"(1) The basic qualifications for entitlement to a young parent pay- 35 ment are in **subsection (2)**. The qualifications for a single

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person are in **section 165**. The qualifications for a young person who is or has been married, in a civil union, or in a de facto relationship are in **section 166**.

"(2) The basic qualifications for entitlement to a young parent payment are that the young person—

- "(a) is aged 16 to 18 years; and
- "(b) is a parent or step-parent of a dependent child or dependent children; and
- "(c) either—
 - "(i) is undertaking or is available for a full-time 10 course of secondary instruction, tertiary education, approved training, or approved work-based learning, leading to—
 - "(A) NCEA level 2; or
 - "(B) an equivalent qualification (in the opinion 15 of the chief executive); or
 - "(C) a higher qualification; or
 - "(ii) would be so available but for circumstances-
 - "(A) under which the obligation to undertake education or training or work-based learn- 20 ing in section 170(1)(a) would not, under section 170(3), apply to the young person; or
 - "(B) that would qualify the young person for an exemption under section 105 from that 25 obligation; and
- "(d) meets the residential requirements set out in section 74AA; and
- "(e) has no income or an income of less than the amount that would fully abate the young parent payment.
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- "(3) Nothing in **subsection (2)(e)** affects the entitlement of a young person to receive a young parent payment if, during a temporary period, the person has income sufficient to fully abate the payment but the person otherwise fulfils the conditions of entitlement to the payment.
- "(4) For the purposes of **subsection (2)(b)**, a dependent child of a young person who is married, in a civil union, or in a de facto

relationship must also be treated as a dependent child of the young person's spouse or partner.

"Compare: 1964 No 136 s 60F(1) and (2), s 89(5), s 3(5) ss 3(5) 60F(1) and

(2), 89(5) 5 "165 Young parent payment: single young persons "(1) A young person is entitled to receive a young parent payment if— "(a) section 164(2) applies to him or her; and subsection (2) or subsection (3) or subsection (4) "(b) applies to him or her. 10 This subsection applies to a single young person if he or she-"(2) is aged 16 or 17 years; and "(a) "(b) is not living with a parent or guardian; and "(c) is in exceptional circumstances (within the meaning of 15 section 159). "(3) This subsection applies to a single young person if-"(a) he or she is aged 16 or 17 years; and "(b) he or she is living with or being financially supported by a parent or guardian; and the family scheme income (within the meaning of 20 "(c) the Income Tax Act 2007) of the parent or guardian concerned and the spouse or partner (if any) of the parent or guardian concerned is less than the amount that would, in accordance with sections MD 1 and MD 13 of that Act, fully abate the amount of the parent 25 or guardian concerned's family tax credit entitlement under that Act. "(4) This subsection applies to a single young person who is aged 18 years. "(5) For the purposes of the calculation required by **subsection** 30 (3)(c), if the parent or guardian with whom the young person concerned is living or by whom he or she is being supported has no family tax credit entitlement because that parent or guardian has no dependent children (within the meaning of section YA 1 of the Income Tax Act 2007), that parent or 35 guardian's family tax credit entitlement must be calculated as if the young person and his or her dependent child or children

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were dependent children (within the meaning of that section) of that parent or guardian.

- "(6) Nothing in this section entitles a parent or guardian to whom **subsection (5)** applies to a family tax credit.
- "166 Young parent payment: persons who are or have been 5 married, in civil union, or in de facto relationship, or in civil union or de facto relationship
- "() A young person who is or has been married or in a civil union or de facto relationship is entitled to receive a young parent payment if—
 - "(a) section 164(2) applies to him or her; and
 - (if he or she is married, or in a civil union or a de facto relationship) his or her spouse or partner is not a specified beneficiary within the meaning of paragraphs (b) to (d) of the definition of that term in section 157:
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" A young person is entitled to receive a young parent payment

- if section 164(2) applies to him or her, and—
 - "(a)
 he or she is not married or in a civil union or de facto

 relationship, but has been married or in a civil union or
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 "(1)
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 - (b) he or she is married, or in a civil union or a de facto relationship, but his or her spouse or partner is not a specified beneficiary within the meaning of paragraphs (b) to (d) of the definition of that term in section 157.

"Compare: 1954 No 136, s 60FB

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"167 Young parent payment: ground of hardship

The chief executive may grant a young parent payment under section 165 or 166 to a young person who meets the criteria in paragraphs (a) to (c) and (e) of section 164(2) but does not meet the criteria referred to in paragraph (d) of that 30 subsection if—

- "(a) the young person is suffering hardship; and
- "(b) the young person is not qualified to receive any other benefit; and

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"(c) the young person is unable to earn a sufficient income to support the person himself or herself, and his or her spouse or partner (if any) and dependent children.
 "Compare: 1964 No 136 s 90(1)

"168 Young parent payment: continuation after age 19

- "(1) A young parent payment granted when the young person concerned was aged under 19 years continues, if he or she is otherwise qualified for it,—
 - (a) in the case of a payment granted on an application made on or after the commencement of section 20 of the So- 10 cial Security (Youth Support and Work Focus) Amendment Act 2012, until the close of the day on which the period of 6 months from the commencement of the payment expires, even if he or she turns 19 during the period; or 15

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- "(b) in the case only of a payment granted to a young person who, on the day when he or she turns <u>18</u>19, is (in the chief executive's opinion) continuing in a course of education, training, or work-based learning, until<u></u>—
 - "(i) if the course is a course of secondary instruction, 20 the close of the calendar year in which the young person turned 18_19:
 - "(ii) in any other case, the earlier of—
 - "(A) the close of the calendar year in which the young person turned <u>18 19</u>; and 25
 - "(B) the close of the day the course ends.
- "(2) While a young parent payment continues by virtue of **subsection (1)(a)**, the young person concerned is not eligible to be granted the following benefits:
 - "(a) a widow's benefit:
 - "(b) a domestic purposes benefit:
 - "(c) a sickness benefit:
 - "(d) an emergency benefit:
 - "(e) an unemployment benefit.

"169 Young parent payment: rate and components

- "(1) A young parent payment is payable at the appropriate rate, and includes the component, set out in **Schedule 26**, which includes the component set out in that schedule.
- "(2) If a young person to whom a young parent payment is payable 5 meets the criteria prescribed for the purpose of this section by regulations made under this Act, there is payable together with that payment the appropriate incentive payment (if any) stated in **Schedule 26**.
- "(3) Subsection (2) is subject to section 178.

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"Obligations

"170 Youth support payments: obligations

- "(1) A young person receiving a youth support payment is subject to the following obligations:
 - "(a) to be enrolled in and undertaking to the satisfaction 15 of the chief executive, or be available for, a full-time course of secondary instruction or tertiary education or approved training or work-based learning leading to—
 - "(i) NCEA level 2; or
 - "(ii) an equivalent qualification (in the opinion of the 20 chief executive); or
 - "(iii) a higher qualification:
 - "(b) when required by the chief executive, to participate in and complete a budgeting programme approved by the chief executive for the purpose:
 - "(c) in the case only of a young person receiving a young parent payment, when required by the chief executive, to participate to the satisfaction of the chief executive in a parenting education programme approved by the chief executive for the purpose:
 - "(d) when required by the chief executive, to attend and participate in any interview with an officer of the department or other person on behalf of the chief executive:
 - "(e) if a contracted service provider assigned to the young person by the chief executive has so required, to attend 35 and participate in any interview with that provider:

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	"(f)	to report to the department, or to any contracted service provider assigned to the young person by the chief ex- ecutive, on his or her compliance with the obligations in paragraphs (a) to (c) and subsection (2) as often	
	"(g)	as, and in the manner that, the chief executive (or, as the case requires, the provider) reasonably requires: to co-operate with the chief executive, or with any con-	5
		tracted service provider assigned to the young person by the chief executive, in managing the spending of	
		the young person's youth payment or young parent pay-	10
		ment, and (in particular)—	
		"(i) attend and participate in regular discussions on	
		budgeting with an officer of the department (or, as the case requires, the provider); and	
		"(ii) at any discussion or when otherwise required,	15
		provide information on—	
		"(A) the young person's accommodation costs	
		and service costs and other lawful debts	
		and liabilities for the purpose of section 178(1)(b)(i) 179(4); and	20
		"(B) how the young person has spent the	20
		amount of the payment paid to him or	
		her and how the young person has spent	
		any money credited to a payment card,	
		voucher, or device in accordance with	25
"())	A	regulations under this Act.	
"(2)	-	ung person receiving a young parent payment is also sub- o the following obligations:	
	"(a)		
		organisation:	30
	"(b)	to keep every dependent child under the age of 5 years	
	<i>((A</i>))	up-to-date with WellChild checks:	
	"(b)	to keep every dependent child under the age of 5 years	
		<u>up-to-date with checks under</u> <u>"(i)</u> <u>the programme that immediately before the com-</u>	35
		mencement of section 20 of the Social Secur-	55
		ity (Youth Support and Work Focus) Amend-	
		ment Act 2012 was known as WellChild; or	
		<u>"(ii)</u> any similar programme established in its place:	

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- "(c) to ensure the child's attendance at an approved early childhood education programme (as defined in regulations under this Act) or other suitable childcare while the young person is in education, training, work-based learning, or part-time work.
- "(3) Except as provided in **subsection (4)**, the obligations in **subsections (1) and (2)** apply to a young person receiving a youth support payment from the time that it is first paid to the young person.
- "(4) Where a young person receiving a young parent payment is the 10 principal caregiver of his or her youngest dependent child and the child is aged under 12 months, the obligation in subsection (1)(a) begins to apply (in relation to the young person) only on the earlier of the following days:
 - "(a) the first day after the child becomes 6 months old on 15 which—
 - "(ia) the child is at least 6 months old; and
 - "(i) a suitable place is available for the young person in a teen parent unit; and
 - "(ii) the chief executive is satisfied that there are no 20 special circumstances justifying the obligation's beginning to apply later:
 - "(b) the day on which the child becomes 12 months old.
- "(5) A failure without good and sufficient reason to comply with obligations under this section is subject to sanctions, as provided in section sections 173 and 174.

"171 Obligations of spouses and partners of specified beneficiaries

- "(1) A young person who is aged 16 or 17 years and is without dependent children and is the spouse, or civil union or de facto 30 partner, of a specified beneficiary—
 - "(a) is subject to the obligations set out in section 170(1)(a), (b), (d), (e), and (f) as if he or she were receiving a youth payment; and
 - "(a) is subject to the obligations set out in section 35 170(1)(a) to (b), (d) to (f), and (g)(i) as if he or she were receiving a youth payment; and

- "(b) is not subject to the work test or to employment plan obligations under section 60Q.
- "(2) A young person who is aged 16 to 18 years, has a dependent child or children, and is the spouse, or civil union or de facto partner, of a specified beneficiary—
 - "(a) is subject to the obligations set out in **section 170(1)(a) to (f)** and (g)(i), and **170(2)** as if he or she were receiving a young parent payment; and
 - "(b) is not subject to the work test or to employment plan obligations under section 60Q.

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- "(3) A failure without good and sufficient reason to comply with any of the obligations placed on a young person under this section is,—
 - "(a) for a young person who would, but for subsection
 (1)(b) or (2)(b), be subject to the work test, is a failure 15 to comply with the work test for the purposes of section 117; and
 - "(b) for a person who would, but for subsection (1)(b) or (2)(b), be subject to employment plan obligations, is a failure to comply with section 60Q(1) for the purposes 20 of section 60U.

"172 Department to explain obligations to young person

The chief executive must take reasonable and appropriate steps to make every young person who is subject to obligations under **section 170 or 171** aware of—

- "(a) those obligations; and
- "(b) the consequences of failure to comply with them and (in particular) the sanctions that may be imposed under this Act for failing to comply with them.

"Compare: 1964 No 136 ss 60GAC, 105C

"Sanction regime

- "173 Sanctions for failure by young person receiving youth payment to comply with obligations under section 170
- "(1) If satisfied that a young person receiving a youth payment has, without good and sufficient reason, failed to comply with an 35

obligation placed on him or her by **section 170**, the chief executive must,—

- "(a) for a first or second failure,—
 - "(i) suspend the in-hand allowance and any incentive payments until he or she the young person satis- 5 fies the obligation (or, if he or she has failed to comply with 2 or more obligations, until he or she satisfies all of them); and
 - "(ii) if the <u>young</u> person has not satisfied the obligation (or, if he or she has failed to comply with 2 or 10 more obligations, if he or she has not satisfied all of them) within 4 weeks after the date on which the suspension took effect, suspend the whole of the youth payment and any incentive payments until the young person satisfies the obligation or 15 obligations; and
- "(b) for a third failure, cancel the youth payment and any incentive payments.

"(2) If a young person's youth payment has been cancelled under subsection (1)(b);-

- "(a) he or she is not entitled to be granted any benefit until after the expiration of 13 weeks from the date of the cancellation unless he or she—
 - "(i) has completed a 6-week approved activity under, and in accordance with, section 123B; or 25
 - "(ii) has applied for a benefit and established his or her eligibility for it; and

"(iii) sections 123 and 175 apply to him or her.

- (1) <u>A person whose benefit is cancelled under subsection</u>
 (1)(b) (a) is not entitled to be granted any benefit for 13 weeks
 - from the date of the cancellation; and ((h) if he or she wishes to become antitled to a barefit again
 - "(b) if he or she wishes to become entitled to a benefit again, must apply for it and establish his or her eligibility for it.
- "(2A) **Subsection (2)** is subject to sections 123 to 123B.
- "(3) For the purposes of **subsection** (2)(a)(i)(2A), a 6-week approved activity is completed in accordance with section 123B if it is completed in such a way that its completion would be

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in accordance with section 123B if subsection (1)(b) of that section referred to the following activities (rather than those to which it in fact refers):

- "(a) if the young person concerned is not already in part-time work, participation in part-time work or work experi- 5 ence:
- "(b) participation in recognised community activities (as defined in section 88A):
- "(c) participation in any other activity that the chief executive considers will enhance skills or improve motiva- 10 tion.

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"(4) This section overrides every other provision of this Act.

"174 Sanctions for failure by young person receiving young parent payment to comply with obligations under section 170

- "(1) If satisfied that a young person receiving a young parent payment has, without good and sufficient reason, failed to comply with an obligation placed on him or her by **section 170**, the chief executive must,—
 - "(a) for a first or second failure, suspend the in-hand allow-20 ance and any incentive payments until he or she the young person satisfies the obligation (or, if he or she has failed to comply with 2 or more obligations, until he or she satisfies all of them); and
 - "(b) for a third failure,— "(i) eancel the person's entitlement to receive the whole of the young parent payment and instead pay the person half the base rate of the payment before income abatement; and
 - <u>"(i)</u> cancel the young person's young parent payment; 30 and
 - "(ii) cancel any incentive payments.
- *(2) A young person whose entitlement to receive the whole of a young parent payment has been cancelled under subsection (1)(b)(i) is not entitled to be granted any benefit until after the 35 expiration of 13 weeks from the date of the cancellation unless he or she—

- "(a) has completed a 6-week approved activity under, and in accordance with, section 123B; or
- "(b) has applied for a benefit and established his or her eligibility for it.
- "(2) A person whose benefit is cancelled under **subsection** 5 (1)(b)—
 - (a) is not entitled to be granted any benefit for 13 weeks from the date of the cancellation; and
 - "(b) if he or she wishes to become entitled to a benefit again, must apply for it and establish his or her eligibility for 10 it.
- "(2A) Subsection (2) is subject to sections 123 to 123B and section 177.
- "(3) For the purposes of subsection (2)(a)(i)(2A), a 6-week approved activity is completed in accordance with section 123B 15 if it is completed in such a way that its completion would be in accordance with section 123B if subsection (1)(b) of that section referred to the following activities (rather than those to which it in fact refers):
 - "(a) if the young person concerned is not already in part-time 20 work, participation in part-time work or work experience:
 - "(b) participation in recognised community activities (as defined in section 88A):
 - "(c) participation in any other activity that the chief execu- 25 tive considers will enhance skills or improve motiva- tion.
- "(4) In order to satisfy himself or herself that a young person has established continued eligibility for a young parent payment, the chief executive may require the young person to comply 30 with the requirements of section 11D(2) as if applying for a young parent payment (and that section, with any necessary modifications, applies accordingly).
- "(5) This section overrides every other provision of this Act.

"175 Effect of sanctions on supplementary benefits

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"(1) While a young person's youth payment is cancelled under **section 173**,—

- "(a) the young person is not entitled to receive any accommodation supplement or temporary additional support if he or she is not married or in a civil union or de facto relationship:
- "(b) if the young person is married or in a civil union or 5 de facto relationship and his or her spouse or partner's youth payment is not also cancelled under that section,—
 - "(i) any accommodation supplement or temporary additional support otherwise payable to him or 10 her must be reduced by half, and paid to the spouse or partner; and
 - "(ii) any accommodation supplement or temporary additional support otherwise payable to his or her spouse or partner must be reduced by half:
- "(c) if the young person is married or in a civil union or de facto relationship and his or her spouse or partner's youth payment is also cancelled under that section,—
 - "(i) the young person is not entitled to receive any accommodation supplement or temporary additional support otherwise payable to him or her; and
 - "(ii) the young person's spouse or partner is not entitled to receive of any accommodation supplement or temporary additional support otherwise 25 payable to him or her.
- "(2) The cancellation under **section 174** of the whole of the young parent payment of a young person who is a sole parent has no effect on his or her entitlement to receive any accommodation supplement or temporary additional support.
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- "(3) While the young parent payment of a young person who is married to or in a civil union or de facto relationship with a spouse or partner whose young parent payment is not also cancelled under that section is cancelled under **section 174**,—
 - "(a) any accommodation supplement or temporary additional support otherwise payable to him or her must be reduced by half, and paid to the spouse or partner; and

- "(b) any accommodation supplement or temporary additional support otherwise payable to his or her spouse or partner must be reduced by half.
- Where the whole of the young parent payment of each of 2 young persons who are married to, or in a civil union or de 5 facto relationship with, each other is cancelled, each is entitled to receive only half of any accommodation supplement or temporary additional support that would otherwise be payable to him or her.
- "(5) A young person whose youth payment or the whole of whose 10 young parent payment is cancelled under section 173 or 174 is not entitled to receive an emergency benefit.
- "(6) The cancellation of a young person's youth payment or the whole of his or her young parent payment under section 173 or 174 has no effect on his or her entitlement to receive any 15 disability allowance, or child disability allowance.

"176 Sanctions generally

- "(1) For the purposes of **sections 173 and 174**, a young person satisfies an obligation if he or she—
 - "(a) remedies the failure concerned; or
 - "(b) if (in the chief executive's opinion) it is not possible to remedy the failure, undertakes to the chief executive's satisfaction an activity that is (in the chief executive's opinion) the same as or substantially similar to the performance of the obligation.
- "(2) Sections 113 (procedure for imposing sanctions), 114 (notices), and 119 (calculation of failure rate) apply with all necessary modifications to the imposition of sanctions under **sections 173 and 174**.
- "(3) In sections 173 and 174,— "second failure means a failure that occurs after the young person concerned has satisfied the obligation to which a first failure related; and

"**third failure** means a failure that occurs after the young person concerned has satisfied the obligation to which a second 35 failure related.

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Part 1 cl 20

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- "(4) If a young person whose youth support payment has been cancelled under **section 173(1)(b) or 174(1)(b)** is again granted a youth support payment,—
 - "(a) except as provided in **paragraph** (b), any incentive payments that were payable to the young person before 5 the cancellation must be paid with the youth payment or young parent payment; but
 - "(b) if the failure that led to the cancellation was a failure to comply with section 170(1)(a), an education incentive payment is payable only if the young person again 10 meets the conditions of entitlement to that payment set out in regulations under this Act.

"177 Effect of sanction on young parent payment

- "(1) If under **section 174(1)(b)(i)** a young person's entitlement to the whole of a young parent payment is cancelled,— 15
 - "(a) the person is entitled during the period of cancellation to receive half of that base rate of young parent payment and only half the abatement rate in **clause 10 or 11 of Schedule 26** (as the case requires) applies to that rate; but

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- "(b) during the period of cancellation, no incentive payments are payable.
- "(2) While subsection (1)(b) applies to a young person, the amounts payable must be paid to him or her or on his or her account personally.
 "Compare: 1964 No 136 s 121

"178 Incentive payment may be cancelled if young person's actions inconsistent with purpose

- "(1) The chief executive may cancel an incentive payment if satisfied that the young person concerned has intentionally acted in 30 a way inconsistent with the purpose for which it was granted.
- "(2) The cancellation makes the young person ineligible for the incentive payment again until the chief executive decides that it may be re-granted.

Part 1 cl 20

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"Administration

"179 Money management in relation to youth support payments: general

- "(1) Except as provided in this section and **section 177(2)**, no payment under a youth support payment can be paid to or on 5 account of the young person concerned personally.
- "(2) Except as provided in **subsection (4)**, every youth support payment is payable by instalments of the number of weeks' payment on the day or date, or the days or dates, in the month that the chief executive determines from time to time.
- "(3) Every youth support payment is paid in respect of a 7-day week.
- "(4) Except as otherwise provided in this Act,—
 - "(a) the following must be paid in a manner stated in regulations made under this Act for the purposes of this section:
 - "(i) any youth support payment (including the in-hand allowance up to the maximum amount set out in **clause 6 of Schedule 26**):
 - "(ii) any WFF tax credit payable to a young person by 20 the chief executive:
 - "(iii) the amount of any child disability allowance or disability allowance to which a young person is entitled:
 - "(iv) any other benefit or payment under this Act to 25 which a young person is entitled specified for the purposes of this paragraph by the regulations; but
 - "(b) if no manner is for the time being stated for a benefit or payment of a kind referred to in paragraph (a)(i) to (iv), it must be paid to or on account of the young person 30 entitled to it in accordance with section 82(3).
- "(5) A manner stated under subsection (4) may include crediting an amount to a payment card, voucher, or device, that enables a young person to obtain goods or services from a particular supplier and enables the supplier to obtain payment from the 35 department for the goods or services.
- "(6) Subsection (5) does not limit the generality of subsection (4).

<u>(6A)</u> If the chief executive considers that the young person has met the criteria stated for the purposes of this section in regulations under this Act for managing his or her own payments, the chief executive may pay the whole or any part of the payments or referred to in subsection (4)(a) to or on account of the young person personally until a sanction is imposed on the young person under section 173 or 174.

- "(7) No appeal under this Act lies against a determination by the chief executive under regulations made under this Act for the purposes of this section.
- "(8) This section overrides section 82(1) to (3).
- "(9) **Subsection (4)** overrides section 80KS of the Tax Administration Act 1994.
- "(10) Section 84(1) is subject to regulations under this Act made for the purposes of **subsection (4)**.

"179A Young person beneficiaries may elect money

management

<u>To the extent that regulations under this Act made for the purposes of this section allow (and subject to any conditions prescribed by the regulations), a young person to whom section</u>
 <u>171 applies may elect to have any or all of the amounts stated in subsection (2) that are payable to him or her paid in accordance with section 179(4); and that subsection applies accordingly with any necessary modifications.</u>

<u>"(2)</u> <u>The amounts are</u>

- "(a) any part of a specified beneficiary's benefit:
- (b) any part of any other benefit payable under section 83:
- "(c) any WFF tax credit:
- "(d) any child disability allowance or disability allowance:
- "(e) any other benefit or payment under this Act to which he 30 or she is entitled.
- "(3) The young person may revoke the election at any time.

"180 Chief executive may assign contracted service provider to young person

The chief executive may assign a contracted service provider 35 to a young person,—

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- "(a) at any time after the young person has contacted the department for financial assistance at which the chief executive considers that the most appropriate financial assistance for the young person is likely to be a youth support payment; or
- "(b) at the time, or at any time after, the youth support payment is payable to the young person; or
- "(c) at any time **section 171** applies to the young person."

21 Schedule 26 replaced

Replace Schedule 26 with the Schedule 26 set out in **Schedule** 10 **1** of this Act.

Part 2

Consequential amendments, and transitional and savings provisions, taking effect on 30 July 2012

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Consequential amendments to Income Tax Act 2007 and Child Support Act 1991

22 Amendment to Income Tax Act 2007

- (1) This section amends the Income Tax Act 2007.
- (2) In section YA 1, definition of **financially independent**, para-20 graph (d), delete ", payable under Part 1 of the Act".
- (3) In section YA 1, definition of income-tested benefit,—
 - (a) repeal paragraph (c):
 - (b) in paragraph (g), replace "benefit" with "benefit:".
- (4) In section YA 1, definition of **income-tested benefit**, after 25 paragraph (g), insert:
 - "(h) young parent payment:
 - "(i) youth payment".

23 Amendment to Child Support Act 1991

(1) This section amends the Child Support Act 1991.

- (2) In section 2, the definition of **social security benefit**, paragraph (c), after subparagraph (iv), insert:
 - "(v) young parent payment".

	Social Security (Youth Support and Work
2 cl 24	Focus) Amendment Bill

Other consequential amendments

24 Consequential amendments

Part

- (1) Amend the principal Act as set out in **Part 1 of Schedule 2**.
- (2) Amend the enactments specified in **Part 2 of Schedule 2** as set out in that Part of that schedule.
- (3) Amend the regulations specified in **Part 3 of Schedule 2** as set out in that Part of that schedule.

25 Transitional provision: entitlement to youth payment or young parent payment

(1) This subsection applies to a person—

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- (a) who, immediately before the commencement of this **Part**,—
 - (i) was aged 16 or 17 years and did not have a dependent child; and
 - (ii) was receiving in his or her own right an inde- 15 pendent youth benefit or sickness benefit; and
 - (aa) who-
 - (i) is not married or in a civil union or de facto relationship, and does not have an income that exceeds the limit in **clause 10 of Schedule 26**; or 20
 - (ii) is married or in a civil union or de facto relationship, and does not have a combined income that exceeds the limit in **clause 11 of Schedule 26**; and
 - (b) who is not the spouse or civil union or de facto partner 25 of a specified beneficiary within the meaning of any of paragraphs (b) to (d) of the definition of that term in section 157 of the principal Act (as inserted by section 20 of this Act).
- (2) A person to whom **subsection (1)** applies is entitled, on the 30 commencement of this **Part of this** Act to receive a youth payment as if it had been granted on that commencement under section 159 or 160 of the principal Act.
- (3) This subsection applies to a person—
 - (a) who, immediately before the commencement of this 35 **Part**,—
 - (i) was aged 16, 17, or 18 years; and

- (ii) was receiving in his or her own right a widow's benefit, a domestic purposes benefit (other than a domestic purposes benefit under section 61G of the principal Act), a sickness benefit, an emergency benefit (being an emergency benefit 5 granted to the person on the basis that he or she would, but for his or her being aged 16 or 17 years, be entitled to a domestic purposes benefit under section 27B of the principal Act), or an unemployment benefit (other than an unemploy- 10 ment benefit granted under section 90(2) or (3) of the principal Act); and
- (b) who has a dependent child or children; and
- (ba) who-
 - (i) is not married or in a civil union or de facto relationship, and does not have an income that exceeds the limit in **clause 10 of Schedule 26**; or
 - (ii) is married or in a civil union or de facto relationship, and does not have a combined income that exceeds the limit in **clause 11 of Schedule 26**; 20 and
- (c) who is not the spouse or civil union or de facto partner of a specified beneficiary within the meaning of any of paragraphs (b) to (d) of the definition of that term in section 157 of the principal Act (as inserted by sec- 25 tion 20 of this Act).
- (4) A person to whom subsection (3) applies is entitled, on the commencement of this Act to receive a young parent payment as if it had been granted on that commencement under section 165 or 166 of the principal Act.
- (5) A youth payment or young parent payment under subsection(2) or (4)—
 - (a) is, despite Schedule 26 but subject to section 23
 <u>26</u>, payable at not less than the rate of the benefit that the person was receiving immediately before the com- 35 mencement of this Act; and
 - (b) continues at that rate until the young person's entitlement to the payment is reviewed under section 81 following a change of circumstances.

Part 2 cl 26

- (6) If, immediately before the commencement of this Part, the benefit of a person to whom subsection (1) or (3) applies is subject to a sanction under section 60Y or 60Z or 117 of the principal Act, on that commencement—
 - (a) the sanction ceases to apply; and
 - (b) for the purposes of subsections (2) and (4), the rate of the benefit that would have been payable if the sanction had not been imposed must be treated as the rate of the benefit that the person was receiving immediately before that commencement.

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26 Savings provision: domestic purposes benefit under section 27G

- (1) This section applies to a person who—
 - (a) either—
 - (i) was receiving a domestic purposes benefit under 15 section 27G in his or her own right immediately before the commencement of this Act; or
 - (ii) had made an application for a domestic purposes benefit under section 27G in his or her own right before that commencement, and was granted the 20 benefit (on that application) after that commencement; and
 - (b) is aged 16 or 17 years; or
 - (c) is aged 18 years and has a dependent child or children.
- (2) A person to whom this section applies is entitled to continue to 25 receive that benefit for so long as he or she otherwise qualifies for it as if **section 9** of this **Act** had not been enacted.

27 Transitional arrangements for financially disadvantaged people

- (1) The Governor-General may, by Order in Council, make regu-30 lations authorising the provision of financial assistance to any people who are financially disadvantaged as a result of the net effects of the amendments made by **Part 1 or 2**.
- (2) The regulations must state the day on and after which they have effect (which may be earlier than the day on which they 35 were made).

(3)	The chief executive may provide financial assistance of the kind prescribed by the regulations to a person disadvantaged as a result of the net effects of the amendments made by Part 1 or 2 —		
	-	5	
(4)	After it has initially been granted, financial assistance provided under the regulations must for the purposes of the principal Act be treated as a benefit; and the principal Act applies ac- cordingly.	10	
(5)	A decision or determination made by the chief executive under the regulations is a decision or determination for the purposes of section $12J(1)$ of the principal Act.	15	
	Part 3		
	Substantive provisions taking effect on 15 October 2012		
28	Section 1B amended (Principles)		
	In section 1B(c), replace "plan" with "prepare".	20	
29	Section 3 amended (Interpretation)		
(1)			
	 "(a) a person with a youngest dependent child aged 5 or older, but under 14 years, who is— "(i) a work-tested spouse or partner; or 	25	
	"(ii) a work-tested domestic purposes beneficiary; or "(iii) a work-tested widow's beneficiary; or".		
(2)	"(iii) a work-tested widow's beneficiary; or". In section 3(1), replace the definitions of work-tested beneficiary, work-tested benefit, and work-tested domestic pur-	30	
(2)	"(iii) a work-tested widow's beneficiary; or". In section 3(1), replace the definitions of work-tested beneficiary, work-tested benefit, and work-tested domestic purposes beneficiary with—	30	
(2)	"(iii) a work-tested widow's beneficiary; or". In section 3(1), replace the definitions of work-tested beneficiary, work-tested benefit, and work-tested domestic pur-	30	
(2)	 "(iii) a work-tested widow's beneficiary; or". In section 3(1), replace the definitions of work-tested beneficiary, work-tested benefit, and work-tested domestic purposes beneficiary with— "work-tested beneficiary means a person— "(a) who is granted an unemployment benefit; or 	30 35	

- "(iii) a work-tested widow's beneficiary; or
- "(iv) a work-tested sickness beneficiary

"work-tested benefit-

- "(a) except in relation to a work-tested domestic purposes beneficiary, a work-tested sickness beneficiary, or a 5 work-tested widow's beneficiary, means an unemployment benefit; and
- "(b) in relation to a work-tested spouse or partner, includes a sickness benefit, an emergency benefit, and an invalid's benefit; and

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- "(c) in relation to a work-tested domestic purposes beneficiary, means a domestic purposes benefit under section 27B or 27C; and
- "(d) in relation to a work-tested sickness beneficiary, means a sickness benefit; and
- "(e) in relation to a work-tested widow's beneficiary, means a widow's benefit

"work-tested domestic purposes beneficiary means a person who has been granted a domestic purposes benefit under section 27B or 27C; and—

- "(a) who has no dependent children; or
- "(b) whose youngest dependent child-
 - "(i) is aged 5 years or older, but under 18 years; or
 - "(ii) is aged 18 years or older, and is a child in respect of whom that benefit is paid, or continues to be 25 paid, under section 63A".
- (3) In section 3(1), replace the definition of **suitable employment** with—

"suitable employment in relation to a person, means employment that the chief executive is satisfied is suitable for the person to undertake for a number of hours a week determined by the chief executive having regard to the employment required to satisfy the work test for that person".

- (4) In section 3(1), paragraph (a) of definition of work-tested spouse or partner, replace "6" with "5".
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- (5) In section 3(1), insert in its appropriate alphabetical order—

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"work-tested widow's beneficiary means a person who has been granted a widow's benefit; and—

- "(a) who has no dependent children; or
- "(b) whose youngest dependent child—
 - "(i) is aged 5 years or older, but under 18 years; or 5
 - "(ii) is aged 18 years or older, and is a child in respect of whom that benefit is paid, or continues to be paid, under section 63A".

30 Section 21 amended (Widows' benefits) Replace section 21(2A) with—

"(2A) A woman who receives a benefit under this section must—

- "(a) comply with any obligation arising under **section 60Q**; and
- "(b) if she is a work-tested widow's beneficiary, comply with the work test." 15

31 New section 21A inserted (Widows' benefits: pre-benefit activities)

After section 21, insert:

"21A Widows' benefits: pre-benefit activities

- "(1) This subsection applies to a person if—
 - "(a) she contacts the department requesting financial assistance after the commencement of **Part 3** of the Social Security (Youth Support and Work Focus) Amendment Bill **2012**; and
 - "(b) the chief executive considers that the appropriate finan- 25 cial assistance for her would be a widow's benefit.
- "(2) Section 96A(2) to (13) applies to a person to whom **subsection (1)** applies, but as if every reference to an unemployment benefit were a reference to a widow's benefit."

31ASection 27B amended (Domestic purposes benefits for
solo parents)
Replace section 27B(2A)(a) with:30

"(a) comply with all obligations arising under **section 60Q**; or".

32	Section 27C amended (Domestic purposes benefits for women alone)		
"(4)	Replace section 27C(4) with— <u>:</u> A woman who receives a benefit under this section must com- ply with the work test."	5	
33	New section 27CA inserted (Domestic purposes benefits under section 27B or 27C: pre-benefit activities) After section 27C, insert:		
"27C	A Domestic purposes benefits under section 27B or 27C:		
270	pre-benefit activities	10	
"(1)	This subsection applies to a person if—		
	"(a) he or she who contacts the department requesting finan- cial assistance after the commencement of Part 3 of the		
	Social Security (Youth Support and Work Focus)	1.5	
	Amendment Bill 2012; and "(h) the chief executive considers that the commensiste from	15	
	"(b) the chief executive considers that the appropriate finan- cial assistance for him or her would be a domestic pur- poses benefit under section 27B or 27C.		
"(2)	Section 96A(2) to (13) applies to a person to whom subsection (1) applies, but as if every reference to an unemployment benefit were a reference to a domestic purposes benefit under section 27B or 27C."	20	
34	New sections 60GAD to 60GAF inserted		
01	Insert before section 60GA the following sections:		
"60G	AD Purpose of sections 60GAE and 60GAF	25	
	The purpose of sections 60GAE and 60GAF is to improve the financial and social outcomes for families that include people to whom those sections apply by providing earlier		
	access to employment services and expectations, while recog- nising the care and development needs of children.	30	
"60GAE Beneficiaries having additional dependent child: general			

"(1) This section applies to a person (the **beneficiary parent**) who (whether or not by having given birth) becomes a caregiver,

Part 3 cl 32

or the principal caregiver, of a dependent child (an **additional dependent child**) while the person—

- "(a) is receiving a domestic purposes benefit, an invalid's benefit, a sickness benefit, an unemployment benefit, a widow's benefit, or an emergency benefit (whether in 5 his or her own right, or as the spouse or partner of the person granted the benefit); and
- "(b) is already a caregiver, or the principal caregiver, of a dependent child or children.
- "(2) An additional dependent child aged 1 or over must not be included in the determination for the purposes of the definitions of part-time work-tested beneficiary, work-tested domestic purposes beneficiary, work-tested spouse or partner, and work-tested widow's beneficiary in section 3(1) and section 60Q(1) of—
 - "(a) the age of the youngest dependent child of the beneficiary parent concerned; and
 - "(b) whether the beneficiary parent concerned has a dependent child or children under 5 or 14 (and if so, how many).
- "(3) **Subsection (2)** may apply to 2 or more additional dependent children of the same beneficiary parent.
- "(4) The chief executive may apply this section in relation to any dependent child or children of whom a person who already has any dependent child or children becomes a caregiver, or 25 the principal caregiver, if satisfied that—
 - "(a) the person's situation is analogous to that of a person to whom **subsection (1)** applies; or
 - "(b) to do so would best achieve the purpose stated in **sec-tion 60GAD**.
- "(5) An example of a situation that is analogous to that of a person to whom **section 60GAE(1)** applies is that of a woman who gives birth during a period when she has temporarily ceased receiving a benefit (whether in her own right, or as the spouse or partner of the person granted the benefit).
- "(6) Subsection (5) does not limit the generality of subsection (4).

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"60GAF Chief executive may refrain from applying section 60GAE

The chief executive may refrain (for any period he or she thinks fit) from applying **section 60GAE** in relation to any additional dependent child or children (within the meaning of 5 that section) if satisfied in any particular case that–

- "(a) to do so would best achieve the purpose stated in **sec-tion 60GAD**; or
- "(b) there are circumstances beyond the control of the beneficiary parent concerned making it inappropriate or unreasonable to apply that section."

35 New sections 60P to 60R substituted <u>Sections 60O to 60Z</u> replaced

Repeal Replace sections 600 to 60Z and substitute with:

"60P Purposes of section 60Q

The purposes of section 60Q are—

- "(a) to facilitate the movement into ongoing employment (as their parenting responsibilities and individual circumstances allow) of beneficiaries to whom that section applies; and
- "(b) to provide opportunities for them to improve their capabilities and preparation for employment; and
- "(c) to improve social and economic outcomes for them and their dependent children.

"60Q Certain obligations may be placed on beneficiaries and 25 their spouses and partners

- "(1) This section applies to every person (other than a person who is a work-tested beneficiary or is for the time being exempted under section 105) who—
 - "(a) is the recipient of a benefit under section 21 (the 30 widow's benefit) and has a youngest dependent child under the age of 5 years; or
 - "(b) is the recipient of a benefit under section 27B (the domestic purposes benefit for solo parents) and has a youngest dependent child under the age of 5 years; or 35
 - "(c) is the spouse or partner of a person who-

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- "(i) is the recipient of an emergency benefit, an invalid's benefit, a sickness benefit, or an unemployment benefit; and
- "(ii) has a youngest dependent child aged under 5 years.
- "(2) A person to whom this section applies has a general obligation to take all steps that are reasonably practicable in his or her particular circumstances to prepare for employment and (in particular) an obligation to comply with any requirement under subsection (3).
- The chief executive may, from time to time, require a person "(3) to whom this section applies
 - to undertake planning for employment: "(a)
 - "(b) to participate in or undertake (as the case requires) any of the following activities specified by the chief execu-15 tive that the chief executive considers suitable to improve his or her work-readiness or prospects for employment:
 - "(i) a work assessment:
 - "(ii) a programme or seminar to increase particular 20 skills or enhance motivation:
 - "(iii) a work-experience or work-exploration activity:
 - "(iv) employment-related training:
 - "(v) an education programme:
 - "(vi) any other activity (including rehabilitation) other 25 than medical treatment, voluntary work, or activity in the community.

"60R Department to explain obligations to beneficiaries

The chief executive must take reasonable and appropriate steps to make every person who is subject to obligations under 30 section 60Q aware of-

- "(a) those obligations; and
- the consequences of failure to comply with them and (in "(b) particular) the sanctions that may be imposed under this Act for failing to comply with them."

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Part 3 cl 35

36 Section 96A amended (Unemployment benefit: pre-benefit activities)

- (1) Repeal section 96A(1) and substitute:
- "(1) This section applies to a person if—
 - "(a) he or she who contacts the department requesting finan- 5 cial assistance after the commencement of this section; and

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- "(b) the chief executive considers that the appropriate financial assistance for him or her would be an unemployment benefit."
- (2) In section 96A(2), replace "If the chief executive considers that the appropriate financial assistance for the person would be an unemployment benefit, the chief executive may (for the purpose stated in section 1A(a)(ii)) require him or her" with "The chief executive may (for the purpose stated in section 15 1A(a)(ii)) require a person to whom this section applies".
- (3) Insert after section 96A(2):

"(2A) For the purposes of subsection (2), suitable employment,—

- <u>(a)</u> in relation to a person who has a dependent child aged under 14 years, and to whom this section applies by virtue of section 21A or 27CA, means employment that would be suitable employment within the meaning of section 3(1) if he or she were a part-time work-tested beneficiary:
 - "(b) in relation to any other person, means employment that 25 would be suitable employment within the meaning of section 3(1) if he or she were a work-tested beneficiary."

37 Section 105 amended (Exemption from obligations)

- In section 105(1), after "work test obligations", insert ", or obligations under section 60Q,".
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- (2) In section 105(5), after "work test obligations", insert ", or obligations under **section 60Q**,".
- 38New section 116A inserted (Failure to comply with
requirements obligations under section 60Q(2))
Insert before section 117 the following section:35

"116A Failure to comply with <u>requirements obligations</u> under section 60Q(2)

The sanctions stated in section 117 must be imposed on a person on whom a requirement an obligation has been imposed under **section 60Q(2)** if the chief executive considers that 5 the person has, without a good and sufficient reason, failed to comply with it."

39 Section 117 amended (Sanctions that may be imposed for failures)

Insert before "are" in section 117(1) "or section 116A". 10

- 40 Section 119 amended (Calculation of failure rate) Insert before "is" where it first occurs in section 119(<u>+2</u>) "or section 116A".
- **41** Section 122 amended (Meaning of recompliance) Insert before "a person" in section 122(1) "or section 116A". 15

Part 4

Consequential provisions taking effect on 15 October 2012

- 42 Section 171 amended (Obligations of spouses and partners of specified beneficiaries)
- Delete from subsections (1)(b) and (2)(b), (2)(b), and (3)(b) of section 171 as inserted by section 20 of this Act) "or to employment plan obligations under section 60Q employment plan".
- In section 171(3)(b) replace "section 60Q(1) for the purposes 25 of 60U" with "section 60Q(32) for the purposes of section 117A 116A".
- 43 Section 123D amended (Regulations) In section 123D(a), after "work test obligations", insert ", or obligations under section 60Q,".
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44 Employment plans and certain sanctions cease to have effect

On the commencement of **this Part of** this Act, the following cease to have effect if they were in force immediately before that commencement:

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- (a) all employment plans under former section 60R of the principal Act:
- (b) all reviews of an employment plan commenced under former section 60S, 60U, or 60V of the principal Act:
- (c) all requirements under former section 60W of the prin- 10 cipal Act:
- (d) all notices under former section 60X of the principal Act:
- (e) all sanctions under section 60Y or 60Z of the principal Act. 15

Social Security (Youth Support and Work Focus) Amendment Bill

Schedule 1

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Schedule 1 s 21 New Schedule 26 of Social Security Act 1964 Schedule 26 ss 163, 169 Rates and component of youth payment and young parent payment, and criteria for incentive payments

Rates of youth payment and young parent payment

		\$	
1	For a single young person without dependent children.	170.80 a week sub- ject to clause 10	
2	 For a single young person who— is aged 16 to 17 years; and is living with or being financially supported by a parent or guardian; and has a dependent child or children. 	134.64 a week subject to clause 10	
3	For any other single young person with a dependent child or children.	293.58 a week sub- ject to clause 10	
4	For a young person who is married, in a civil union, or in a de facto relationship and is without depend- ent children.	170.80 a week subject to clause 11	
5	For a young person who is married, in a civil union, or in a de facto relationship and has a dependent child or children.	170.80 a week subject to clause 11	
	Component		10
		\$	

6 Maximum amount of in-hand allowance. 50 a week

Rates of incentive payments

7	Education, training, or work-based learning incen- tive	\$ 10 a week
8	Budgeting incentive	10 a week
9	Parenting education incentive	10 a week

Schedule 26—continued

Abatement rates and income limits

- 10 The applicable rate of youth payment or young parent payment in clause 1, 2, or 3 must be reduced by \$1 for every \$1 of the young person's weekly income that exceeds \$206.73, but no amount of youth payment or young parent payment or incentive payment is payable if the young person's weekly income exceeds \$256.73.
- 11 The applicable rate of youth payment or young parent payment in **clause 4 or 5** must be reduced by 50 cents for every \$1 of the combined weekly income of the young person and his or her spouse or partner that exceeds \$206.73, but no amount of youth payment or young parent payment or incentive payment is payable if that combined income exceeds \$306.73.
- 12 For the purposes of **clause 10 or 11** and a rate of young parent payment, the chief executive may, in his or her discretion, disregard up to \$20 a week of the personal earnings of the young person used to meet the costs of child care for any of the person's dependent children.

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Schedule 2 Consequential amendments

Part 1

Consequential amendments to principal Act

Section 3(1)

In section 3(1), definition of **income-tested benefit**, repeal paragraph (d).

In section 3(1), definition of **income-tested benefit**, after paragraph (j), insert:

"(k) a youth payment:

"(l) a young parent payment".

In section 3(1), definition of **non-entitlement period**, paragraph (e), replace "60GAB" with "**170 or 171**".

In section 3(1), definition of **suitable employment**, delete "(or, as the case may be, the person's obligations under section 60GAB)". 15

Section 61

In section 61(1), first and second provisos, omit "an independent youth benefit," in each place.

In section 61(1A), after "section 90", insert "or a youth payment under **section 161** or a young parent payment under **section 167**". 20

Section 61E(1)

In section 61E(1), definition of **beneficiary**, paragraph (a), replace "an independent youth benefit" with "a youth payment, a young parent payment".

Section 61H(1)

In section 61H(1), after "subsidy rate,", insert "maximum amount of any component,".

Section 61HA(2)

In section 61HA(2), after "and 26" insert "(other than any rate of incentive payment)". 30

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Part 1—continued

Section 69C(1)(a)

In section 69C(1)(a), replace "or an independent youth benefit" with "a youth payment, or a young parent payment".

Section 70A(1)(b)

In section 70A(1)(b), after subparagraph (v), insert: "(va) a young parent payment; or".

Section 72(b)

In section 72(b), second proviso, replace "an independent youth benefit on the ground specified in section 60F(6),"with "a youth payment or young parent payment granted pursuant to **section** 10 **158(2)(c)(ii) or 164(2)(c)(ii)** to a person who qualifies for an exemption under section 105 from the obligation to undertake education or training or work-based learning in **section 170(1)(a)** on the ground of his or her sickness, injury, or disability".

Section 74AA(2)

In section 74AA(2), replace "an independent youth benefit" with "a youth payment, a young parent payment".

Section 77(2)

In section 77(2), replace "an independent youth benefit" with "a youth payment or young parent payment". 20

Section 77(3)

In section 77(3), replace "an independent youth benefit" with "a youth payment or young parent payment".

Section 80(2)(a)

Replace "an independent youth benefit" with "a youth payment or a 25 young parent payment".

Section 80(5)(a)

In section 80(5)(a), after "unemployment benefit", insert ", a youth payment, or a young parent payment".

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Part 1—continued

Section 80(5)(b)

In section 80(5)(b), replace "an independent youth benefit" with "a youth payment, a young parent payment".

Section 80(14)(a)

In section 80(14)(a), after "purposes benefit", insert ", a young parent 5 payment".

Section 80B

In section 80B, definition of **income**, repeal paragraph (a)(viii). In section 80B, definition of **income**, after paragraph (a), insert:

"(ab) the amount of any youth payment or young parent pay- 10 ment received by the person:".

In section 80BA(4)(b)(ii), after "invalid's benefit" insert ", youth payment or young parent payment".

Section 80BA(4)(b)(i)

In section 80BA(4)(b)(i), after "invalid's benefit", insert "a youth 15 payment, a young parent payment".

Section 80BD(3)

In section 80BD(3), replace "independent youth benefit" with "youth payment, or young parent payment".

Section 80C(1)(c)

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In section 80C(1)(c), after "section 117", insert ", 173, or 174".

Section 82(2A)

In section 82(2A), replace "an independent youth benefit," with "a youth payment, a young parent payment,".

Section 84(1)

In section 84(1), after "82", insert "or **179(5)**".

Section 115A

Repeal section 115A.

Part 1—continued

Section 117(1)

In section 117(1), delete "or section 115A".

Section 119(2)

In section 119(2), delete "or section 115A".

Section 122

In section 122, delete "or section 115A". Repeal section 122(b).

Section 123 heading

In the heading to section 123, delete "or obligations under section 60GAB". 10 In the heading to section 123, after "work test" insert "or section 170 or 171".

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Section 123(1)

In section 123(1)(a), after "117", insert "or section 173 or 174" In section 123(1)(b)(ia), replace "section 60GAB" with "section 15 170 or 171". In section 123(1)(b)(ii), after "section 60HA", insert "or section 170 or 171".

Section 123B(1)(a)

In section 123B(1)(a), after "section 117", insert "or section 173 or 20 **174**".

Section 123B(5)

In section 123B(5)(a), replace "section 60GAB" with "section 170 or 171".

In section 123B(5)(b), after "section 60HA", insert "or section 170 25 or 171".

Section 123C(1)(b)

In section 123C(1)(b), delete "or a requirement under section 60GAB".

Part 1—continued

Schedule 18

In Schedule 18, Part 1, clause 3, after "purposes benefit", insert "or a young parent payment".

Part 2

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Education Act 1989 (1989 No 80)

In section 226A(1), definition of **benefit**, delete ", or an independent youth benefit under section 60F of that Act". In section 235F(1), definition of **benefit**, delete ", or an independent youth benefit under section 60F of that Act". In section 307B(2)(ab), replace "benefit debt" with "debt described in section 85A of the Social Security Act 1964".

Part 3

Amendments to regulations

Health Entitlement Cards Regulations 1993 (SR 1993/169) 15

Revoke regulation 8(1)(a)(v).

After regulation 8(1)(a)(vii), insert:

"(viii) a youth payment:

"(ix) a young parent payment.".

Social Security (Debt Recovery Suspension) Regulations 2007	20
(SR 2007/86)	

In regulation 3, definition of **working age benefit**, replace paragraph (e) with:

"(e) a youth payment; or

"(ea) a young parent payment; or". 25

Social Security (Temporary Additional Support) Regulations 2005 (SR 2005/334

In regulation 4, replace paragraph (f) with:

"(e) a youth payment; or

"(ea) a young parent payment; or". 30

Social Security (Youth Support and Work Focus) Amendment Bill

Part 3-continued

Student Allowances Regulations 1998 (SR 1998/277)

Revoke regulation 13(1)(d).

After regulation 13(1)(f), insert:

- "(g) a youth payment:
- "(h) a young parent payment."

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Legislative history

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