



**National Council of
Women of New Zealand**

Te Kaunihera
Wahine O Aotearoa

National Office
Level 4 Central House
26 Brandon Street
PO Box 25-498
Wellington 6146
(04) 473 7623
www.ncwnz.org.nz

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**Submission to the Social Services Committee on the Social Assistance
(Future Focus) Bill**

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 46 nationally organised societies. NCWNZ has 26 branches throughout the country attended by representatives of those societies and some 150 other societies. The Council's function is to serve women, families and the community through research, study, discussion and action.

General Comment

The proposed changes as outlined in the Bill incorporate amendments to eight existing Acts: the Children, Young Persons and their Families Act 1989; the Education Act 1989; Income Tax Acts 1976, 1994, 2004 and 2007; the Social Security Act 1964; and the War Pensions Act 1954. As so many existing Acts will effect such a wide number of NZ citizens, the majority of replies received from NCWNZ members focussed on the impact on the Domestic Purposes Benefit, the Unemployment Benefit and the Sickness Benefit. Specific concerns were raised around child rearing, lack of available employment – both part and full time, the removal of individual circumstances and needs being taken into account, and lack of budgeting advice and support available.

While NCWNZ doesn't deny that changes need to be made to the Welfare system, we are concerned that such wide sweeping changes will cause undue hardship to the most vulnerable in our society and cause a negative impact on women and children. Only 20% of our membership agreed with the main changes being proposed, with 80% disagreeing with the proposals.

Work test for Domestic Purposes Benefit

Concern was raised that the changes proposed will not take into account parents who are home schooling their children; parents who are raising children and caring for their elderly sick parents; and parents with Special Needs children, or any other individual circumstances.

Raising the earnings threshold while on the Domestic Purposes Benefit from \$80 a week to \$100 still doesn't address the main issue of the benefit being assessed on the gross amount rather than the net amount, also that the amount taxable is assessed as secondary tax so less take home income is actually earned.





Support payments, such as Accommodation, Special Needs and Childcare assistance are also an area for concern as the threshold for eligibility for these are seen as being too rigid and won't take into account the particular 'individual circumstances'.

Forcing single parents with young children into work was seen as devaluing the role of parenthood and being part of the current social problems around youth lack of self esteem and social problems.

Many single parents do voluntary work within their local communities and, as happened in 1991 when a previous Government tried to get Domestic Purpose recipients into work, many organisations lost their voluntary workers. As many retired people who do volunteer work get older and less able to do this, the concern is that there will not be a volunteer base of younger people to replace them.

Our members questioned where the jobs were going to come from to employ all these extra workers. They were also concerned that the jobs to be found for beneficiaries should be meaningful. Will the criteria be flexible enough to recognise this?

Discrimination on the basis of Gender, Family and Marital Status

As most single parents are women, concern is raised that women are not being encouraged to raise children themselves but to have childcare workers raising them so diminishing the role of the parent. Cutting off their source of income will create more hardship and discriminate against children who have single parents raising them. This is also seen as taking away the choice to raise your child yourself.

New Zealand's Welfare System and Changes Needed

NCWNZ doesn't deny the current system needs changing but sees this Bill as discriminating against women and widening the poverty trap. No concrete suggestions were made as to how changes can be made which won't make living on a part benefit/part employment harder than it is now. Unlike the myth, which seems to suggest that those on benefits are well off, the reality is that living on a benefit, whether Domestic Purposes benefit, unemployment or sickness benefit, is hard work trying to cover all household needs and staying ahead on paying domestic accounts: power, phone, food, transport, education, health and the like. When power companies, oil companies and supermarkets raise their prices, benefits do not rise to match these but beneficiaries still need to cover these costs.

A more streamlined approach was seen as one measure to monitor eligibility of benefits. Those who get the more negative publicity, whether it be for crimes committed, being a sole parent or unemployed and 'on the dole', are in the minority but are seen as being representative of all single unemployed, sick or in need. This is a negative approach which seems to be the general opinion of those who require a benefit, whether it be a short term solution or long term.



Access to a good Welfare System

Access to a welfare system was seen as highly necessary to prevent overall poverty. The fact that anyone may need to use this system was highlighted and felt very important to maintain a civilised society as ours. It was also noted that we don't create a dependent society, rather a supportive society and increasing the education and health budgets to prevent this happening.

Taking away funding for adult education and job losses due to the recent recession were seen as major detriments to people being able to support themselves and further discriminating against those who have had found themselves requiring a benefit.

A viable budgeting support system was seen as a vital part of the benefit system and more funding needed to be available for this, as was flexibility of the age of a child when the parent is required to find work. Six was seen as too young for most children. Ten being the age suggested.

More help for generational beneficiaries and those discriminated against because of race and age was also essential. Voluntary work needs to be recognised as "work" and encouraged. Most people do not choose to be beneficiaries and being available for both volunteer work and for their children was seen as a positive approach.

Conclusion

Overall NCWNZ members felt the sweeping changes proposed in the Bill were too harsh. Each person needs to be assessed on their individual needs and actively work towards a long term goal. Changes are needed to the welfare system but not so that they penalise those who are already seen as dependants.

NCWNZ is grateful for the opportunity to comment on this Bill.

Elizabeth Bang
National President

Belinda Greenwood
Convener Family Affairs Standing Committee