



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

Regulatory Impact Statement – Addendum - Automated Decision-Making in the welfare system: additional policy design

This Addendum contains legal advice, which is legally privileged. Before any public release, legal advice should be requested to identify which text is legal advice, and to determine what should be withheld.

Agency disclosure statement

This regulatory impact statement is an addendum to the Regulatory Impact Statement *Automated Decision-Making in the Welfare System* (RIS) completed in February 2025 and should be read in conjunction with that RIS.

The RIS provided analysis relating to decisions being sought to:

- amend the Social Security Act 2018 (the Act) with a broad authorising provision that would allow the Ministry of Social Development (MSD) to use Automated Decision-Making (ADM) across its portfolio responsibilities, accompanied by appropriate safeguards; and
- s9(2)(h) [REDACTED] s 9(2)(h)

This addendum discusses proposals relating to:

- improving the safeguards and consultation for the Ministry of Social Development's (MSD's) ADM Standard (which will be contained in MSD's broad authorising provision for ADM); and
- additional aspects of the proposed policy design that are required to remediate mandatory reviews, medical reviews and end of school year processes. These were identified during the development of the Social Security (Modernisation) Amendment Bill (the Bill). Most of these proposals largely codify operational practice s 9(2)(h) [REDACTED]

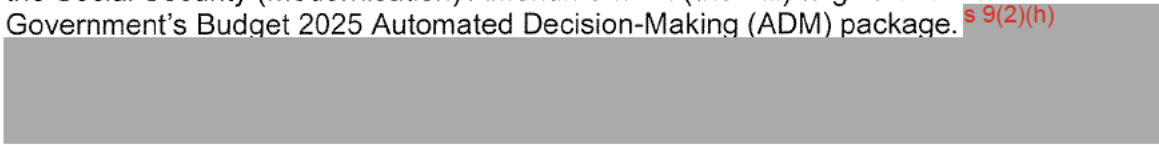


The limitations and constraints on analysis that were identified in the RIS also apply to the analysis in this addendum. These include the fact that MSD is seeking to maintain or improve current practice through the remediation options for ADM processes where appropriate and has not extensively explored other policy changes due to operational and funding constraints. Time constraints have meant that although MSD consulted with relevant

government agencies and the Legislative Design and Advisory Committee (LDAC), wider consultation with other interested groups was not undertaken.

A handwritten signature in black ink, appearing to be 'Julian Silver', written in a cursive style.

Julian Silver
Policy Manager
Welfare System Policy
Ministry of Social Development
30 April 2026

Introduction

1. The Minister for Social Development and Employment (the Minister) intends to introduce the Social Security (Modernisation) Amendment Bill (the Bill) to give effect to the Government's Budget 2025 Automated Decision-Making (ADM) package. s 9(2)(h)

2. In 2025, Cabinet agreed to implement a general authorising provision in the Social Security Act 2018 (the Act) to broaden MSD's authority to approve the use of ADM by a specified person to make any decision, exercise any power, comply with any obligation, or take any other related action under any specified provision or Cabinet authorisation, with appropriate safeguards, s 9(2)(h)
 [SOU-25-MIN-0013 and SOU-25-MIN-0052 refer]. A RIS was completed in February 2025 for these decisions.
3. s9(2)(h)

4. Cabinet agreed to further changes to the mandatory reviews scheme as part of remediation [CAB-25-MIN-0050, SOU-25-MIN-0013 and SOU-25-MIN-0052 refer]. These decisions include:
 - a. requiring MSD to undertake a mandatory review at least every 52 weeks for additional specified benefits that do not expire:¹
 - i. Special Benefit (SpB)
 - ii. Childcare Subsidy (CCS)
 - iii. Out of School Care and Recreation Subsidy (OSCAR)
 - iv. Orphan's Benefit (OB)
 - v. Unsupported Child's Benefit (UCB)
 - vi. Benefits received while a beneficiary is residing overseas for more than 26 weeks, including New Zealand Superannuation (NZS), Veteran's Pension (VP), Widow's Benefit (WB), Orphan's Benefit (WB), and Supported Living Payment (SLP).
 - b. suspending a client's specified benefit using ADM if they do not respond to their review within a specified time or continue a client's specified benefit using ADM if the client confirms no change in circumstances (for the benefits specified in paragraph 4(a) above, excluding SpB)
 - c. not process a mandatory review using ADM in certain situations when the client has declared no change in specific circumstances for three consecutive years, when:

¹ This refers to benefits that do not have an expiry date or an expiry date that is beyond 52 weeks. This is the same for specified benefits introduced in the mandatory reviews scheme that was introduced on 2 March 2026.

- i. the client has been receiving Disability Allowance (DA) or Accommodation Supplement (AS) and has declared no change in their costs or income for three consecutive years
 - ii. a non-beneficiary client² has declared no income at the time their mandatory review was returned [SOU-25-MIN-0052 refers].
 - d. that all specified benefits a client receives, except OB, UCB, and SPB, will be part of the same mandatory review (i.e. reviewed together at the same time).
5. Cabinet agreed to introduce medical reviews as a part of remediation. These decisions include:
- a. where appropriate, request medical certificates, or other relevant medical assessments, and stop a client's assistance in certain circumstances
 - b. process Work Capacity Medical Certificates using ADM if the client has not had any change in their health condition, injury or disability. This applies to clients receiving Jobseeker Support on the grounds of a health condition, injury or disability (JS-HCID) or Supported Living Payment on grounds of a health condition, injury or disability (SLP-HCID)
 - c. that MSD will require all clients receiving JS-HCID, SLP, Child Disability Allowance (CDA) or DA to provide a medical certificate, or other medical evidence where appropriate, on application for assistance and when their medical coverage ends (if applicable), for the purposes of determining eligibility
6. Cabinet noted that in some circumstances it may be appropriate to grant an extension to allow clients more time to obtain a medical certificate or other relevant medical evidence.
7. For the end of school year remediation, Cabinet agreed that MSD will review a caregiver's benefit before an included child turns 18 and remove the child from the benefit if the caregiver does not complete the review within a specified period.
8. In the development of the Bill, further additional policy decisions were identified relating to ADM. The majority of these largely codify operational practice § 9(2)(h)

Some of them fall outside the Minister's delegated authority.
9. This addendum discusses proposals relating to:
- safeguards relating to MSD's use of ADM and consultation on MSD's ADM Standard
 - out-of-cycle mandatory reviews
 - consequences of suspension of a universal review benefit
 - requiring MSD to give notice of mandatory reviews to clients who are suspended before their mandatory review
 - mandatory reviews for clients receiving Disability Allowance who are also in receipt of Youth Payment or Young Parent Payment
 - five proposals relating to medical reviews:
 - medical certificate (or other appropriate medical evidence) as a requirement for grant and continuation of a medical benefit
 - suspension of certain supplementary benefits and special assistance for JS-HCID, SLP-HCID and SLP Carer clients

² A non-beneficiary is someone who does not receive a main benefit.

- regulation-making power for deferrals regime
 - consistency of requirements for the medical examination process, and
 - treatment of clients receiving Residential Care Subsidy, Residential Support Subsidy or hospital rate of benefit.
- treatment of certain supplementary benefits and special assistance in the end of school year process.
10. Note that in this document, the term “medical benefit” is used to refer to any health and disability related benefit, i.e. JS-HCID, SLP-HCID, SLP Carer, DA, and CDA.
11. ‘Universal review benefits’ refers to specified benefits subject to a mandatory review from 2 March 2026 and includes Emergency Benefit, Supported Living Payment, New Zealand Superannuation with a Non-qualified Partner, Accommodation Supplement and Disability Allowance.

Safeguards relating to MSD’s use of ADM and consultation on MSD’s ADM Standard

12. **Status quo:** On 1 July 2023, the Act was amended to explicitly allow the use of ADM in the treatment of some child support payments. This amendment introduced a requirement for MSD to have an ADM Standard.³
13. The Standard (attached at Appendix One) contains safeguards relating to bias and discrimination; legal and policy considerations; fraud considerations; transparency; human oversight; and compliance and assurance in order to mitigate any potential risks or negative impacts of using ADM. It also incorporates key principles from the Algorithm Charter for Aotearoa New Zealand, the Principles for the Safe and Effective Use of Data and Analytics, and the Data Protection and Use Policy.
14. MSD is required under the Act to review the Standard every three years in consultation with the Office of the Privacy Commissioner, and to publish the Standard in the Gazette. This is a narrow consultation requirement and does not compel MSD to consult with a wider group of agencies or groups to ensure the interests of vulnerable communities are taken into account. MSD is also required to assess new uses of ADM against the ADM Standard to ensure compliance, and to gazette those uses.
15. **Option One (recommended) - Strengthen safeguards in the Act:** Add provisions in the Act to require that:
- The ADM Standard include safeguards by requiring consideration of bias and discrimination; legal and policy considerations; fraud considerations; transparency; human oversight; and compliance and assurance; and
 - Consultation on the ADM Standard must include the Human Rights Commission and any other suitable agencies or groups as identified by MSD, to ensure the interests of vulnerable communities and other interested parties are taken into account.

³ See [Notice Under the Social Security Act 2018 - 2023-sl2877 | New Zealand Gazette](https://gazette.govt.nz/notice/id/2023-sl2877)
<https://gazette.govt.nz/notice/id/2023-sl2877>

16. This option is recommended because, relative to the status quo, it s9(2)(h) safeguards MSD's use of ADM, and improves certainty for future planning.
17. **Option Two - Embed MSD's entire ADM Standard in legislation:** Under this approach, the Standard would be inserted into the Act along with the wider consultation requirement as described in Option One (above).
18. This option is not recommended because it has fewer benefits and greater negative impacts relative to the status quo and Option One.

	Status quo	Option One (recommended): Strengthen safeguards in the Act	Option Two: Embed MSD's entire ADM Standard in legislation
s 9(2)(h)			
Feasible to implement (including timing considerations and fiscal implications)	0	0 No major operational or financial implications for implementation	- - Would require significant redesign of the policy and redrafting of the Bill, so would not be feasible to implement for 1 July 2026 commencement date of the Bill Widening consultation requirements is feasible
Improves the efficiency and effectiveness of MSD's administration of assistance (providing the right assistance to people in a timely way at a reasonable cost)	0	0 Would not have a major impact on administrative efficiency or effectiveness	- Could reduce the efficiency of MSD's administration of the welfare system by potentially constraining the use of ADM due to reduction of flexibility (as discussed above)
Safeguards MSD's use of ADM (client interests and rights are safeguarded and potential negative impacts mitigated)	0	++ Yes – strengthens requirements for MSD to safeguard clients' rights and interests	+ Yes – strengthens requirements for MSD to safeguard clients' rights and interests
Improves certainty for future planning	0	+ Yes – provides increased certainty regarding steps MSD must take in the future	- No. Reducing MSD's flexibility in responding to ADM would likely reduce effectiveness of planning and compromise MSD's ability to progress its Services for the Future work programme.
Overall assessment	0	++	-

Mandatory reviews

Out-of-cycle mandatory reviews

19. **Status quo:** The mandatory review scheme that came into force on 2 March 2026 requires MSD to review clients' eligibility and rate of assistance to specified benefits⁴ every 52 weeks [CAB-25-MIN-0050 refers]. The Act specifies that all specified benefits must be reviewed when undertaking a mandatory review.
20. The Bill introduces additional specified benefits that will be subject to mandatory reviews⁵ – referred to as 'independent review benefits' which will not be grouped together for review as the eligibility criteria and administration of these benefits are unique to those benefits. The benefits subject to mandatory reviews from 2 March 2026 are referred to as 'universal review benefits' as they are grouped together for review.⁶
21. Further policy work has identified that there are significant operational impacts if independent review benefits are reviewed on the same cycle as universal review benefits. Independent review benefits also have different eligibility criteria.
22. **Option One – Review all specified benefits on the same cycle:** This would involve undertaking one review every 52 weeks for all specified benefits that the client receives. This would result in suspending, or cancelling, all of a clients' specified benefits (and some other types of supplementary benefits) where they do not respond to their mandatory review by the due date. This could be easier for clients because they would only need to respond to MSD once every 52 weeks, however gathering the required information for all benefits at once could be problematic for some clients.
23. This option is not recommended because it has fewer benefits and greater negative impacts relative to the status quo and Option Two.
24. **Option Two (recommended) – Review cycle based on benefit conditions:** involves reviewing 'independent review benefits' based on the specific requirements for that benefit. For example, SpB will be reviewed 13 weeks after commencement and every 26 weeks thereafter because it is a temporary hardship payment. Clients receiving NZS or VP overseas will have their review occur 52 weeks from the commencement date of the general or special portability, or the commencement date of the assistance paid under a reciprocal agreement, or last review.
25. Orphan's Benefit and Unsupported Child's Benefit will be reviewed alongside Disability Allowance paid for the same child(ren). This enables MSD to check eligibility and rate payable for those benefits simultaneously, by confirming circumstances and costs.
26. This option is recommended because, relative to the status quo, it is feasible to implement, improves the efficiency and effectiveness of MSD's administration of assistance, and means clients are more likely to be paid the correct entitlement.

⁴ Specified benefits are: Supported Living Payment on all grounds, Emergency Benefit and Emergency Maintenance Allowance with an expiry longer than 52 weeks (or no expiry), Accommodation Supplement (except for clients receiving Youth Payment or Young Parent Payment), Disability Allowance, and New Zealand Superannuation with a Non-Qualified Partner.

⁵ Independent review benefits are SpB, CCS; OSCAR, OB, UCB, and benefits received while a beneficiary is residing overseas, and recipients of NZS and VP who are travelling overseas for more than 26 weeks and not returning within 30 weeks.

⁶ These benefits are Supported Living Payment, Disability Allowance and Accommodation Supplement (except for Youth Payment or Young Parent Payment recipients), Emergency Benefit with an expiry longer than 52 weeks or no expiry, New Zealand Superannuation with a Non-Qualified Partner.

	Status quo	Option One: Review all specified benefits on the same cycle	Option Two (recommended): Review cycle based on benefit conditions
s 9(2)(h)			
Feasible to implement (including timing considerations and fiscal implications)	0	--	+
Improves the efficiency and effectiveness of MSD's administration of assistance (providing the right assistance to people in a timely way at a reasonable cost)	0	--	++
Clients are more likely to be paid the correct entitlement	0	0	+
Overall assessment	0	--	++

Consequences of suspension of a universal review benefit

27. **Status quo:** When a client does not respond to their mandatory review before the due date, and their benefit is a universal review benefit, that benefit and all other supplementary benefits and special assistance (except those specified in in 310C(6) of the Act ⁷) must be suspended. If the client does not complete their mandatory review within eight weeks for EB, SLP, DA, AS, or two years for NZS-NQP all assistance that has been suspended will be cancelled. This is because the client has not provided the information required to confirm the eligibility for, or appropriate rate of assistance.
28. When the client is a non-beneficiary who is in receipt of DA or AS and is found to be no longer eligible for either payment, the payments are suspended. If the client is also receiving Temporary Additional Support (TAS), it is also suspended. No other benefit or special assistance is affected. If the client's DA or AS is varied, then their TAS payment may be automatically varied.
29. If the client's rate of payment for their universal review benefit varies, MSD must consequently vary or suspend all other benefits the client receives if the rate of payment for that assistance is affected by the change in circumstances. Other assistance may be reviewed in the exercise of discretion subject to s304-306 of the Act.
30. s 9(2)(h)
31. **Option One (recommended) – Amend legislation to allow benefits other than specified benefits subject to a mandatory review to be suspended or varied automatically when a mandatory review is completed:** The proposal is to codify existing practice and system settings.
32. When a mandatory review is completed for a universal review benefit and the outcome is that the main benefit (EB, SLP or NZS-NQP) is suspended, this will result in an automatic suspension of all benefits and special assistance not listed in footnote six.
33. This does not apply to independent review benefits,⁸ where only the independent review benefit is suspended if the client fails to respond to their mandatory review before the due date.
34. The practice for DA, AS and TAS, and for when rates are varied will also be as per the status quo (as described in paragraphs 28 and 29 respectively).
35. s9(2)(h) s 9(2)(h)
36. **Option Two – Continue paying benefits, other than specified benefits subject to a mandatory review, when a client does not respond to or complete a mandatory review:** If a client is in receipt of a universal review benefit, and that benefit is suspended as a result of a mandatory review, their supplementary and/or special benefits would not automatically suspend and therefore would continue to be paid at the same rate.
37. IT changes would be required in order to continue paying the supplementary and/or special benefits. This would be a substantial piece of work and could not be completed before 1 July 2026. MSD would need to do more discretionary reviews on the payments that would automatically continue, meaning an increase in manual processing.

⁷ CDA, OB, UCB, Youth Payment, Young Parent Payment, Childcare Assistance, Veterans' Pension, Guaranteed Childcare Assistance Payment, and NZS (other than NZS that is being paid at a rate specified in clause 1 of Part 2 of Schedule 1 of the New Zealand Superannuation and Retirement Income Act 2001)

⁸ Except for OB or UCB where DA is paid on behalf of the child, and they also get other benefits or special assistance paid with the OB or UCB for that child.

38. This option is not recommended because, relative to the status quo and Option One, it has greater negative impacts.

	Status quo	Option One (recommended): Allow benefits other than specified benefits subject to a mandatory review, to be suspended or varied automatically when a mandatory review is completed	Option Two: Continue paying supplementary benefits when universal review benefit is suspended
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s 9(2)(h)

Feasible to implement (including timing considerations and fiscal implications)	0	0	-- No. Changes to IT systems are not possible by 1 July 2026, so MSD staff would need to manually process supplementary benefits for clients until any IT solution could be implemented
Improves the efficiency and effectiveness of MSD's administration of assistance (providing the right assistance to people in a timely way at a reasonable cost)	0	0	-- No. MSD would need to do more discretionary reviews on the payments that would automatically continue, meaning an increase in manual processing, including repeating steps of the mandatory review
Clients are more likely to be paid the correct entitlement	0	0	-- No. There is a risk that the incorrect rate of assistance will be paid where MSD continues to pay supplementary benefits, as MSD would not have current information on the client's circumstances. MSD would be required to establish a debt to recover any incorrectly paid assistance once the correct information was provided
Overall assessment	0	+	--

Require MSD to give notice of mandatory reviews to clients who are suspended before their mandatory review

39. **Status quo:** Clients who are currently subject to a mandatory review from 2 March 2026 do not receive notice of their mandatory review if their benefit is suspended before their mandatory review due date. MSD will notify the client when their mandatory review is due if their benefit becomes payable before their mandatory review due date. The mandatory review will not be completed unless the benefit is payable.
40. The above settings means that clients whose benefits are suspended for a short time, such as working extra hours, will have a shorter notice period than clients whose benefits do not get suspended).
41. **Option One (recommended) – Require MSD to give notice of a mandatory review even when a client’s benefit is suspended:** The proposal is that MSD be required to give at least 20 working days’ notice of a mandatory review by notifying the client while their benefit is suspended at the time the notice is due to be sent. This will mean that clients whose benefit is suspended, such as during short-term employment, will have the same amount of notice to complete the requirements of their mandatory reviews as other clients. It will exclude clients whose benefit is not payable because they are in custody, in prison, on remand, or absent from New Zealand as MSD cannot ensure that they are notified of their mandatory review.
42. MSD would not undertake the mandatory review unless the client contacts MSD and the benefit becomes payable (i.e., the client resolves their original suspension reason) before the client’s review date. This assumes that some clients will not return to benefit due to their change in circumstances and will not have any impact on frontline resources.
43. Clients whose medical benefit is suspended because they have not responded to their medical review will also receive notice of their mandatory review. However, in these cases the mandatory review will not be completed unless the client responds to their medical review and the benefit becomes payable.
44. This option is recommended because, relative to the status quo, it improves the efficiency and effectiveness of MSD’s administration of assistance, and means clients are more likely to be paid the correct entitlement.

	Status quo / previous Cabinet agreement	Option One (recommended): Require MSD to give notice of a mandatory review even when a client's benefit is suspended
s 9(2)(h)		
Feasible to implement (including timing considerations and fiscal implications)	0	0
Improves the efficiency and effectiveness of MSD's administration of assistance (providing the right assistance to people in a timely way at a reasonable cost)	0	+ Yes. It means that all clients whose benefit has been suspended are treated the same as other clients (i.e., all clients are given sufficient notice of a mandatory review). It will also potentially reduce the number of extensions that MSD staff need to process.
Clients are more likely to be paid the correct entitlement	0	++ Yes. By providing all clients with the same amount of notice to respond to a mandatory review, it increases the likelihood that clients will receive the income support they are entitled to.
Overall assessment	0	++

Mandatory reviews for clients receiving Disability Allowance who are also in receipt of Youth Payment or Young Parent Payment

45. **Status quo:** As of 2 March 2026, clients receiving Disability Allowance (DA) and Youth Payment (YP) or Young Parent Payment (YPP) are subject to mandatory reviews of their DA. However, if they receive Accommodation Supplement (AS), their AS is not subject to a mandatory review because they regularly confirm their circumstance with their Youth Service Provider
46. **Option One (recommended) - Exclude Disability Allowance clients who are also in receipt of Youth Payment or Young Parent Payment from mandatory reviews:** The proposal is that, from 1 July 2026, MSD no longer be required to undertake mandatory reviews of a client's DA if they are also clients who are receiving YP or YPP.
47. The rationale for this proposal is that YP and YPP clients regularly have their entitlements and circumstances reviewed by a Youth Service Provider, making a mandatory review for the purposes of ensuring the client is paid the correct rate(s) of assistance (including DA) unnecessary.
48. This option is recommended because, relative to the status quo, it is feasible to implement, and it improves the efficiency and effectiveness of MSD's administration of assistance.

	Status quo	Option One (recommended): Exclude Disability Allowance clients who are also in receipt of Youth Payment or Young Parent Payment from mandatory reviews
s 9(2)(h)		
Feasible to implement (including timing considerations and fiscal implications)	0	+ Youth Service Providers are already regularly reviewing YP and YPP clients' eligibility and rate of assistance
Improves the efficiency and effectiveness of MSD's administration of assistance (providing the right assistance to people in a timely way at a reasonable cost)	0	+ MSD will not need to conduct unnecessary reviews
Clients are more likely to be paid the correct entitlement	0	0
Overall assessment	0	+

Medical reviews

49. This section discusses the following proposals relating to medical reviews:

- medical certificate (or other appropriate medical evidence) as a requirement for grant and continuation of a medical benefit
- suspension of certain supplementary benefits and special assistance for JS-HCID, SLP-HCID and SLP Carer clients
- regulation-making power for deferrals regime
- consistency of requirements for the medical examination process, and
- treatment of clients receiving Residential Care Subsidy, Residential Support Subsidy or hospital rate of benefit.

Medical certificate or other medical evidence (where appropriate) as requirement for grant and continuation of a medical benefit

50. **Status quo:** Information from a medical certificate or other medical evidence (where appropriate) is used to help confirm a client's eligibility for assistance granted on medical grounds. Some clients have medical certificates which expire (based on an expiry date provided by a health practitioner in relation to their health condition, injury or disability) and are required to provide a subsequent certificate to confirm their ongoing eligibility for their benefit. MSD's powers to review a benefit and request a subsequent medical certificate or other relevant medical evidence for JS-HCID, SLP (HCID and Carer), CDA and DA are discretionary, s 9(2)(h) See paragraphs 96 – 100 of the RIS for further detail.

51. **Option One (recommended) - Requirement for medical certificate:** The proposal is that it will be a requirement that a client must provide a medical certificate or other medical evidence (where appropriate) in order for MSD to be able to grant and continue granting a medical benefit (provided the client meets the medical and other relevant qualifications), with the period of medical coverage being set based on the evidence provided (provided the evidence meets the relevant minimum periods for some medical benefits). Having medical certificates or other medical evidence as a requirement on application for a medical benefit, rather than a means of determining eligibility, will allow MSD to grant extensions and deferrals where appropriate without having to suspend the relevant medical benefit.

52. This option is recommended because it s 9(2)(h) is feasible to implement relative to the status quo.

53. **Option Two – Remove ability to grant extensions and deferrals:** Not make a medical certificate (or other medical evidence where appropriate) a requirement for grant of a medical benefit. This will remove the ability for MSD to grant extensions and referrals.

54. This option is not recommended because relative to the status quo and Option One, it has fewer benefits and more likely negative impacts.

	Status quo	Option One (recommended): clients must provide a medical certificate or other medical evidence for MSD to grant and continue granting medical benefits	Option Two: Remove the ability to grant extensions and deferrals
s 9(2)(h)			
Feasible to implement (including timing considerations and fiscal implications)	0	+ Yes – this is current operational practice	- No – the system changes would take time to be designed and implemented and involve multiple changes to MSD systems and staff practices
Improves the efficiency and effectiveness of MSD's administration of assistance (providing the right assistance to people in a timely way at a reasonable cost)	0	0	- No – MSD staff would not be able to provide clients who have good and sufficient reasons for not being able to supply subsequent evidence with any additional time in which to fulfil the requirements. Would result in an increase in benefits being cancelled, and this would have frontline impact as re-starting benefits is time consuming
Clients are more likely to be paid the correct entitlement	0	s9(2)(g)(i)	-- No – clients who are unable to provide subsequent evidence through no fault of their own would miss out on payments
Overall assessment	0	+	--

Suspension of medical benefits, certain supplementary benefits and special assistance due to medical review

55. **Status quo:** When a client in receipt of a medical benefit does not respond to their medical review by the due date, their benefit will be suspended. If that benefit is JS-HCID or SLP, most of the client's supplementary benefits are also automatically suspended.⁹ This is because MSD is unable to confirm whether the client remains eligible for the supplementary benefit, and/or at what rate.
56. **§ 9(2)(h)**
57. **Option One (recommended) § 9(2)(h)**
supplementary benefits when a client does not respond to the medical review:
§ 9(2)(h) provides a clear and lawful basis for automatically suspending supplementary benefits in circumstances where MSD cannot confirm a JS-HCID or SLP client's eligibility because the client has not responded to a request for information as part of a medical review.
58. If the client contacts MSD after their medical benefit and supplementary benefits have been suspended, staff will manually review the client's entitlement to the supplementary benefits on a week-by-week basis. If the client does not contact MSD or resolve their medical review, their supplementary benefits are not paid and will be cancelled (alongside their medical benefit) after eight weeks.
59. If a client gets in contact with MSD to provide the appropriate medical evidence after their medical benefit is suspended (but before it is cancelled), MSD will review the medical benefit. As a result, the client may have their medical benefit resumed, be transferred to a more appropriate benefit, or have their benefit cancelled due to non-entitlement. At that time, MSD may exercise its discretion to undertake a s304 review of the client's supplementary benefits that were suspended. This will determine if the client is eligible for all of their suspended benefits, and if so, what the appropriate rate is.
60. This is the recommended option because it **§ 9(2)(h)** is feasible to implement as compared to the status quo.
61. **Option Two - MSD staff must initiate a review of a client's supplementary assistance when a client does not complete a medical review:** Amend the Act to require MSD to initiate a review of supplementary assistance every time a client's main benefit suspended when they do not provide a medical certificate or other evidence. MSD staff would be required to initiate a review of the client's assistance and contact them for information. They would also need to manually process a client's supplementary benefits on a weekly basis while their main benefit is suspended. During this time, the client's supplementary benefits would continue to be paid, and the client would need to complete their medical review, transfer to a non-medical benefit or have their benefit cancelled.
62. This option is not recommended because it has greater negative impacts relative to the status quo and Option One.
63. **Option Three – Continue paying supplementary benefits when main medical benefit is suspended:** A client's supplementary assistance would not automatically suspend and therefore would continue to be paid at the same rate, when their main benefit is suspended for not providing the requested medical evidence. MSD may use its

⁹ Excluding Orphan's Benefit, Unsupported Child's Benefit, Childcare Subsidy, OSCAR Subsidy or Guaranteed Childcare Assistance Payment. Child Disability Allowance will only be suspended if that benefit is the one being subjected to a medical review.

discretion to review the client's supplementary assistance earlier if the client proactively gets in contact.

64. This option is not recommended because, relative to the status quo and Option One, it has fewer benefits and greater negative impacts.

	Status quo	Option One (recommended): Amend legislation to allow MSD to suspend supplementary benefits when a client does not complete a medical review	Option Two: MSD staff must initiate a review of a client's supplementary assistance when a client does not complete a medical review	Option Three: Continue paying supplementary benefits when main medical is suspended
s 9(2)(h)				
Feasible to implement (including timing considerations and fiscal implications)	0	+	--	--
		Yes – is current operational practice	No. Could require significant additional resourcing (up to 64 additional FTE in 2026/27) and additional ongoing funding of up to \$8m/annum would need to be sought. There would be misalignment with other MSD practice and processes. Would delay implementation of the Bill	No. Changes to IT systems are not possible by 1 July 2026, so this option would require MSD staff to manually process supplementary assistance for clients (as per Option Two and the equivalent resource impact) until any IT solution could be implemented
Improves the efficiency and effectiveness of MSD's administration of assistance (providing the right assistance to people in a timely way at a reasonable cost)	0	0	--	--
		This is current operational practice, and aligns with other processes whereby MSD does not pay if clients' current circumstances are not known	No - would decrease efficiency and effectiveness due to manual processing being required	No. There would be inefficiencies due to the manual processing required. Increased manual processing could be required even if an IT solution could be identified
Clients are more likely to be paid the correct entitlement	0	s9(2)(g)(i)		--
				No. There is a risk the incorrect rate of assistance will be paid where MSD continues to pay supplementary assistance to a client who has not completed a medical review as MSD would not have current information of their circumstances. MSD would be required to establish a debt to recover any incorrectly paid assistance once the correct information had been provided
Overall assessment	0	+	-	--

Regulation-making power to defer medical reviews for cohorts of clients

65. **Status quo:** In some situations, a cohort of clients (either in New Zealand or overseas) may require a deferral of their medical review due to exceptional circumstances (such as a pandemic or severe weather event). There is currently no provision for creation of a deferrals regime for medical reviews at a cohort level. Extensions to enable clients to meet the requirements for medical reviews are currently dealt with on a case-by-case basis by MSD staff.
66. **Option One – Enable MSD’s Chief Executive to defer medical reviews for a cohort of clients:** Under this option, MSD’s Chief Executive (CE) would be able to provide a cohort of clients more time to provide a medical certificate or other evidence (if applicable) in specific circumstances that make it impractical or impossible for those clients to complete their medical review within the required timeframe (e.g., international, local or national emergency). Deferrals would apply to both domestic and overseas clients.¹⁰ The intent is that the requirements for domestic and overseas clients mirror each other.
67. This option is not recommended because, relative to the status quo and Option Two it has greater negative impacts.
68. **Option Two - (recommended) – Add a regulation-making power regarding deferral medical reviews for a cohort of clients:** Under this option Cabinet would be able to introduce regulations to extend medical coverage and defer medical reviews for a specified period of time (up to 52 weeks) for a cohort of both domestic and overseas clients.
69. This option is recommended because, relative to the status quo, it **s 9(2)(h)** is feasible to implement, improves the efficiency and effectiveness of MSD’s administration of assistance and means clients are more likely to be paid the correct entitlement.

¹⁰ SLP-HCID is the only medical benefit that is payable overseas in some reciprocal agreement countries.

	Status quo	Option One: Enable MSD’s Chief Executive to defer medical reviews for a cohort of clients	Option Two (recommended): Add a regulation-making power regarding deferral medical reviews for a cohort of clients
s 9(2)(h)			
Feasible to implement (including timing considerations and fiscal implications)	0	<p style="text-align: center;">+</p> <p>Yes – no IT or FTE implications</p>	<p style="text-align: center;">+</p> <p>Yes – no IT or FTE implications</p>
Improves the efficiency and effectiveness of MSD’s administration of assistance (providing the right assistance to people in a timely way at a reasonable cost)	0	<p style="text-align: center;">++</p> <p>Yes – it would enhance MSD’s ability to grant deferrals of medical reviews to clients at a group level (where the group is defined by an external circumstance) rather than dealing with them case-by-case.</p>	<p style="text-align: center;">+</p> <p>Yes – it would enhance MSD’s ability to grant deferrals of medical reviews to clients at a group level (where the group is defined by an external circumstance) rather than dealing with them case-by-case. This approach would take more time than Option One because instead of the CE being able to designate the cohort, it would need to be done via regulation change with Cabinet approval being required</p>
Clients are more likely to be paid the correct entitlement	0	<p style="text-align: center;">+</p> <p>Yes – by giving clients longer to respond to medical reviews, they are more likely to be paid their correct entitlement. Some clients will be paid for longer than they would otherwise have been.</p>	<p style="text-align: center;">+</p> <p>Yes – by giving clients longer to respond to medical reviews, they are more likely to be paid their correct entitlement. However, some clients will be paid for longer than they would otherwise have been.</p>
Overall assessment	0	+	++

Making requirements for the medical examination process consistent

70. **Status quo:** Currently, MSD has the discretion at any time to request a person receiving JS-HCID or SLP-HCID undergo a medical examination for the purpose of establishing or reviewing their eligibility. This is in circumstances where a second opinion is needed as indicated by the relevant health practitioner, or when benefit eligibility is unclear based on the evidence provided.
71. However, for SLP-Carer, CDA and DA, current legislative requirements are not aligned. For CDA and DA, medical examinations can only be required before MSD grants CDA or DA, and medical examinations can only be required for SLP-Carer when MSD is considering an application or undertaking a discretionary review.
72. **Option One (recommended) – Requirement for medical examination:** Enable MSD to require at any time, clients applying for or receiving any medical benefit¹¹ to undergo a medical examination by a prescribed health practitioner. This will ensure consistency with the new medical review settings in the Bill, whereby clients will be required to provide some form of medical evidence at application and at their medical review.
73. This option is recommended because, relative to the status quo, it **s 9(2)(h)** is feasible to implement, improves the efficiency and effectiveness of MSD's administration of assistance and means clients are more likely to be paid the correct entitlement.

¹¹ Jobseeker Support on the grounds of a health condition, injury or disability (JS-HCID), all Supported Living Payment (SLP) clients including carers, Child Disability Allowance (CDA) or Disability Allowance (DA).

	Status quo	Option One (recommended): Enable MSD to require at any time, clients applying for or receiving any medical benefit to undergo a medical examination by a prescribed health practitioner
s 9(2)(h)		
Feasible to implement (including timing considerations and fiscal implications)	0	+ Yes
Improves the efficiency and effectiveness of MSD's administration of assistance (providing the right assistance to people in a timely way at a reasonable cost)	0	+ Having a consistent approach is more efficient and effective for the frontline staff who are managing these clients
Clients are more likely to be paid the correct entitlement	0	+ Yes – will mean that MSD will be able to confirm that clients are receiving the correct benefit / being paid at the correct rate.
s9(2)(g)(i)		
Overall assessment	0	+

Treatment of clients receiving Residential Care Subsidy, Residential Support Subsidy, or hospital rate of benefit

74. **Status quo:** Currently, clients in receipt of JS-HCID or SLP-HCID who are also receiving the Residential Care Subsidy (RCS), Residential Support Subsidy (RSS)¹² or a hospital rate of benefit (if in hospital for more than 13 weeks) are not required to provide a new medical certificate or other medical evidence (where appropriate) if their medical coverage expires while they are in a residential facility or hospital (care). Instead, they must provide medical evidence when they leave care. The rationale for this is that medical evidence is not necessary as their residential care, support, or hospitalisation is taken as a proxy for medical coverage. Because these clients are not currently required to provide new medical evidence while they are in care, MSD does not notify them that it is required. Their JS-HCID or SLP (and any redirections to providers) continues until the Monday after they leave care.
75. When a person who was receiving RCS, RSS, or the hospital rate leaves care and their previous medical coverage has ended, new evidence is required for the client to continue receiving a medical benefit. If the evidence is not provided before they leave care, their benefit is suspended on the Monday after they leave care.¹³ Currently, MSD can resume the client's payments during the suspension period and extend the medical review due date to give the client more time to provide the evidence.
76. **Option One – Notify clients who are in care that their medical coverage is ending and require them to provide MSD with new medical evidence when it expires:** Under this approach, MSD would notify JS-HCID or SLP-HCID clients who are also in receipt of RCS, RSS or a hospital rate of benefit when their existing medical evidence is expiring and would require them to provide new medical evidence by a specified date or their benefit would be suspended regardless of the fact that they are still in the residential facility or hospital care.
77. **Option Two (recommended) – Codify operational practice to continue medical coverage for clients receiving RCS, RSS or hospital rate of benefit after they their residential facility or hospital:** This option codifies current practice and means that this vulnerable cohort of clients are supported to re-enter the community by providing more time for compliance requirements when leaving their residential facility or hospital. Clients receiving RCS, RSS or a hospital rate would not be notified when their medical coverage was expiring and would only be required to provide new medical evidence by the Sunday after they leave their residential facility or hospital in order for them to continue receiving a medical benefit. If they do not provide new medical evidence, their benefit would be suspended. As with current operational practice for this specific situation, if an extension is granted, and the benefit is already suspended, MSD will resume payments from the date of suspension for up to a maximum of 40 working days (from the suspension date). If the client does not provide evidence before the end of the extension period, their benefit will be suspended for eight weeks and then cancel from the suspension date.
78. This option is recommended primarily because, relative to the status quo, s 9(2)(h)

¹² Residential Care Subsidy is a subsidy paid through Health New Zealand – Te Whatu Ora (HNZ). The subsidy assists with the cost of contracted care for a client in long-term residential care in a hospital or rest home indefinitely. Residential Support Subsidy is the name given to payments made by HNZ or Disability Support Services at MSD for people with physical, sensory, intellectual, psychiatric disabilities (including drug and alcohol rehabilitation) or disabling chronic health conditions who are receiving residential support services.

¹³ The benefit will stay suspended for a period of eight weeks, before cancelling from the date of suspension.

Status quo	Option One: Notify clients who are in care that their medical coverage is ending and require them to provide MSD with new medical evidence when it expires	Option Two (recommended): Codify operational practice to continue medical coverage for clients receiving RCS, RSS or hospital rate of benefit after they their residential facility or hospital
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s 9(2)(h)



	0		0
Feasible to implement (including timing considerations and fiscal implications)	0	Yes, from MSD point of view. Would have implications for residential care providers who would need to facilitate their residents getting this evidence, or else lose income as a result of residents' benefits being suspended.	Yes, as it largely codifies existing practice
Improves the efficiency and effectiveness of MSD's administration of assistance (providing the right assistance to people in a timely way at a reasonable cost)	0	No – would add requirements that are not necessary given that the client being in care can be taken as a proxy for medical evidence. Would add administrative burden for clients at a time when they are unwell or otherwise vulnerable	Yes, as it is the current operational practice, and reduces the chance that a client's benefit will be cancelled unnecessarily. Re-starting benefits after cancellation is time-intensive for MSD staff
Clients are more likely to be paid the correct entitlement	0	No - increases the likelihood that clients' benefits would be suspended because they hadn't provided new medical evidence. It is possible that clients who are in care would encounter difficulties in accessing their GP or other medical practitioner	Yes - By giving clients more time to provide subsequent medical evidence, it increases the likelihood that they will be able to continue receiving the income support they are eligible for
Overall assessment	0	-	+ +

Treatment of certain supplementary benefits and special assistance in the end of school year process

79. **Status quo:** Dependent children can continue to be included in their caregiver's benefit from their 18th birthday if they continue to be in education and are not financially independent. Currently, MSD notifies the caregiver prior to a child's 18th birthday, requesting that the caregiver advises if the child is still in education and is not financially independent. If the client does not respond, the child continues to be included in their caregiver's benefit until 31 December of the year the child turns 18, as it is assumed that the child is still dependent on their caregiver. The onus is on the client to contact MSD if there is a change of circumstances and MSD currently automates the decision to continue to include a child in their caregiver's benefit when they turn 18 if no additional information is provided. This practice of assuming that the child remains dependent without confirming if the child is still in school or is financially independent ^{s 9(2)(h)}
80. As discussed in the RIS (paragraphs 83 – 89 refer), it is proposed that the Act be amended to allow MSD to automatically give notice to a client before an included child turns 18, and request information to determine if the child is still in education, and whether they remain financially dependent on their caregiver (are not financially independent, e.g. working full-time). If the client does not respond to the notice or MSD is not satisfied that the child can continue to be included, the child will be excluded from the start of the pay period following their 18th birthday.
81. With changes to the end of school year process, some benefits and special assistance will also be suspended. This includes discretionary payments (Emergency Benefit (EB), SpB or JS on grounds of hardship and Community Costs) if they do not respond to a review before their child turns 18, and other main benefits will suspend when a client no longer has a rate payable after their child is excluded. As with medical reviews, when a client's main benefit is suspended, certain supplementary benefits and special assistance are currently automatically suspended.¹⁴
82. ^{s 9(2)(h)}
83. **Option One (recommended) – Require MSD to suspend certain supplementary benefits when a client's eligibility cannot be confirmed as part of the end of school year process:** ^{s 9(2)(h)}
- ^{s 9(2)(h)} in circumstances where MSD cannot confirm a client's eligibility or rate payable of their main benefit as a result of the end of school year process. This would also apply where a client receiving a discretionary main benefit does not respond to the review of their circumstances, as part of the end of school year process.
84. Under this option, the exclusion of a child from a caregiver's benefit, or suspension of their benefit due to non-entitlement will take effect from the start of the pay period following the date they turn 18, the date they are no longer in school, or become financially independent.¹⁶

¹⁴ Excludes Orphan's Benefit, Unsupported Child's Benefit, Childcare Subsidy, OSCAR Subsidy, Child Disability Allowance or Guaranteed Childcare Assistance Payment. However, any of these payments may suspend as the result of the end of school year process if the child that these are paid on behalf of is excluded.

¹⁵ ^{s 9(2)(h)}

¹⁶ No later than 31 December but taking effect at the beginning of the next pay period following 31 December.

85. This option is recommended because, compared to the status quo, it s9(2)(h) is feasible to implement, and improves the efficiency and effectiveness of MSD's administration of assistance.
86. **Option Two – Manually issue supplementary benefits based on information on file:**
Require MSD to manually issue supplementary benefits based on the information that MSD holds until the client makes contact. This would be problematic as MSD would not know if the information on file was still current and could be paying incorrectly.
87. This option is not recommended because, compared to the status quo and Option One, it has fewer benefits and greater negative impacts.

	Status quo	Option One (recommended): Require MSD to suspend certain supplementary benefits when a client's eligibility cannot be confirmed as part of the end of school year process	Option Two: Manually issue supplementary benefits based on information on file
s 9(2)(h)			
Feasible to implement (including timing considerations and fiscal implications)	0	+	- -
		Would require minimal system changes to operationalise	Would require additional resources for manual processing
Improves the efficiency and effectiveness of MSD's administration of assistance (providing the right assistance to people in a timely way at a reasonable cost)	0	+	- -
		Yes, as it ensures that assistance is only paid where MSD has up-to-date information about client circumstances, so correct entitlement is being paid. It ensures that the client fulfils their obligation to contact us for ongoing eligibility	No. There would be inefficiencies due to the manual processing required
Clients are more likely to be paid the correct entitlement	0	-	0
		Clients may have benefit stopped when they are otherwise entitled to a benefit. Will have to have a review to get benefit restarted	MSD would make payments based on information held on file, which could be incorrect
Overall assessment	0	+	- -

Appendix One: MSD's ADM Standard

Automated Decision-Making Standard

Approved by:	Leadership Team
Standard Owner:	General Manager Information, Privacy and Security
Review date:	March 2029

1 Definitions

- 1.1. **Automation** is the use of systems or components of systems to replace repeatable processes in order to reduce dependency on manual actions or interventions.
- 1.2. **Processes**, or parts of processes, are those that can be automated based on the application of:
 - (i) known business rules; and/or
 - (ii) data-based algorithms developed without involvement or review by a human, including statistically or analytically derived patterns in machine learning.
- 1.3. A **decision** is the action of choosing between two or more possible actions and can be operational or derived from legislative, Cabinet, or other legal authority, and may be discretionary or non-discretionary.
- 1.4. An **automated decision** is a decision within an automated process where there is no substantial human involvement in making the decision.
- 1.5. **Discretionary decisions** require an exercise of judgment to choose between two or more possible actions.
- 1.6. **Non-discretionary decisions** do not require any exercise of judgement to determine the appropriate action.
- 1.7. A **Business Owner** is the person who is accountable for the automated process at any given time.
- 1.8. **Bias** refers to the tendency of an automated decision-making process to create unfair and unjustified outcomes for a group, such as favouring or disfavouring that group over others. Automated decisions may be biased because, for instance, the datasets they rely on are biased, potentially as a result of how data was collected in the past, or because social conditions mean that some groups are overrepresented in some risk groups.
- 1.9. **Discrimination** is unjustified, direct or indirect, discrimination on any of the grounds set out in the Human Rights Act 1993.

2 Scope

- 2.1 The requirements in the Standard **must** be met when:
- (i) there is a proposal to automate a decision (as defined in sections 1.1, 1.3 and 1.4); and
 - (ii) the automated decision has the potential to affect an individual's entitlement or eligibility status for support delivered or funded by the Ministry of Social Development (the Ministry), or any obligations, other requirements, or sanctions related to that support.
- 2.2 Any exception to this standard **must** be approved by the Chief Executive before automated decision-making can be implemented.

3 Standard Requirements

3.1 General

- 3.1.1 Automated decision-making **must**:
- (i) improve the efficiency and effectiveness of decision-making; and
 - (ii) balance that efficiency and effectiveness gain against factors such as cost, operational changes required, and the impact of the decision on those affected.
- 3.1.2 The implementation of automated decision-making **must** be conducted in a way that:
- (i) adheres to all applicable Ministry safeguards for the wellbeing, rights, and interests of those impacted by decisions; and
 - (ii) complies with all applicable Ministry policies and standards that relate to human rights and ethics, and to the privacy, security, and management of information.
- 3.1.3 The automation of a decision-making process **must not** create any additional burden for those the decision directly affects, such as by reducing the accessibility of services.
- 3.1.4 Where a complex algorithm is being proposed, the Model Development Lifecycle **must** be used.

3.2 Accuracy and reliability

- 3.2.1 Both accuracy and reliability **must** be assessed before automated decision-making is implemented to ensure, insofar as possible, that automated decision-making will produce expected results, and that automated decision-making will not deny clients their correct entitlement.
- 3.2.2 To support ongoing accuracy, there **must** be clear, relevant, and accessible guidance for people who are required to input or provide data to be used in automated decision-making, for example, a client entering their information into MyMSD.

3.3 Bias and discrimination

- 3.3.1 Both bias and discrimination **must** be assessed before automated decision-making is implemented to ensure, insofar as possible, that any potential bias and discrimination in the automated decision-making is well managed, that any resulting risks have been identified, and that steps have been taken to remove or mitigate those risks.
- 3.3.2 Any residual risk from bias or discrimination **must** be accepted by the Business Owner.

- 3.3.3 Where bias and discrimination cannot be removed or sufficiently mitigated, substantial human involvement **must** be included in the process. This would then mean that the decision is no longer an automated decision.

3.4 Legal and policy considerations

- 3.4.1 Automated decisions **must** be lawful and align with policy intent.
- 3.4.2 Prior to automating discretionary decisions, any legal risk(s) **must** be identified and then mitigated, removed, or accepted by the Business Owner.

3.5 Fraud considerations

- 3.5.1 An assessment **must** be undertaken to determine whether any proposed automated decision-making has the potential to:
- (i) increase (or decrease) the likelihood that people will commit internal or external fraud or client non-compliance; or
 - (ii) increase (or decrease) the scale or size of potential internal or external fraud or client non-compliance.
- 3.5.2 Any increased risk of fraud **must** be accepted by the Business Owner before automated decision-making can be implemented.

3.6 Transparency

- 3.6.1 A clearly communicated and accessible point of contact **must** be nominated for public inquiries or complaints about the use of automated decision-making.
- 3.6.2 The Ministry **must** make information publicly available about:
- (i) what decisions are made using automated decision-making as soon as reasonably practicable after they have been:
 - a. identified;
 - b. assessed against the Standard;
 - c. approved by the Business Owner and the Standard Owner; and
 - d. where required by legislation, published in the New Zealand Gazette.
 - (ii) for each of those decisions, how that decision has been made through the use of automation, including the role of humans in automating the decision, and who is accountable for the process and the decision made; and
 - (iii) what policies and processes are used to identify and mitigate risks associated with automated decision-making, in particular those that relate to human rights and ethics.
- 3.6.3 The Ministry **must** clearly communicate to each individual affected by an automated decision information about:
- (i) the outcome of the decision;
 - (ii) who is accountable for the decision;
 - (iii) the process for challenging or appealing the decision including any timeframes involved; and
 - (iv) general information about the decision, including as specified under 3.6.2 (ii).

- 3.6.4 If a lawful restriction or an operational obligation such as fraud prevention prevents full explanation to either the public or an affected individual, the Ministry **must** provide as much explanation as possible and clearly outline what details have been withheld and why.

3.7 Human oversight

- 3.7.1 The Ministry **must** provide a channel for challenging or appealing decisions made using automation and this channel **must**:
- (i) be clearly communicated to, and easily accessible by, the individual(s) affected by the decision; and
 - (ii) not be the same as the point of contact described in 3.6.1.
- 3.7.2 The process to review an automated decision that has been challenged or appealed **must**:
- (i) involve human decision-makers (that is, not be an automated process);
 - (ii) be empowered to correct a decision; and
 - (iii) be empowered to look more broadly than the specifics of the decision made in the automated part of the process when determining correctness.

3.8 Compliance and assurance

- 3.8.1 Compliance with this standard **must** be verified for all new uses of automated decision-making through the existing Security, Privacy, Human Rights and Ethics Certification and Accreditation process.
- 3.8.2 Regular monitoring proportionate to the risks involved **must** be carried out to ensure that the automated decision-making continues to produce expected results and to ensure bias and discrimination are well managed. How this monitoring will be resourced and carried out **must** be agreed prior to the implementation of the automated decision-making process.
- 3.8.3 If this regular monitoring identifies issues, these issues **must** either:
- (i) be corrected as soon as practicable, with the Business Owner accepting all risks involved until this occurs; or
 - (ii) be addressed through incorporating substantial human involvement into the process (meaning it would no longer be an automated decision).
- 3.8.4 A compliance review **must** be carried out at least once every three years or more frequently (based on the nature and level of risk connected to the process) to ensure that any automated decision-making that is approved under this standard continues to meet the requirements of the standard.

4 References

- 4.1 Tools that directly support the application of this Standard:

[Operational Guidance](#)

[Model Development Lifecycle](#)

[PHRaE guidance: Operational analytics and automation](#)