



NATIONAL COUNCIL OF WOMEN OF NEW ZEALAND

TE KAUNIHERA WAHINE O AOTEAROA

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Submission to the Social Services Committee on the

Social Security (Benefit Categories and Work Focus) Amendment Bill 67-1

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 47 organisations affiliated at national level and a further 41 organisations affiliated at branch level. It has 22 branches throughout the country attended by representatives of these organisations, as well as individual members. NCWNZ's function is to represent and promote the interests of New Zealand women through research, discussion and action.

This submission has been prepared by the NCWNZ Public Issues Standing Committee and the Parliamentary Watch Committee after consultation with the membership of NCWNZ.

Introduction

Overall the NCWNZ membership that responded is not in favour of replacing the existing categories with the three proposed ones, and the Bill is seen as being about compliance and cost cutting rather than a new approach to the provision of social security benefits. Having just three categories may be an attempt to simplify the existing procedures but the definitions still introduce grey areas.

While the changes may give a better value result for the expenditure of government funding, few respondents felt that the changes would help improve the future for these people. The new categories are not referring to beneficiaries as people with individual needs, rather they are using a "one size fits all" approach, implying that beneficiaries are not living individual entities (humans) but are just part of a process to be dealt with *en masse* without any notion of compassion. Concerns were raised that administrative costs for re-registration, monitoring, and additional kiosks for online interaction with government would reduce any savings to government. There were also fears expressed about privacy being violated through file sharing.

While the regulatory impact statements provide information on return to work for women, there is no specific gender impact statement discussing the impact of the proposed changes for disadvantaged groups of women. The 2012 Concluding Observations from the CEDAW Monitoring Committee¹ recommended that the State party:

¹ Committee on the Elimination of Discrimination against Women Fifty-second session 9 – 27 July 2012. Concluding observations of the Committee on the Elimination of Discrimination against Women. CEDAW/C/NZL/CO/7. Available from <http://www2.ohchr.org/english/bodies/cedaw/cedaws52.htm>

36(b) Ensure that the ongoing welfare reforms do not discriminate against disadvantaged groups of women and that an independent evaluation of their gendered impact is made.

Comments on specific Clauses

Pre-benefit activities

Clause 9. New sections 11E to 11H inserted.

Concerns were expressed about the additions of Sections 11E-11H imposing "social obligations" for those receiving the Supported Living Payment, their partners, and/or their full time carers. Pre-benefit requirements are considered an unnecessary burden for any person whose situation has compelled them to seek state assistance as it adds to the stress they and their families are already facing.

NCWNZ does not support the Bill's extension of already existing pre-benefit requirements to Emergency Benefit applicants, Sole Parent Support applicants and those applying for Jobseeker support on the grounds of sickness, injury or disability, and to the partners/spouses of those applying for Jobseeker Support, Supported Living Payment and the Emergency Benefit.

It is unconscionable for someone requiring an Emergency Benefit or their partner to have "pre-benefit" activities. If they fit the criteria for an Emergency Benefit, that should be granted straight away.

Benefit applicants who are sick, injured or disabled are applying for a benefit not because they need a job, but because they have become unable to work for a period. Therefore, compelling them to perform activities to help them become "job ready" prior to receiving the benefit is both cruel and unhelpful.

The inclusion of obligations on partners/spouses is worrying due to its privacy and coercion implications. It could put stress on important relationships. It involves the compulsory divulging of information about one person (the applicant) to another (their partner). It means that the benefit applicant cannot rely simply on themselves to do all that Work and Income requires, but is reliant and dependent on their partner. In many partnerships, this simple request can be very difficult. Proposed section 11H(3) does not adequately protect the benefit applicant in any case of partner non-compliance. The possibility that a partner or spouse could be a superannuitant or already in low-paid work is not acknowledged by the Bill – these people can also be asked to perform tasks to improve their "job readiness".

Any activity which increases anxiety, particularly increasing it to an overwhelming level, can trigger a psychotic relapse of schizophrenia, Bipolar Affective, depression, or substance abuse, especially if the person is lacking expert treatment services. Should the changes indicated by the Bill be introduced, then extra attention will need to be given to those people with a mental illness to ensure that they receive appropriate and affordable professional clinical assessments and treatment.

Sole parent support

Clause 11. New Part 1B inserted.

Supported living payment

In discussing the change that a sole parent returned to work when the last child reaches the age of 14, concern was expressed that this might be the very time when the parent is required at home, as this is often the time when a teenager is testing boundaries.

Clause 14. Section 39F renumbered and amended (Purpose of invalid's benefit)

Supported living payment

Clause 16. New section 40C to 40H inserted.

The category of sickness benefit should remain. People with chronic illnesses require additional support not increased surveillance, work testing and work ability assessments. NCWNZ does not agree with the addition of Sections 40C- 40H, which would replace the current Invalid's Benefit with the Supported Living Payment. These do not recognise the very real work involved in being a carer or the difficulties associated with living with a disability, and nor are they likely to enhance people's lives in a substantial way.

Social obligations of certain beneficiaries with dependent children

Clause 25. New sections 60RA to 60 RC inserted.

Likewise, concerns were expressed about the additions of 60RA, 60RB and 60RC which introduce social obligations to all parents who receive a benefit, and sanctions for non-compliance. Social obligation requirements take away the rights of parents to choose what is best for themselves and their families. Furthermore:

- some parents may wish to follow the Steiner educational model that doesn't start children in school until age 7;
- some parents want to have a choice about the educational environment they put their children into. Not all early childhood education options are suitable for all children.
- some families chose to home school their children to provide them with an alternative positive schooling environment.

It is the role of the State to enable these choices not supplant them.

The introduction of these requirements is likely to alienate and stress some families. Families that struggle to care for their children well should be supported by social workers, not made to suffer more with cuts to their benefits. Some respondents believe that formal early childhood education and use of health providers is a personal decision, not a social obligation. Should there be a need to target, for example where a child is at risk, then appropriate intervention programmes should be used through an individual care plan. If the Ministry of Social Development wants to increase participation in early childhood education,

they should increase the availability and accessibility of early childhood establishments, particularly in rural areas, and cover the additional costs of children's attendance.

Positive initiatives are born from community strengths not from government initiatives to corral people into pre-determined categories. An example of an initiative that grew from within the community is Kohanga Reo, which is about cultural renaissance and not simply early childhood education, yet government compliance is trying to make it fit into the ECE model.

Effect on benefit of warrant to arrest beneficiary

Clause 30. New section 75B inserted (Effect on benefit of warrant to arrest beneficiary)

The new section 75B allows somebody's benefit to be stopped if they have a warrant for arrest that has been out for 28 days and if they have not followed up with the police within ten days after being notified by Work and Income.

NCWNZ disagrees with the addition of 75B as depriving a beneficiary, and consequently their dependents of their income, will not increase safety in New Zealand. The courts and police have already issued an arrest warrant and this should be followed up by those agencies.

Jobseeker support (including deferral of work test obligations on grounds of sickness, injury, or disability)

Clause 40. Sections 89 to 99AB and cross-heading above section 89 replaced

There was a positive reaction to renaming the unemployment benefit Jobseeker support, but for people to be actively seeking jobs there needs to be jobs available for them to seek. Suggestions were made that identified the types of support that should be available to jobseekers, including:

- enabling the jobseeker to make changes to become more employable such as dealing with addiction, obesity, depression;
- specialist WINZ workers for those having major difficulties finding work;
- encouragement to create support groups and positive activities in local communities;
- appropriate affordable childcare;
- out of school care and school holiday programmes, as the sole parent will not be available to provide care during such times;
- access to transport – the jobseeker must be able to easily get to the proposed workplace.

There was concern expressed around the negative effects of extra pressure placed on people to seek work when it is not available, which could impact on the jobseeker's esteem and health status.

There also needs to be clarity around the number of hours that the jobseeker can realistically undertake. For those who are the primary family caregiver – including sole parents – and those with health issues, part time hours could be the best solution.

Work ability assessment

Clause 41. New sections 100B and 100C and cross-heading inserted

NCWNZ disagrees with the addition of 100B and 100C which introduce a Work Ability Assessment to any person receiving Sole Parent Support, Supported Living Payment, Emergency Benefit or Jobseeker Support. There is already a process for doctors to inform Work and Income of the work capacity of beneficiaries. Similar UK policies have proven disastrous with horror stories of people being told by private contractors that they are capable for work when it was just not physically possible.

Fears were expressed about the integrity of the doctors who may be used in these assessments along with private contractors and that their focus may be to claim people are work ready, no matter the cost. There is also the possibility of unnecessary harassment through numerous assessments. People move in to work when their health and familial circumstances allow. People do not need to be told when they should take work, or what kind of work that should be.

Work test obligations: drug testing obligations

Clause 42. Section 102A amended (Work test obligations)

Drug testing is the norm in many industries. Concerns were expressed that the results could be shared without the beneficiary's consent (new 102C(2)).

Sanctions

Clause 44. Sections 115 and 116A replaced

Clause 45. Section 117 amended (Sanctions that may be imposed for failures)

The new section 116B adds a number of different reasons that a person can be sanctioned under Section 117. These include:

- if the person fails to meet an obligation of a contracted service provider, (eg for work preparation, social obligations, work testing, etc);
- if the person fails to meet their "social obligations" under new Section 25;
- if they fail to meet their work preparation, work ability assessment, or interview obligations;
- if they fail to meet their work test obligations, including drug test obligations.

According to the Social Security Act 1964 s117(1), for most situations the first failure means benefit is cut by 50%. If the person has not complied with the obligation within 4 weeks, the benefit is reduced to zero. The second failure means the benefit is suspended until the

obligation is met. The third failure means the benefit is cancelled and the person cannot reapply for 13 weeks.

NCWNZ disagrees with the addition of 116B. It does not demonstrably enhance or improve the lives of beneficiaries or their children and in fact will have dire consequences for people and their families. People do the best they can with what they can, and they may sometimes require support – not the suspension of their livelihood. Children should not become victims of an administrative decision – the rights of the child should be paramount in all decision-making related to benefit changes.

Rather than sanctions in the case of drug use, there should be access to drug and rehabilitation programmes and treatment facilities to assist beneficiaries to reduce their drug addiction.

Special assistance under welfare programme: use of preferred supplier

Clause 49. Section 124 amended (Money payable out of Crown Bank Account)

The amendment of Section 124 outlines that the applicant of any special assistance goods or services for them or their family must be purchased from a preferred Work and Income supplier nominated in writing by the Chief Executive (Work and Income) at the price determined by the contract under section 125AA with that supplier. It allows for this money to be paid directly to the supplier rather than to the beneficiary. It also says that this cannot be appealed.

Ultimately this amendment would give people less control over their money, and thus their lives, without improving their well-being. It would also reduce their ability to make their own decisions. For example, if someone is receiving the maximum disability allowance (but not enough to cover their disability costs) that person may currently choose which items they feel are more necessary than the others and pay for these items or costs, in this new case, they would have less flexibility over which goods and services were purchased. Further, the goods and services provided by suppliers may not fit the exact needs of those requiring them and may possibly be provided at a higher cost. This can currently be seen with the use of payment cards for youth parents who have found that the nappies they need are more expensive from approved supermarkets than the ones they can find elsewhere. As there are many problems with this amendment, NCWNZ disagrees with the amendment of Section 124.

In addition certain suppliers will benefit from these policies, with possible monopoly provision, potentially limiting quality and choice.

Conclusion

The changes introduced by this Bill will require an increased level of monitoring, which could well impose an unmanageable burden on the Ministry of Social Development. The current monitoring of systems is causing concern. These changes introduce more opportunities for breaches of privacy.

The need to introduce change needs to be balanced against the 10 key goals that the government is trying to achieve. While there is a need to reduce long-term welfare dependence, this cannot be achieved in isolation from the other goals, particularly those of increasing participation in early childhood education, boosting skills and employment

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