



## **National Council of Women of New Zealand**

Te Kaunihera  
Wahine O Aotearoa

### **Oral submission to the Social Services Select Committee on the NCWNZ submission on Support for Children in Hardship Bill, 23, S15.18**

by Bernice Williams and Dr Judy Whitcombe on 12 August 2015

#### ***Social Services Committee***

Chair: Alfred Ngaro, National List; Deputy Chair: Matt Doocey, National Waimakariri; Darroch Ball, NZ First List; Jan Logie, Labour List; Todd Muller, National Bay of Plenty; Dr Parmjeet Parmar, National List; Parmjeet Parmar, National List; Carmel Sepuloni, Labour Kelston; Stuart Smith, National Kaikoura; Poto Williams, Labour Christchurch East.

Ata marie. Good morning. My name is Bernice Williams and my colleague is Dr Judy Whitcombe. We are both members of the Parliamentary Watch Committee of the National Council of Women of New Zealand. The submission I present has been prepared from a background of policy decisions and consultation with the members of our organisation.

#### **Introduction**

We welcome the opportunity to convey our members' views to the Committee. The proposed amendments have generated strong interest amongst our members, one Branch recording an unprecedented number of individual responses. The topic is clearly dear to the organisation's heart given this response from our membership and the number of submissions on related topics presented over the past fifteen years.

#### **Regarding the Amendments to the Social Security Act 1964**

##### **Requiring beneficiaries to seek part time work (Clause 4 amends section 3 of the Act)**

We note

1. the new definition of part-time work – not less than 20 hours, previously 15 hours, and
2. the requirement of the beneficiary to be available for part-time work when the beneficiary's youngest child is 3 years old, previously 5 years.

Anticipating the impact of these changes, members have expressed concern about the availability of suitable jobs for beneficiary parents, and quality childcare options for three to five year-olds. In addition, many members are concerned that the proposed changes will cause unnecessary stress on families and create a negative impact on children's

development. Members have noted an apparent lack of regard given to children's safety and wellbeing, with some decrying the lack of value given to the role of parenting. I quote:

"It's a form of insanity, and surely a symptom of a broken economic system, when we have perfectly capable parents forced into low paid jobs, and far more expensive 'professionals' paid to look after their children. Why don't we value the carers we already have – parents?"

It was noted that some children living in deprived circumstances would benefit from quality childcare of 20 hours per week, however, the common theme expressed supports the view that the proposed legislative changes are based on a short-sighted economic model that ignores the long-term benefits of investing in children under five years of age. Critical brain development takes place in the first five years, and in a stable, healthy and nurturing environment a child will develop not only a strong sense of security, but will also gain the tools essential for developing into a healthy young citizen ready to begin learning at school. Long-term economic and social benefits will result when children are permitted to develop and learn in a loving and stable environment with the constancy of a caring parent available to them for the first five years of life. This should be a given for New Zealand children, not a luxury for an exclusive few. The notion of forcing beneficiary parents, the majority of whom are mothers, into paid work was not supported, with recommendations that this alternative be available to those who are willing to, and in a position to, choose this option. The focus appears to be on employment no matter what, and in most cases will be at the expense of children's wellbeing. One member states:

"This proposed legislation is economic based (eg saving on benefit payouts, increasing the number of child care businesses) and not based on what is in the best interests of the child. It gives no recognition of the huge parenting demand placed on sole parents."

Further, it appears that neither a shrinking job market nor day-to-day practicalities have been taken into account in the development of the proposed amendments. Availability of suitable employment especially in rural areas, access to transport, ability to pay for transport, ability to secure appropriate, quality, flexible, affordable, around-the-clock childcare to cover shift work, school holidays, days when children are sick, and other unforeseen circumstances are all factors that appear to have been overlooked.

The type of employment obtained will depend not only on job availability but on the skills and education of the beneficiary parent, and it is envisaged that the type of employment available for most will be of a low-paid, casual or seasonal nature, possibly with unsuitable hours. A greater economic advantage may be gained by supporting beneficiary parents into further education including parenting and other skill training, rather than a blanket prescription for all to find employment. As one member stated:

“Those who most need education and support for parenting MAY be amongst those who find it hardest to obtain other work.”

It was further noted that the proposed legislative changes are at odds with Article 27 of the United Nations Convention on the Rights of the Child and Section 6 of The Vulnerable Children’s Act 2014.

**Increasing support for beneficiary families with dependent children** (Clause 10 amends various schedules. Also reflected in an amendment to the Education Act 1989 to cover students with dependent children Clause 12)

The additional payment of \$25 per week to a beneficiary family with dependent children is welcomed, though many see it as having a negligible impact on a family’s overall situation given high property rental fees, or other accommodation costs and other rising living costs. Further, the number of variables per family including variation of living costs based on geographical location are considered barriers to an equitable increase for all beneficiaries.

The delayed introduction of the payment has been greeted with disapproval by members who note the erosion of value by inflation over a year, and consequent decrease in purchasing power. One recommendation was received to backdate the increase in the same way that MPs’ salary increases have been, and to tie future increases to increases in living costs as is the case for superannuation. Of concern is a predicted cost-benefit imbalance, with one member organisation referring to current research, Boston (2015), which reports “the modest increases in benefit rates and tax credits for low-income families will have only a marginal impact on child poverty and material deprivation....” The writer continues, “Furthermore, due to the increased costs in childcare as a result of other aspects of the policy, families may actually be worse off financially.” Other members suggested targeted funding for groceries, supermarket credits, school lunches, electricity or fuel, while another member recommends supporting the payment with provision of budgeting, parenting, cooking and household management skill tuition.

There was strong support to re-introduce Child Benefit payments or a form of universal child allowance with a per-child payment for children from 0 - 18 years. Other alternatives suggested include a Universal Basic Income, a percentage increase on top of a basic increase to current benefit payments, and a recommendation for New Zealand to follow the model of child support used in Sweden.

## **Summary**

While the \$25 a week increase from 1 April 2016 was welcomed by our members, it was felt the additional legislative changes contained in the Bill will negate the monetary benefit.

This Bill, in its present form will:

- Redefine part time work from 15 hours to 20 hours a week
- Require the parent beneficiary to seek work from when the youngest child is 3 years old (was 5 years previously)
- Require child care arrangements to be made for the 3-5 year olds thus incurring further costs for the family
- Place additional job-seeking stress on the family as the beneficiary parent – usually the mother – tries to find suitable employment, in a suitable location, and at suitable hours, in a market with fewer jobs available
- Have negative effects on children’s wellbeing and ability to become healthy, contributing citizens in the long term.

Thank you for the opportunity to present this oral submission.

Bernice Williams  
12 August 2015

## References

- Boston, J. (2015). Child hardship package [Press release]. Retrieved from <http://www.scoop.co.nz/stories/PO1505/S00281/jonathan-boston-child-hardship-package.htm>
- Boston, J., & Chapple, S. (2014). *Child poverty in New Zealand*. Wellington, New Zealand: Bridget Williams Books.
- Singley, S. G. (2003). *Barriers to employment among long-term beneficiaries: A review of recent international evidence*. Wellington, New Zealand: Ministry of Social Development.

UNCROC Article 27 (Adequate standard of living): Children have the right to a standard of living that is good enough to meet their physical and mental needs. Governments should help families and guardians who cannot afford to provide this, particularly with regard to food, clothing and housing.

## **Questions**

**Carmel Sepuloni** - Noted that this Bill was an extension of the National Government's welfare reform, and asked if NCWNZ approved of overall welfare reform package. Bernice responded noting \$25 was a small step and reforms to date clearly were not enough given the level of poverty families and especially children are still experiencing.

**Matt Doocey** - In other areas the \$25 would buy sufficient food to help a family and noted Dr Lance O'Sullivan's work in Northland. Bernice noted that the usefulness of the additional \$25 would depend on the size of the family.

**Jan Logie** - Asked about the references made in the oral submission to section 6 of the Vulnerable Children's Act and the UNCROC article 27 as she didn't have these. Bernice read out both references from her notes.

**Todd Muller** - asked about NCWNZ's position on childcare. Bernice pointed out that the submission reflected the views of members, and for some, childcare was limited or not available e.g. in rural areas. She added that, along with the requirement of 20 hours paid work, it could restrict the choice of child or day care e.g. Playcentre, where parents are required to be present.

**Dr Parmjeet Parmar** - Asked about the wellbeing of 3-5 year olds and doubted that that they would be disadvantaged. Bernice re-emphasised the importance of the first 5 years and quoted Dr Peter Gluckman (the Government's Science Advisor) where research had shown that investment in under fives results in longer term social and economic gains.