

**Welfare fit for families  
in a changing world**



**Child Poverty Action Group, and the University of Auckland's Centre for Applied Research in Economics, Department of Paediatrics: Child and Youth Health, and Retirement Policy and Research Centre**

# Summit

**8 September 2015**

**Owen Glenn Building Room OGGB5**

**University of Auckland**

# Proceedings

This Summit was proudly supported by Child Poverty Action Group, and the University of Auckland's Centre for Applied Research in Economics, Retirement Policy and Research Centre, and Department of Paediatrics: Child and Youth Health.

Summit proceedings compiled and edited by M. Claire Dale.

**Video** of the Welfare Summit morning presentations, including Mike O'Brien, Sarah Thompson, Moira Lawler, Ben Spies-Butcher and Hirini Kaa is available on the Child Poverty Action Group website [here](#).

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**Welfare fit for families in a changing world: Summit Proceedings**

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## Summit Programme

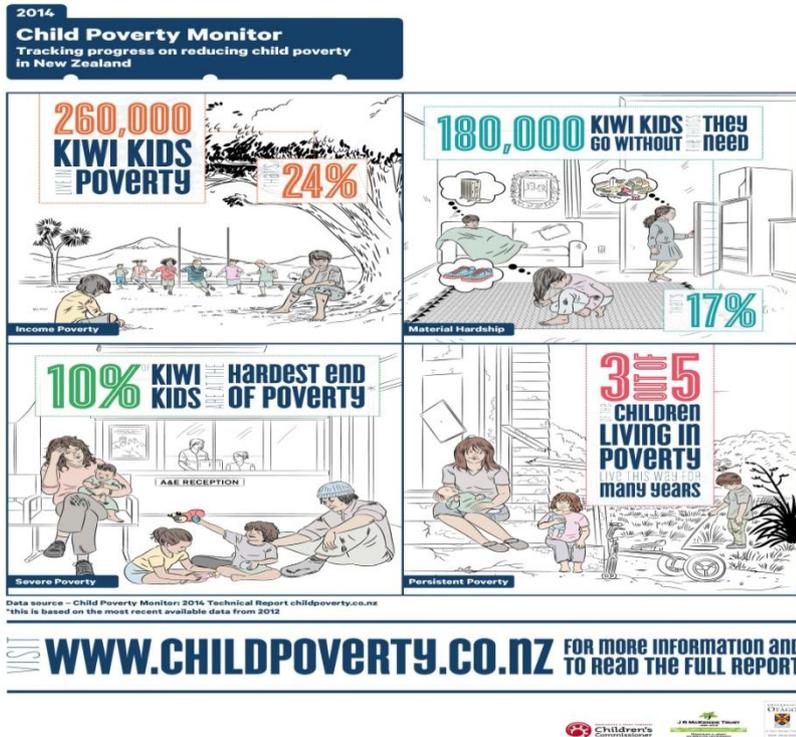
<b>9.30 - 10.00</b>	<b>Registration - tea, coffee, muffin</b>	<b>catered</b>	
		<b>Presenter</b>	<b>Chair</b>
<b>10.00 - 10.10</b>	<b>Mihi whakatau / Welcome</b>	Trevor McGlinchey	
<b>10.10 - 10.15</b>	<b>The Summit: organisation, housekeeping</b>	Susan St John	
<b>10.15 - 10.35</b>	<b>Setting the scene: current policy direction</b>	Mike O'Brien	Gerry Cotterell
<b>10.35 - 10.45</b>	<b>Views from the coalface:</b> Auckland Action Against Poverty	Sarah Thompson	
<b>10.45 - 10.55</b>	Lifewise	Moira Lawler	
<b>10.55 - 11.25</b>	<b>A view from Australia</b>	Ben Spies-Butcher	
<b>11.25 - 11.35</b>	<b>A view from the UK</b>	Max Rashbrooke	
<b>11.35 - 11.50</b>	<b>A view from Aotearoa</b>	Hirini Kaa	
<b>11.50 - 12.15</b>	<b>Questions to speakers from the floor</b>		
<b>12.15 - 1.00</b>	<b>LUNCH</b>	<b>catered</b>	
	<b>Policies toward welfare fit for families</b>		Innes Asher
<b>1.00 - 1.10</b>	<b>Welfare/work interface:</b> A sole parent's transition to work	Reb Fountain	Hirini Kaa
<b>1.10 - 1.30</b>	Welfare in a changing world of work	Mike Treen	
<b>1.30 - 2.00</b>	<b>Health Housing</b>	Innes Asher Alan Johnson	
<b>2.00 - 2.20</b>	<b>Working for Families/Incomes</b>	Susan St John	
<b>2.20 - 2.40</b>	<b>Questions to speakers from the floor</b>		
<b>2.40 - 2.50</b>	<b>Break</b>		
<b>2.50 - 3.45</b>	<b>Panel:</b> Child Support, students, Families and debt	Michael Fletcher, Nardos Tilahun, Claire Dale	Ian Hassall
<b>3.45 - 4.00</b>	<b>Strategy</b>	Deborah Morris-Travers	
<b>4.00 - 4.30</b>	<b>Questions to speakers from the floor Open discussion</b>		
<b>4.30 - 4.50</b>	<b>Rethinking the issues for 21st century welfare for families</b>	Len Cook	Susan St John
<b>4.50 - 5.30</b>	<b>Refreshments</b>	<b>catered</b>	

# The Summit: Welcome. Susan St John

Tena koutou. Welcome.

Thankyou Trevor McGlinchey for bringing us mindfully to the summit with the mihi whakatau.

This much we know already about child poverty and hardship:



This is not a day to discuss utopian solutions, nor to redesign the tax system.

**Today's purpose is to address the questions:**

- Where are we headed under the current policy settings?
- Based on the principles suggested below, how can we help achieve a better direction for design and delivery of welfare?

## Principles for Welfare Fit for Families:

	PRINCIPLES	CURRENT POLICIES	WELFARE FIT FOR FAMILIES	NZ SUPER-ANNUATION
1	<b>Best interests of the child</b> <i>Now and as future citizens: our taonga</i>	NO	YES	YES (65+)
2	<b>Simplicity</b> <i>Complexity is expensive, unnecessary and causes harm</i>	NO	YES	YES
3	<b>Equity</b> <i>Horizontal: Families on same income treated the same for children's assistance</i> <i>Vertical: Poor children given more</i>	NO	YES	YES
4	<b>Adequacy</b> <i>Prevents both hardship and income poverty</i>	NO	YES	YES
5	<b>Neutrality</b> <i>Relationship status does not matter. Individual entitlement as far as possible</i>	NO	YES	YES
6	<b>Efficiency</b> <i>Does not penalise work effort</i>	NO	YES	YES
7	<b>Manaakitanga, kotahitanga, generosity</b>	NO	YES	YES
8	<b>Mana, dignity, respect</b>	NO	YES	YES

# Setting the scene: current policy direction. Mike O'Brien

## Reshaping and Reframing Social Security

### Introduction

This introduction is designed to lay out dimensions of the current framework setting the background for our reflections on the directions for social security in the period ahead as government moves towards rewriting the Social Security Act. It includes comment and reflections on both the specific work around the changes to social security and the broader changes in the social sector. The latter changes are important because they shape, inform and influence much of what is happening in social security changes. Much of it will be well known – the major task here is to establish the core elements of a common base to enable us to move forward. In using the words 'social security' in the opening sentence, one core component of the changing direction is already signalled, namely the shift from 'social security' to 'income support' as the title for the payments and 'Work and Income' as the organisational title. Both of these are more than just name changes – they reflect an essential element in the current directions in that social security moves from an emphasis on socially provided 'security' to an emphasis on work as the source of income with the state providing 'support' for what can be earned through work.

Crucial current data comprises, as shown in the figures and tables in the Appendix to this chapter,

- ▶ Benefit Rates and Numbers, Superannuation Rates, Wages/Benefit relationships
- ▶ Poverty Rates and Numbers, and Hardship Data

### Historical Frame

Since the Social Security Act 1938, there have been important statements, reflected in the legislation surrounding social security. These are set out below, along with the statement from the 1972 Royal Commission on Social Security.

#### ***Social Security Act 1938***

An Act to provide for the Payment of Superannuation Benefits and of other Benefits designed to safeguard the People of New Zealand from Disabilities arising from Age, Sickness, Widowhood, Orphanhood, Unemployment, or other Exceptional Conditions; . . . and, further to provide such other Benefits as may be necessary to maintain and promote the Health and General Welfare of the Community

#### ***Social Security Act 1964***

The purpose of this Act is—

(a) to enable the provision of financial and other support as appropriate— (i) to help people to support themselves and their dependants while not in paid employment; and (ii) to help people to find or retain paid employment; and (iii) to help people for whom work may not currently be appropriate because of sickness, injury, disability, or caring responsibilities, to support themselves and their dependants:

(b) to enable in certain circumstances the provision of financial support to people to help alleviate hardship:

#### ***Royal Commission on Social Security 1972***

No-one is to be so poor that he (sic) cannot eat the sort of food that New Zealanders usually eat, wear the same sort of clothes, take a moderate part in those activities which the ordinary New Zealander takes part in as a matter of course. The goal is to enable any citizen to meet and mix with other New Zealanders as one of them, as a full member of the community – in brief, *to belong*....The underlying if not explicit principles and aims of the present social security....seem to be community responsibility for ensuring that all its members have a 'reasonable standard of living'.... The aims of the system should be to ensure that everyone is able to enjoy a standard of living much like that of the rest of the community, and thus is able to feel a sense of participation in and belonging to the community.

#### ***Social Security Amendment Act 2007 and 2012***

Every person exercising or performing a function, duty or power under this Act must have regard to the following general principles:

- (a) work in paid employment offers the best opportunity for people to achieve social and economic well-being:
- (b) the priority for people of working age should be to find and retain work:
- (c) people for whom work may not currently be an appropriate outcome should be assisted to prepare for work in the future and develop employment-focused skills:
- (d) people for whom work is not appropriate should be supported in accordance with this Act.

## **Current Directions**

### ***Part One – Changing shape and direction***

Without traversing all the details, three major features dominate the current directions. *First*, as is reflected in the statement in the 2007 and 2012 Social Security Amendment Act above, the fundamental driver for social security and for the changes since the Welfare Working Group (WWG) in 2011 has been reducing numbers receiving a benefit and moving beneficiaries into paid work. While this emphasis on paid work predates the WWG, the emphasis has been much sharper and more focused since its report, reflected perhaps most symbolically in the changes in benefit names, (unemployment, sickness, invalids and domestic purposes benefits become job seeker support, sole parent support and supported living payment), coverage and regulation in areas such as a range of job seeker and job seeker related requirements and regular reporting and reapplication requirements.

Implicit in this approach is the notion that individuals are responsible for their own financial wellbeing and that of their family – the state's role becomes very limited and residual. It is an approach which has been labelled somewhat clumsily as 'responsibilisation' (Kemshell, 2002). In all of this focus too, there is no attention at the policy end to the nature of the work and its reliability and security or the adequacy of incomes. For example, the reports from the actuarial based reviews tell us nothing about whether beneficiaries are better off in work. It is, however, worth noting that in its most recent report the Board said: 'the number of former JS [job seeker] clients returning to benefit has not decreased in recent years despite improving labour market conditions' (Ministry of Social Development, 2015a, p.6). In this context, it is significant that the recent incomes data shows that almost 40% of the children in poverty are in households which receive their income through paid work (Perry, 2015). Added to this, of course, is the complexity of the interface between the benefit system and tax credits, but more of that later in the day.

*Second*, and fundamental to those basic structural changes, is a range of obligations, regulations and requirements placed on beneficiaries, obligations, regulations and requirements which are not placed on other recipients of state support (superannuitants and those in work receiving state support through tax credits, for example). Benefits are no longer an entitlement; their receipt is dependent on meeting a diverse range of requirements. These regulations include, for example, work requirements when a child reaches the age of three, requirements for children to be enrolled in health care programmes and in early childhood centres, requirements for teen parents to participate in education courses and in budgeting programmes, money and benefit management for teen parents and recipients of youth payments. In many of these areas, the requirements are backed up by sanctions ranging between warnings at one end of the continuum to benefit reductions and/or cancellations at the other end. Between June 2013 and September 2014, there were 80,212 sanctions applied to beneficiaries, 27,760 of which were applied to beneficiaries with dependent children (New Zealand Council of Christian Social Services, 2015). Underlying this dimension of the current directions and recent changes is an approach in which beneficiaries are treated as outsiders, as lesser citizens, succinctly captured in Lister's (2004) depiction of them as 'others', that is, as people who are not part of the society, who do not belong as full citizens, who are outsiders in their own society.

An intrinsic feature of these directions has been (and still is) a strong and narrow emphasis on targeting, targeting based on identified shared characteristics (ethnicity, lone parent, teen parent, benefit recipient, state housing location<sup>1</sup>). It is a targeting in which stigma (direct or implied) has been critical. Stigma both

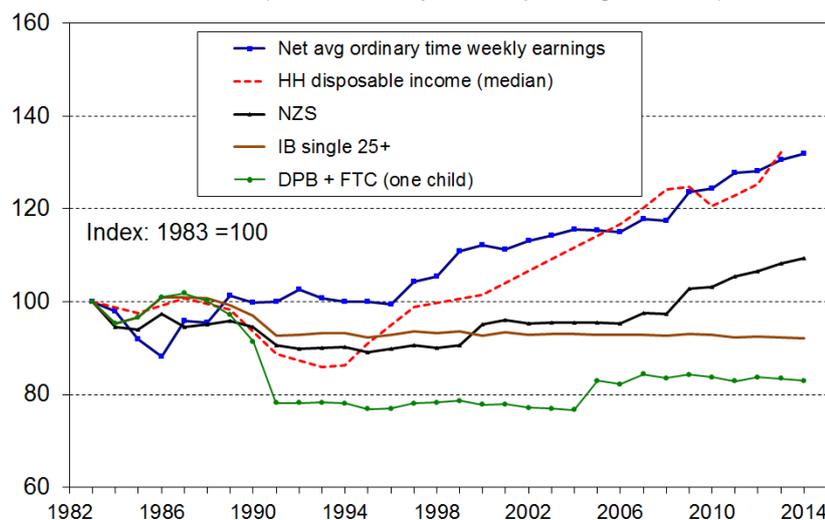
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<sup>1</sup> Predictive Risk Modelling (Vaithianathan, 2012) uses previous benefit receipt in last five years, Child Youth and Family contact in the carer's own childhood, other children in care and protection contact, benefit for substance abuse or mental health issue, single parent or caregiver, mother or primary benefit recipient <20, Corrections sentence in the last five years, moved house in last year, caregiver not parent listed on birth registration, caregiver with high parenting demands as the basis for constructing its targeting framework.

creates and reinforces the 'others', the 'outsiders'. It leads quite easily to victim blaming, provides convenient scapegoats and allows 'insiders' to disregard 'the poor' and/or to respond to the issues on the basis that poverty and benefit receipt result from individual failings and poor choices. 'The poor' are easily and conveniently blamed both for being poor and for not 'escaping' their self-inflicted poverty. The tight targeting and associated processes has led in many instances to beneficiaries not seeking assistance (despite entitlements) and to beneficiaries being refused assistance to which they are entitled only to be provided with that assistance when accompanied by an advocate. Recent figures are, for example, that there were 35,128 benefit declines between July 2013 and September 2014 (New Zealand Council of Christian Social Services, 2015); we do not know what happened to these applicants and their families. Indeed, to capture this point on a more general basis, one of the hallmarks of the current changes is the lack of readily available information; for example, the Ministry of Social Development no longer provides an annual statistical report.

*Third*, the changes have been characterised by continued and significant inequality and growing poverty. Despite the clear and unequivocal evidence, including evidence from government research (Perry, 2015; Expert Advisory Group on solutions to child poverty, 2012), this continues to be ignored. In part the poverty figures result from the refusal to both set benefit rates at a level which allows beneficiaries to 'belong and participate' (as articulated by the 1972 Royal Commission on Social Security) in their society and refusal/failure to adjust benefit rates in line with changes in incomes and living standards in the community. Here there is a marked contrast between the approach to benefit rate changes and the approach to changes to National Superannuation, the latter being adjusted on the basis of after tax incomes. Graph One illustrates these differences very clearly.

**Graph 1: Relativities between Main Benefit Levels, NZS, Average Wage and Median Household Income. 1983 = 100** (Source: Perry, 2015, p.0. Figure C.8A)



Significantly, and importantly, as we will see later in the day, tax credits have suffered a comparable fate in terms of their adjustment and effectiveness in responding to poverty.

There are two other important aspects of the growing poverty that warrant attention. First, despite the levels of poverty, rules and regulations around the provision of hardship assistance have been significantly tightened making it more difficult for beneficiaries to secure extra assistance. If they do manage to do so, then this is provided as a loan which has to be repaid, meaning significant debt for many beneficiaries, often debt for core living requirements. Hardship data has remained comparatively static (although quite high) over the last year, despite significant tightening of regulations and eligibility criteria. The latest figures for the June 2015 quarter, for example, show that there were around 196,000 grants to a total value of \$48.8m; approximately 44% were for food (Ministry of Social Development, 2015b). An associated and consequential aspect of the tightening of assistance is the consolidation of foodbanks as an integral part of social welfare provision, and the growth of charities and charitable organisations providing various forms of food assistance and support to beneficiaries and those living in poverty. While their contributions are important, sometimes absolutely vital, to the families and individuals with whom they work, charitable organisations cannot ensure that those families and individuals have an adequate, ongoing income. They provide important support and

assistance to those experiencing poverty and have an important contribution to make to the debates on poverty but they cannot reduce poverty – that requires policy and political action.

## ***Part Two – The wider social sector changes***

Turning attention to a range of wider social sector changes, there are some critical considerations which, as noted in the introduction, reshape the social sector and are an important influence on broader considerations about social security delivery. *First* – not necessarily in order of importance – is the emphasis on what has been perhaps rather euphemistically called ‘the investment approach’ or occasionally ‘social investment’. It is a term which permeates both government and Treasury material on the social sector and on social services and social security, as reflected in, for example, the Welfare Working Group (2011), the Treasury paper (2014) and the documents from the Minister and the Ministry of Social Development such as Investing in Services for Outcomes, Community Investment Strategy (Ministry of Social Development, 2015c), Better Public Services (New Zealand Government, 2012) etcetera. There is much that could be said about the ‘investment approach’ but that is outside the scope of today’s work; nonetheless, it is a term which dominates discussion on the social sector and which informs some of the thinking and rhetoric on social security’s future. It has one of its most specific (and pernicious) forms in the annual actuarial reports on social security expenditure referred to above.

*Second*, underpinning much of the work in the social sector and in social security is, as noted above, the idea of a limited and residual role for the state. While there is an expenditure aspect to this, there is a much more fundamental consideration in which the state’s role as provider is significantly constrained and limited, its role as funder is under constant review and its role as regulator and monitor is strengthened and enhanced. In the latter role, the state not only monitors the lives of beneficiaries – a significant extension in its own right - it also takes on an increasingly controlling and regulating role in the social sector both in terms of what surrounds its funding of social agencies and in managing the agencies through its determinations about what programmes and services it will fund and support. A central component of the investment approach and of the changing state focus is the emphasis on funding based on outcomes – programmes and services are increasingly funded based on their ability to achieve outcomes, outcomes that are determined by government priorities.

In pursuing these outcomes, the question of who provides services is, as has been stated by government Ministers on a number of occasions, irrelevant and this takes me into the *third* of these broad considerations. The focus is on achieving results and, therefore, services will be provided by the most ‘successful’ organisations, whether those organisations are from the ngo sector, the private sector or the state (and increasingly the state will be defined as and become the provider of last resort). This has significant implications for ngo organisations (again beyond our consideration today) and has one of its most specific forms in the current suggestions for the development of social bonds.

In essence, social bonds provide an opportunity for a private investor to invest in the social arena, through, for example, funding an organisation to undertake contracted services in a particular area (for example, placing people with mental health difficulties in paid employment), with the return to the investor dependent on the success and effectiveness of the organisation in meeting those contract specifications. Again, there is much more that can be said about social bonds, and there are a number of questions to be asked and explored, but that is a discussion for another day. The critical issue for this summit is that they represent a significant new development in the provision and delivery of social services and have important implications for those agencies working with benefit recipients. It is worth noting that social bonds open up the possibility of significant international and private sector engagement with social services, in ways that we have not seen previously, including a significant extension of the role of private profit making in the social sector. One of the questions around the social bonds development which we might like to consider for today’s agenda: which groups are most likely to be seen as ‘a good bond investment’ and what are the implications of this choice?

Fourth, I have already indicated that the changes in the social sector that provide so much of a significant backdrop for our discussion of social security directions contain substantial implications for the ngo sector. These implications include issues of:

- levels of funding

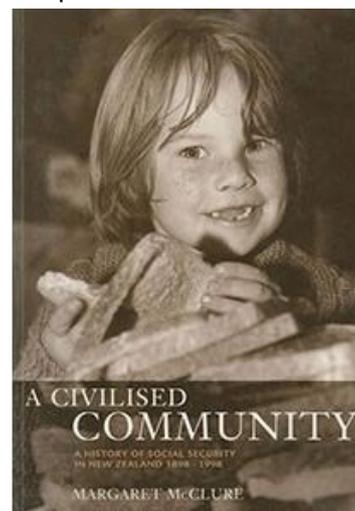
- what programmes will be funded
- from where will funds be moved to reflect government priorities and what are the implications of this movement
- how do those changes impact on the mission and kaupapa of ngos
- the contribution of ngos in building and sustaining community
- the role of ngos in civil society as expressions of democratic engagement and participation – this includes critical questions of the autonomy of ngos and their execution of their role as critic and commentator in society.

I have already indicated that there are major considerations for ngos that arise directly from their charitable role in relation to the relief of poverty through such work as providing foodbanks; my suggestion here is that these considerations are much wider than around foodbanks.

Many of the issues which I have touched on above are reflected in the current changes to housing provision and the role of state (or public) housing and of social housing (state housing and social housing are not the same, despite often being conflated) through community groups, the final issue I want to include in identifying the broad background considerations for this summit. Again, this is much wider than the directions for social security, but it has important implications for social security's future, both because of the significance of housing and housing costs in creating and sustaining poverty rates and because of the substantial expenditure on housing support. We will return to housing issues more specifically later in the day – for now suffice to say that many of the broader issues I have raised above about social investment, social bonds, the role of the private sector, the work and place of ngos, the emphasis on measureable outcomes are gathered together in the changes and proposed changes to state housing.

There are significant and comprehensive changes, then, in social security and in the broader environment within which it is located. Let me conclude with a series of questions taken from Margaret McClure's (1998) book, *A Civilised Community*. The back cover has the following questions:

- Who should receive social security?
- Whose needs are greatest?
- Is social security a mark of citizenship or a cause for shame?
- Should cash benefits provide for sustenance or promote a sense of belonging?
- Does a benefit for sole parents break down family structures?
- How can the costs of social security be controlled?



These questions are as apt today as they were when she wrote the book almost two decades ago. They are certainly embedded in the current debates and an integral part of the deliberations at this summit.

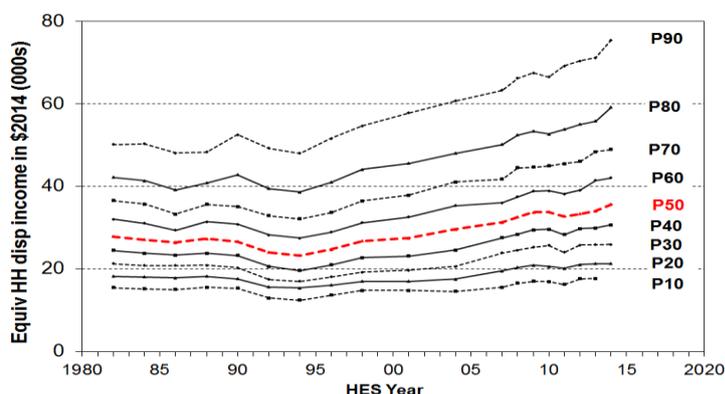
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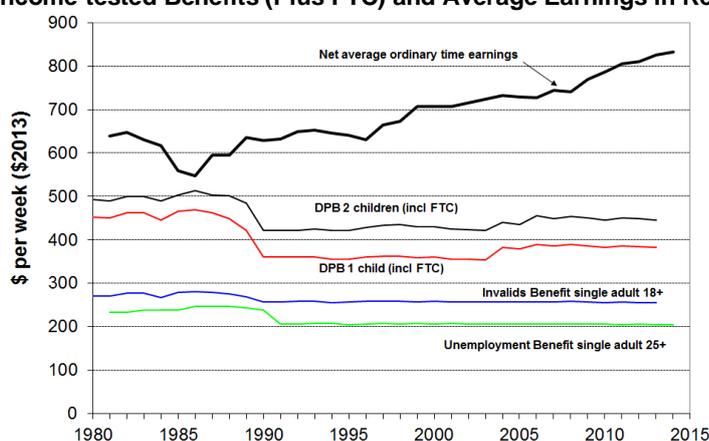
## Appendix: crucial current data

Crucial current data is provided in the figures and tables below, primarily sourced from Perry, B. (2015) *Household incomes in New Zealand: Trends in indicators of inequality and hardship 1982 to 2014*, Ministry of Social Development.

### Equivalent Household Disposable Income 1980-2015



### Income-tested Benefits (Plus FTC) and Average Earnings in Real Terms for Selected Household Types



### Poverty Rates – Different Age Groups

Age group	0-17	18-24	25-44	45-64	65+	ALL
<b>Income poverty (low income)</b>						
- AHC 60% median anchored (2007)	23	20	16	14	8	16
<b>Material hardship</b>						
- MWI (set to give 16% popln rate)	25	19	16	12	6	16
- MWI (set to give a 9% popln rate)	15	10	8	6	2	9

(MWI = Material Wellbeing index)

### Numbers of Poor Children in New Zealand (ie children in households with incomes below the selected thresholds)

HES year	BHC		AHC			
	BHC 'moving line'		AHC 'moving line'			AHC 'anchored line (2007)'
	50%	60%	40%	50%	60%	60% (07 ref)
2001	120,000	250,000	115,000	215,000	310,000	380,000
2004	150,000	265,000	115,000	200,000	285,000	320,000
2007	135,000	210,000	115,000	175,000	240,000	240,000
2009	125,000	230,000	140,000	210,000	280,000	255,000
2010	150,000	250,000	120,000	210,000	315,000	275,000
2011	145,000	235,000	130,000	210,000	290,000	270,000
2012	130,000	225,000	135,000	215,000	285,000	255,000
2013	120,000	215,000	135,000	205,000	260,000	235,000
2014	-	250,000	-	220,000	305,000	245,000

**Sanctions applied to working age main benefit recipients between 15 July 2013 and 30 September 2014, by reason for first sanction and whether they have dependent children (NZCCSS, Ministry of Social Development)**

First reason for sanction	Dependent children		Total
	Yes	No	
Accept paid employment	24	163	187
Actively participate in activity	622	2,339	2,961
Assessment for work ability	6	21	27
Attend approved budget programme	40	16	56
Attend the arranged appointment	18,232	37,352	55,584
Available/reasonable steps for employment	335	1,164	1,499
Complete appointment	31	113	144
Complete participation	132	514	646
Complete referral	773	2,171	2,944
Comply with Job Seeker agreement step	2,843	6,299	9,142
Engage with service provider	93	27	120
Engage with Work and Income	45	14	59
Failed to contact us	25	38	63
Meet drug testing obligations	0	40	40
Meet on-going budget requirements	5	0	5
Meet parenting obligations	50	0	50
Participate in education	42	40	82
Participate in training	s	s	s
Prepare for work	4,335	982	5,317
Undertake activity as directed	89	1,115	1,204
Unspecified	s	s	s
Other	56	16	72
<b>Total</b>	<b>27,783</b>	<b>52,425</b>	<b>80,208</b>

**Sanctions applied to working age main benefit recipients between 15 July 2013 and 30 September 2014**  
Ministry of Social Development

Benefit		Suspended		Total
		Graduated	or cancelled	
Jobseeker support	No children	31,869	20,446	52,315
	Children	7,888	52	7,940
	Total	39,757	20,498	60,255
Supported living payment	No children	10	s	s
	Children	23	s	s
	Total	33	s	s
Sole parent support	No children	4	0	4
	Children	19,547	0	19,547
	Total	19,551	0	19,551
Other	No children	95	0	95
	Children	268	0	268
	Total	363	0	363

**Benefit Rates 2015**

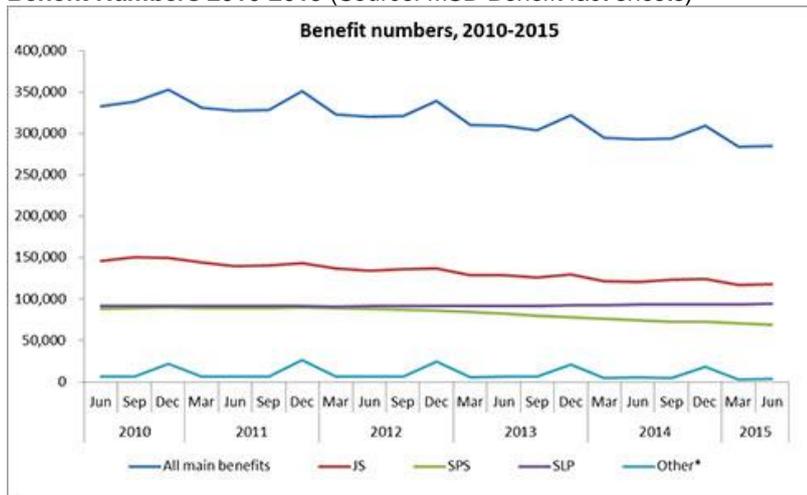
Benefit	Group	Rate	Additions
Job Seekers Support	Single 18-19 at home	\$140.08	
	Single 20-24	\$175.10	
	Single >24	\$210.13	
	Sole parent with child	\$300.98	FTC*
	Couple with chn	\$350.20	FTC
Sole Parent Support	Lone parent	\$300.98	FTC
	Couple	\$350.20	FTC
Supported Living Payment	Single 16-17	\$212.54	
	Single 18+	\$212.64	
	Married couple	\$437.72	FTC
	Sole parent	\$345.02	FTC
Youth Payment	16-17	\$175.10	
Young Parent Payment	16-17	\$140.08	
National Superannuation	Single – Alone	\$374.53	
	Single – Sharing	\$345.52	
	Couple – Both qualify	\$576.20	

\*Family Tax Credit (FTC) First or only child: age 0-15 \$92.73; 16+ \$101.98. Second child: age 0-12 \$64.44; 13-15 \$73.50; 16+ \$91.25  
**Accommodation Supplement** Single: Area 1 \$145-\$160; Area 2 \$100-\$125; Area 3 \$65-\$75; Area 4 \$45-\$55. Sole Parent: Area 1 \$160-\$225; Area 2 \$125-\$165; Area 3 \$75-\$120; Area 4 \$55-\$75

**Current Benefit Numbers (Source: MSD Benefit fact sheets)**

Benefit	Jun-2010	Jun-2014	Jun-2015	Annual change	
Jobseeker Support (JS)	146,385	121,131	118,072	-3,059	-2.5%
Sole Parent Support (SPS)	88,110	74,027	69,240	-4,787	-6.5%
Supported Living Payment (SLP)	92,012	93,257	93,959	+ 702	+ 0.8%
Youth Payment/Young Parent Payment (YP/YPP)	1,442	1,147	1,110	-37	-3.2%
Other	4,975	4,024	2,968	-1,056	-26.2%
<b>Total working-age recipients</b>	<b>332,924</b>	<b>293,586</b>	<b>285,349</b>	<b>-8,237</b>	<b>-2.8%</b>
Percentage of working-age population on main benefits	12.5%	10.8%	10.3%		

**Benefit Numbers 2010-2015** (Source: MSD Benefit fact sheets)



**Hardship Grants, Quarterly, June 2010 – June 2015** (Source: MSD Benefit Fact sheets)

Hardship assistance paid in the quarter	Jun-10	Sep-14	Dec-14	Mar-15	Jun-15
Food	133,204	95,694	92,167	89,228	86,114
Accommodation Related	30,202	25,767	23,667	24,201	23,878
Medical and Associated Costs	28,090	19,956	17,120	17,524	17,745
People Affected by Benefit Stand Downs	871	4,194	3,893	3,723	4,182
Electricity and Gas	10,382	7,886	6,208	5,212	3,975
School Education Costs	5,144	2,577	1,291	21,574	3,240
Re-establishment Grants	3,047	2,557	2,594	2,296	2,515
Driver Licence	1,307	2,786	2,476	2,312	2,460
Health Related	4,373	1,539	1,403	1,451	1,549
Long-Acting Reversible Contraception	0	57	54	49	45
Other	60,304	53,133	45,960	45,742	50,662
<b>Total</b>	<b>276,924</b>	<b>216,146</b>	<b>196,833</b>	<b>213,312</b>	<b>196,365</b>

**Hardship Assistance Quarterly mount by Reason, September 2014 – June 2015** (Source: MSD Benefit Fact sheets)

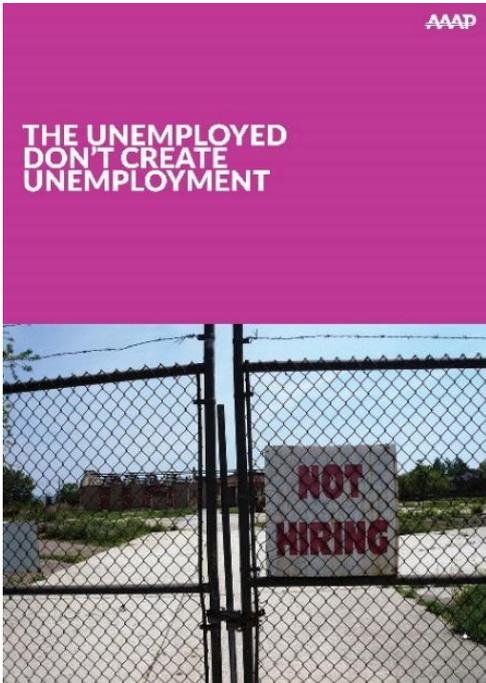
Hardship assistance paid in the quarter	Sep-14	Dec-14	Mar-15	Jun-15
Food	\$10,017,170	\$9,782,006	\$9,452,452	\$9,088,918
Accommodation Related	\$13,761,929	\$12,570,091	\$13,300,829	\$12,968,775
Medical and Associated Costs	\$6,864,331	\$5,981,921	\$6,175,586	\$6,397,301
People Affected by Benefit Stand Downs	\$441,956	\$419,665	\$399,190	\$449,829
Electricity and Gas	\$3,329,480	\$2,815,537	\$2,314,283	\$1,617,549
School Education Costs	\$543,856	\$299,019	\$4,163,215	\$668,215
Re-establishment Grants	\$859,901	\$890,855	\$787,257	\$873,461
Driver Licence	\$284,787	\$259,043	\$241,028	\$255,829
Health Related	\$128,800	\$120,851	\$123,284	\$137,382
Long-Acting Reversible Contraception	\$8,063	\$7,876	\$8,674	\$9,884
Other	\$17,417,145	\$15,140,662	\$15,432,569	\$16,341,669
<b>Total</b>	<b>\$53,657,416</b>	<b>\$48,287,527</b>	<b>\$52,398,366</b>	<b>\$48,808,812</b>

**Hardship Grants – Quarterly Aggregate Totals, Number and Cost** (Source: MSD Benefit Fact sheets)

	Sep 14		Dec 14		Mar 15		Jun 15	
	Number	\$000	Number	\$000	Number	\$000	Number	\$000
Special Needs Grant	125962	\$16,509	120480	\$16,010	115488	\$15,203	113937	\$15,207
Advances	81604	\$33,454	69231	\$29,136	89083	\$33,549	74544	\$30,235
Recoverable Assistance Payment	8580	\$3,693	7122	\$3,140	8741	\$3,645	7884	\$3,365
<b>Total</b>	<b>216146</b>	<b>\$53,657</b>	<b>196833</b>	<b>\$48,287</b>	<b>213312</b>	<b>\$52,398</b>	<b>196365</b>	<b>\$48,808</b>

## Welfare Reform: The Reality. Sarah Thompson

As per the Ministry of Social Development four year plan, the Government has a goal to reduce the long-term liability cost of welfare by \$18 billion, and to reduce the number of people receiving welfare by 75,000 by June 2018, no matter the downstream cost.



At AAAP (Auckland Action Against Poverty), we know the Government is not concerned about Kath (not her real name). Kath is a woman who came to us to find out what assistance she might be entitled to. She lives in a house with 11 other family members, she is the sole worker, and none of the other adults in the home receive a benefit. One of our advocates who visited their home said to me “I know poverty, I'm poor myself, but I've never seen such visible evidence as in this home”. Their house was cold and the kids were all wearing clothes with holes and no socks and their staple food was rice and water. A number of the people in this family were in the process of applying for permanent visas and were unaware that they could apply for any form of government support.

her first pay for two weeks. In between this time Alice became behind on rent after paying for travel costs to get to her new job, and paying for after school care for her son. When Alice was placed in this job, Work and Income failed to tell her that she could apply for assistance to cover some of these costs. Instead, when Alice went to Work and Income for an advance to cover the rent arrears, she was declined because they said she should have been able to plan for this.

The Government is not bothered about Alice. Alice came to us because she and her 7 year old son were facing eviction. Alice had been told to take a job by a work and income work broker. When she started the job she found out that she wouldn't receive

WHY DO THEY  
ALWAYS  
SAY **NO**?

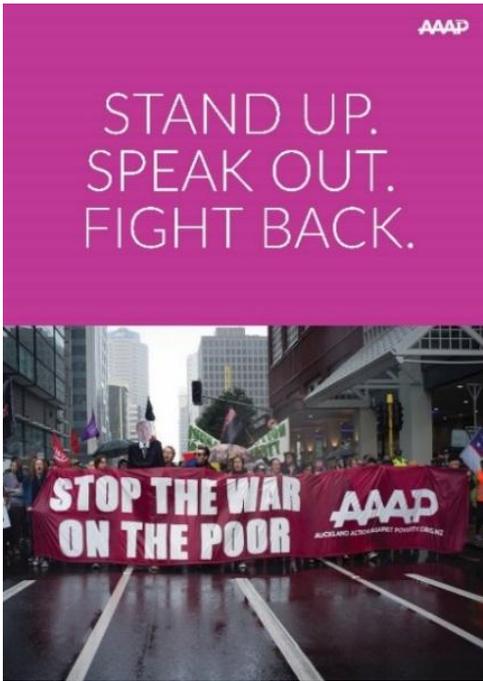
And they're not concerned about Angela and her 3 year old son. Angela was unable to attend an appointment because was looking after her sick aunty, which she'd told Work and Income twice. When Angela didn't make the appointment her benefit was stopped. Not by 50% either, but 100% even though Angela has a child.



And in fact, not only is the Government not concerned by any of the aforementioned, it is all part of the goal: To bring down the actuarial cost of welfare by saying 'no' to any request for assistance, or failing to provide information as to what assistance is available; by sanctioning benefits given the slightest opportunity; and providing an underclass of workers forced to provide labour for cheap, or free in the case of work experience.

The welfare reforms that have been rolled out over the past 3 years were not just about legislative changes – although we have seen the impact of these, particularly in relation to the numbers of people being sanctioned. But these reforms were also about what these changes told people, including case managers, about the kinds of people beneficiaries are. Through introducing, for example, a host of social obligations, we were told that beneficiaries are bad parents; through introducing sanctions we were told that beneficiaries are irresponsible; through bringing in sanctions for people with warrants to arrest we were being told that beneficiaries are criminals; and so on. This messaging impacts not only on public perception but also the culture at Work and Income.

AAAP



On a normal week our 10-15 volunteer advocates work with around 20-30 individuals and families, and, as with the cases mentioned earlier, around ninety percent of the time we manage to have the negative decision overturned and, more often than not, find other legal entitlements the person should be receiving but isn't. However, not only is the need for advocacy bottomless, advocacy on its own will obviously not change the system that leads to its need. And ultimately advocacy only works to pressure Work and Income into applying their own flawed legislation correctly, it does not change it.

With the re-write of the Social Security Act set to happen at the end of this year, this is the time for big questions and big actions. AAAP look forward to failing and succeeding with many of you while we do the work to make that change.

## Our view from the coalface. Moira Lawler



*You can't solve a problem with the same kind of consciousness that created it in the first place. Albert Einstein*

Lifewise has its roots in the Methodist Church, which has a 160 year history.

We work with families across a range of ages and services. Our goal is to end homelessness. We are currently developing approaches to working with homeless youth.

### **New Zealand Definition of Homelessness: Statistics New Zealand (2009):**

*Homelessness is defined as living situations where people with no other options to acquire safe and secure housing: are without shelter, in temporary accommodation, sharing accommodation with a household or living in uninhabitable housing.*

### **2006 Census figures:**

- 34,000 severely housing deprived (up 9% from 2001)
- 44% (15,000) in Auckland
- 27% 15-24 years old



Most conservative (and dated) estimate suggests Auckland has 4,000 15-24 year olds severely housing deprived. (Amore, Viggers, Baker, Howden-Chapman 2013)

### **NZ Youth Development Strategy 2004**

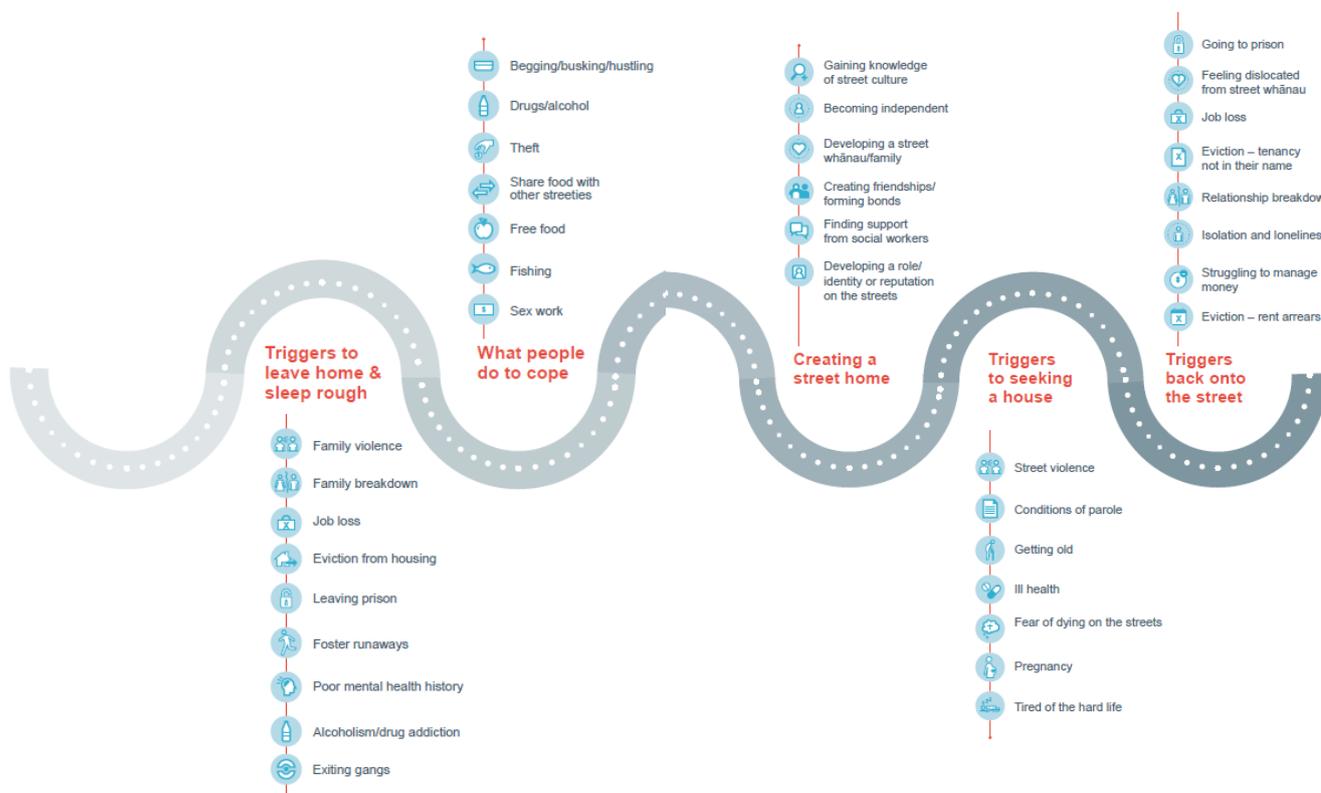
Vision: A country where young people are vibrant and optimistic through being supported and encouraged to take up challenges.

### **Obstacles to Housing:**

Cost of being housed ([An insight into the Experience of Rough Sleeping in Auckland](#), 2015, S. Beaton, T. Cain (Auckland Council), H. Robinson (Auckland City Mission), V. Hearn (Lifewise), & ThinkPlace, p. 12-13)

### Triggers and coping pathway:

There are many different triggers onto the street and while there, people develop strategies and methods to cope and make a home for themselves. There are also many different triggers to leaving the street and seeking accommodation. However, the difficulties of being housed can sometimes trigger a return to the streets. (Beaton, Cain et al 2015, pp. 4-5)



### The Welfare Response

- Youth Service (ages 16 – 17) 2012
  - Youth Payment (\$175)
  - Young Parent Payment
- Job Seeker 18+ Supplements and Allowances at the discretion of MSD staff

### If you don't count them they're not there?

Young people on the Housing Register – recent social housing ROI was to meet the needs of 80 young people on the housing register nation wide

Nationally 3,000 under 18 year olds on a benefit (2014 Valuation)

### The Liability Approach

Future liability:-

- a silo approach – costs to one vote
- Long term outcomes irrelevant
- Incentivises access barriers (Michael Fletcher AUT)

88% of youth benefit recipients come from a beneficiary family.

A lack of family resilience is a key factor in homelessness.

- **Who is defining the future liability?**

## What is Needed

- Strategy to End Homelessness
- Free photo ID for under 18 year olds
- Non-refundable housing entry packages – bond/rent down-payments etc.
- Lifting the age of support for young people in care to 21
- Youth support that reflects true living costs
- Preventative approach to supporting families
- Investment in affordable housing



## A view from Australia. Ben Spies-Butcher

### Introduction

Australia's support for families has expanded alongside economic restructuring. From a relative laggard, Australia has substantially increased spending on families, often explicitly justifying increased family assistance as compensation for the negative impacts of changing economic policies. This has positioned family spending as both focused on adequacy and as a tool of macroeconomic management.

Until recently, these policies have also enjoyed a high degree of bipartisanship.

While direct payments have been universalist and redistributive, policies supporting care have been more contested and proven less adequate. Other changes to welfare have also increased conditionality and undermined adequacy for families with children. This creates a mixed picture, but one that also demonstrates the benefits of universalism.

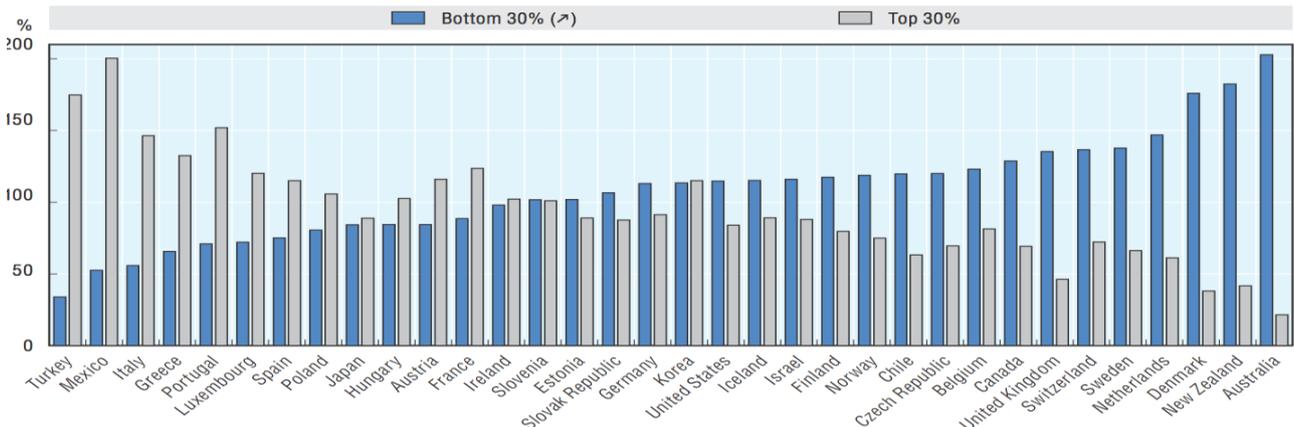
### Similar but different

- Australia and New Zealand share common history and policy institutions
- Different experiences of economic restructuring
- Australia’s corporatist model sees family support grow, and
- Facilitates broader economic goals, but other changes in welfare cause problems

### The low-spending Antipodean model (Source: OECD 2014, Society at a Glance 2014: 53)

Figure 1.18. **When social transfers are highly targeted, spending cuts are more likely to hurt the poor**

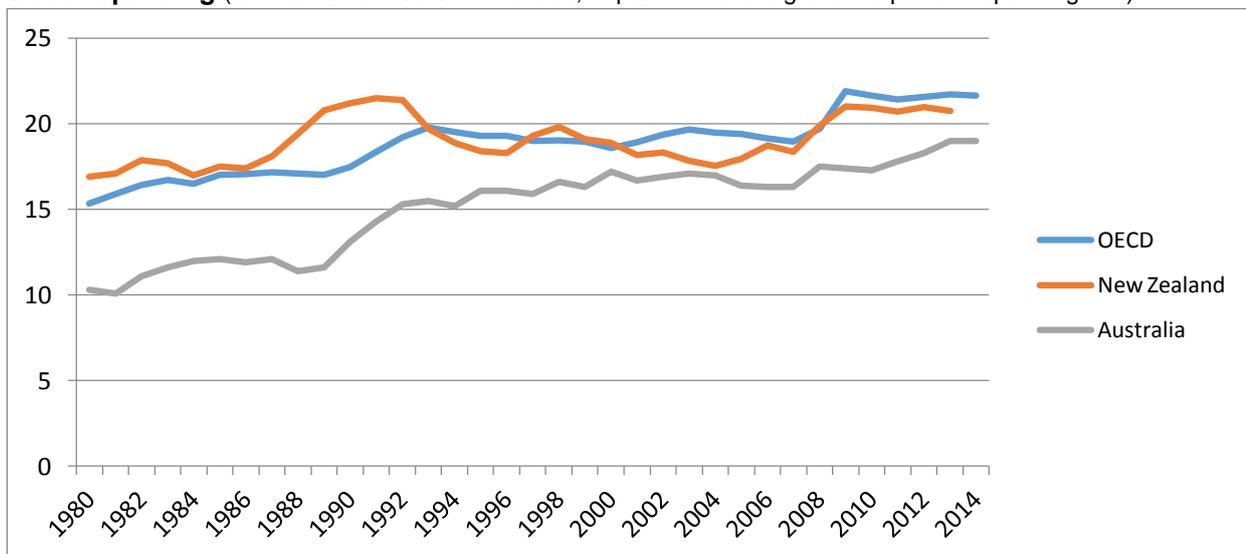
Average total cash transfers received by low- and high-income groups, percentage of average transfers in 2010



### Expansion amidst reform

- Women’s movement is important constituent of 1980s Labor
- Combination of gender concerns and economic reform sees:
  - Focus on compensating families for wage freeze by facilitating women into workforce
  - Compensation through family spending
  - Promises to end ‘child poverty’
  - Joint campaigns by childcare workers and parents for pay and conditions

### Social Spending (Source: OECD SOCX Database, <http://data.oecd.org/social-exp/social-spending.htm>)



### Three paths of welfare in Australia

Means-Testing to the Poor	Affluence-Testing against the Rich	Affluence Targeting
<ul style="list-style-type: none"> <li>Flat rate</li> <li>Means-test restricts access to all but the poorest</li> <li>Payments tend to be too low</li> <li>Activity tests are common</li> <li>Indexation tends to lag</li> </ul>	<ul style="list-style-type: none"> <li>Flat rate</li> <li>Means-test allows some payment to most potential recipients</li> <li>Payments are more likely adequate</li> <li>Activity tests are rare</li> <li>Indexation more often adequate</li> </ul>	<ul style="list-style-type: none"> <li>Increases with spending</li> <li>Support is accessed as subsidy or tax concession</li> <li>Requires means to purchase private service</li> <li>Lacks accountability and transparency</li> <li>Indexation built in as % of price</li> </ul>
<b>Example:</b> Newstart (Unemployment benefit)	<b>Examples:</b> Age Pension Family Tax Benefits Paid parental leave Childcare	<b>Example:</b> Superannuation Private Health Insurance

### Politics of families

- Bipartisan support for growing family payments; but divisions over form.
- Labor favours needs based targeting; Coalition favours breadwinner support.
- Rudd/Gillard Labor governments continue expansion to childcare support; paid parental leave; disability insurance.
- Abbott Coalition change positions significantly on families; Labor has increased opposition to savings measures since losing office.

### Current family payments

Child's age	Maximum fortnightly payment (FTB A)	Maximum fortnightly payment (FTB B)
0-5	\$179.76	\$152.88
6-12	\$179.76	\$106.82
13-18/19	\$233.94	\$106.82
<i>Supplement (yearly)</i>	<i>\$726.35</i>	<i>\$354.05</i>

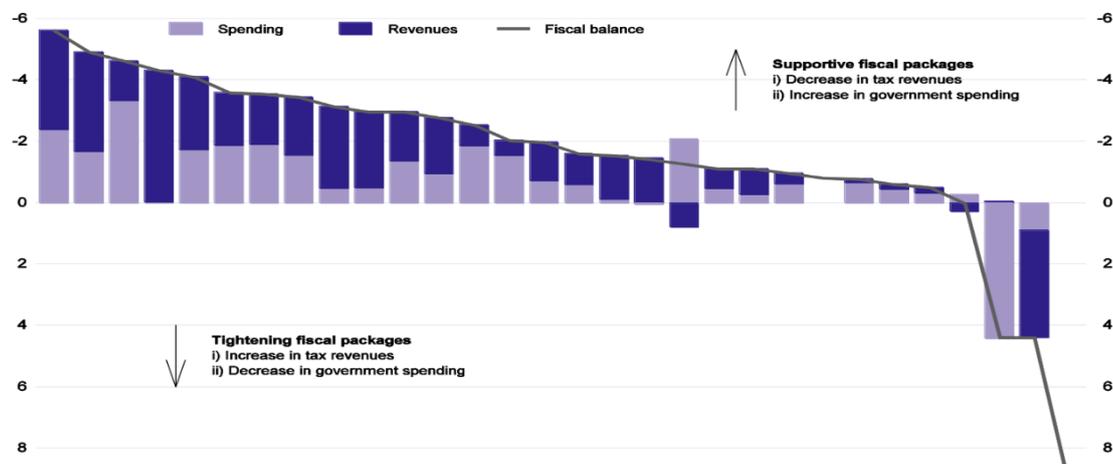
Both benefit levels and thresholds are indexed to Consumer Prices, although this has become subject to contestation since the financial crisis.

### A tool of compensation and reform?

- Family spending increases alongside initial economic restructuring
- Family payments system consolidated as a compensation package for the introduction of the GST
- Family payments used as a primary mechanism for compensation for introduction of carbon pricing
- NSW Premier currently proposing family payments be used as compensation for expansion of GST

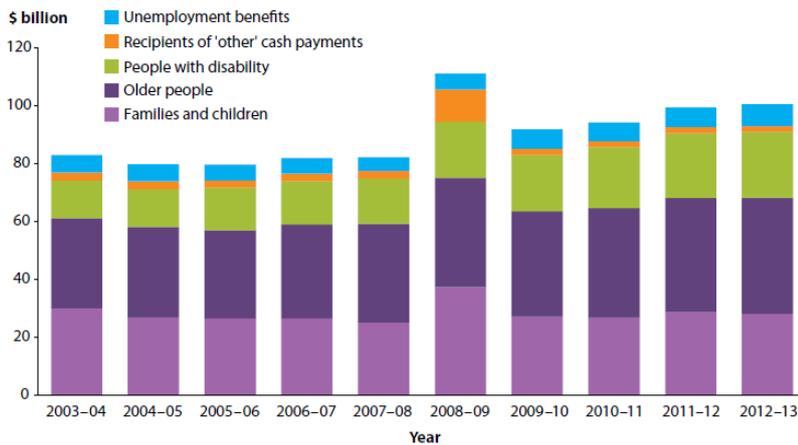
### And a tool for macro management:

Figure: OECD 2009, Economic Outlook Interim Report: 109.



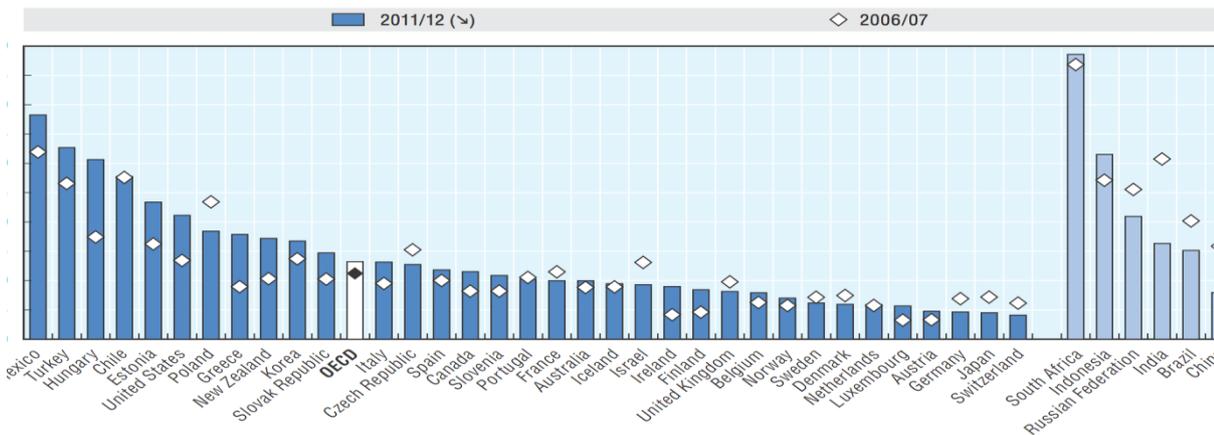
## Keynesian benefits?

Table: Australian Institute of Health and Welfare 2015: 35.



## Is welfare working? (Source: OECD 2014, Society at a Glance 2014: 28)

Figure 1.7. **Growing numbers of people feel they cannot afford food**  
Percentage of survey respondents



## Battles over care and work

- Union campaign for equal pay targets 'care' work (similar case being heard now in NZ): battle to fund wages
- Labor lifts childcare subsidy: Coalition now proposes a more generous and uniform model (but contingent on other cuts)
- Abbott campaigns on a replacement model for parental leave: since abandoned promoting instead significant cuts

## Equal pay and care

- Early policy innovation and higher spending partly respond to organised claims by women's movement
- Not only is demand for care services feminised, so is labour
- Female union density is now higher than for men, especially in public sector and care industries
- Demands over pay: equal pay linked to quality services
- Demands over service provision: nurse:patient and student:staff ratio campaigns

## Childcare reform

- Current system combines two payments
  - Means-tested payment to low-income families

- 50% subsidy for spending
- New system based on reimbursing up to an hourly fee cap
- Access limited by extent of work
- Rate of reimbursement linked to income:
  - 85% for those under \$65k, then reducing to
  - 50% for those earning over \$170k

### Childcare proposal

Hours worked/study/training per fortnight	Hours of care available per fortnight
< 8 (and under \$65,000)	24
8 – 16	36
17 – 48	72
49 +	100

### Battles over parental leave

- Australia a late adopter
- Divisions across politics over a 'work based leave entitlement' and a 'social payment'
- Labor introduces an 'affluence tested' scheme
  - 18 weeks paid leave
  - Must be in work (but can be part time)
  - Paid at the (F/T) minimum wage
- Coalition proposed a more generous scheme at replacement wage
- Coalition now proposes changes to limit access to either government or employer scheme (Blocked in Senate)

### Changes to Family Benefits

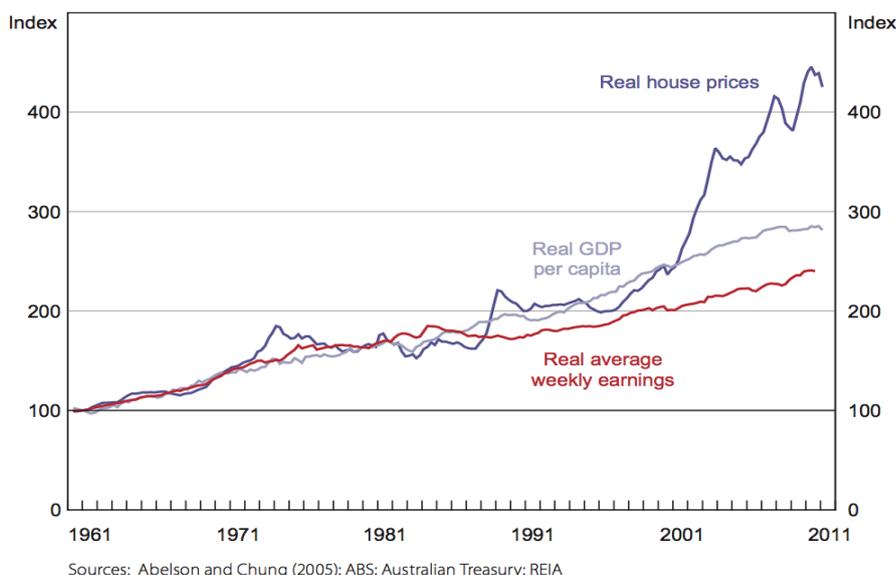
- Short term freeze on indexation under Labor, proposed again (blocked in Senate)
- Means-testing of FTB Part B (for single income households), introduce at \$150k under Labor, reduced to \$100k under Coalition
- Ending FTB B when child turns 6 (but bonus for single parents) (blocked in Senate)
- Removing payments for additional children (with some payment for more than 4)
- Reducing supplement payments to 2004 level and ending indexation (blocked in Senate)

### Other changes challenge adequacy

- Changes to parental leave to prevent accessing employer and government schemes: blocked in Senate
- Substantial shift of those with disability and single parents onto Newstart and introducing and increasing work tests (under Coalition and Labor)
- Proposals for waiting period for young people accessing unemployment benefits (originally 6 months, now 1 month – but blocked in Senate)
- Expansion of work for the dole and Green Army schemes

## Housing is a particular challenge

Figure: Real House Prices, GDP per Capita and Earnings  
1960/61 = 100



### Some reflections

- Australian system emerges from a political compromise: focus on distribution, adequacy and productivity
- Policy design aids future reform proposals and processes partly because it does not have a work test
- Design also aids macro economic management
- Despite fierce partisanship over aspects of design, central features fairly stable and spending increasing

### Politics of policy

- Women's workforce participation now central to productivity debates
- Design of family benefits creates a strong constituency
- Working women have become an important electoral constituency, and the group most likely to move towards progressive parties
- Union membership has become feminised and increasingly focused on care services.

Thankyou.

## The train wreck in the UK. Max Rashbrooke

Max sent his apologies – too unwell to attend.

UK readings in conference pack and at [www.cpag.org.nz](http://www.cpag.org.nz) :

\* [Iain Duncan Smith's delusional world of welfare reform- Polly Toynbee](#)

\* [The end game: The marketisation and privatisation of children's social work and child protection](#) (Critical Social Policy 2015, Vol. 35(4): 1–23) Ray Jones, Kingston University London, England.

## A view from Aotearoa. Hirini Kaa

One of the notions driving the idea of “Welfare fit for families in a changing world” is that there was an idyllic past we seek to return to. This past was possibly in the 1960s where New Zealand was an egalitarian paradise upheld by a welfare state, a society that redistributed resources for the wellbeing of families and the social justice of all. My paper today aims to challenge the idea of a perfect past, particularly for Māori, and instead to challenge us to look to new ways of understanding what can and should constitute the welfare state that can uphold a just nation.

In her ground breaking work on the history of the New Zealand welfare state, Margaret McClure posits that from its origins the system of welfare was designed for citizens, that ‘social security’s funding system promoted a sense of shared rights and equal citizenship.’<sup>2</sup> This also helped to create the sense and reality of “the nation”. However for Māori this was not so simple nor so ideal. The concept of the construction of “the nation” needs to go alongside the history of colonisation and the exclusion of Māori from this construct. Indeed the concept of “social welfare” incorporates the ideals of caring for those within society, and as Claudia Orange noted as a key part of colonisation ‘settler interests obliterated almost all considerations of Maori welfare’.<sup>3</sup>

The impact of colonisation has been well documented by the Waitangi Tribunal and a generation of historians, who have shown the social and economic devastation caused by colonisation leaving Māori vulnerable and in need of the support of the state. The theft of Māori land through military invasion and confiscation and through unjust legislation took away the Māori economic base, forcing dependency on the largesse of the state. This also worked within a constant environment of racism, in which Māori were constantly portrayed as simultaneously lazy and privileged. The idea of Māori privilege was identified by Peter Meihana, based on assumption that ‘colonisation in New Zealand was comparatively benevolent [and therefore] Māori were consequently privileged’.<sup>4</sup>

Of course the welfare state was constructed on the ideals of a humanitarian concern for the fellow citizen, and was indeed underpinned by high minded, altruistic ideals. The idea of ‘shared rights and equal citizenship’<sup>5</sup> could indeed be held up as a key part of building a noble nation. But alongside that came the idea of the ‘undeserving poor’, those who did not deserve to receive the fruits of the nation. And Māori were frequently placed in this category.

The exclusion of Māori from this sense of citizenship was entrenched from the institution of old age pensions in the late nineteenth century. While Māori were initially allowed to take up the pension, this was partially predicated on the idea that they were a dying race, as typified by the monument on Maungakiekie in Auckland. With the improvement in Māori health at the beginning of the twentieth century Māori exclusion could begin, and the Old Age Pensions head office directed Native Land Court Magistrates to ‘limit Maori pensions in any way possible’.<sup>6</sup> Māori were also criticized for their behaviour as “others” as being outside of the defined nation. For example the idea of Māori communal behaviour was strongly disapproved of, and that the pooling of pensions with mokopuna must be stopped.<sup>7</sup> If Māori were to be included in the welfare state, then they must conform to Pakeha ideals of behaviour. Inclusion came at a cost.

The true beginning of the comprehensive welfare state came in with the First Labour Government and the implementation of the Social Security Act 1938. Māori had suffered disproportionately through the great depression, and were once again in great poverty. From this new beginning of “universal” entitlement, belonging to all citizens of the nation, there was an understanding that Māori could be treated inequitably. Māori were given lower payments because it was assumed that they could live off the land therefore ‘living

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<sup>2</sup> McClure, M. (1998) *A civilised community*, Auckland University Press, p.257

<sup>3</sup> Orange, C. (1994) *The Turbulent Years, 1870-1900: The Maori Biographies from the Dictionary of New Zealand*, Wellington, Department of Internal Affairs, p.ix

<sup>4</sup> Meihana, P.N. (2010). The ‘idea’ of Maori Privilege. *Te Pouhere Korero*. 4, 41-50, p.47.

<sup>5</sup> McClure, p.257.

<sup>6</sup> McClure, p.27.

<sup>7</sup> McClure, pp.27-28.

expenses were lower' and this relative poverty 'suggested lower Maori expectations'.<sup>8</sup> There was also criticism of Māori sharing of resources amongst the whanau;<sup>9</sup> highly ironic in a system designed for the redistribution of wealth amongst citizens.

The racism underpinning the system was also a driver for welfare policy in relation to Māori. The idea of "Māori laziness" was applied in the housing area, with talk in the bureaucracy of housing including 'impecunious and lazy relatives'.<sup>10</sup> In a system that aimed for the equality of all citizens, the idea of Māori laziness keep surfacing time and time again. Criticism came from several sources. The media and politicians could be relied on for a steady stream of anti-Māori invective, including 1940s headlines that 'Social Security damns Maori' and was the 'chief industry' of the Māori-dominated East Coast.<sup>11</sup> This went alongside Labour viewing its own work as sacrosanct, with the 1938 act described by one Labour Minister as 'a sacred piece of legislation' designed for 'a sacred purpose'.<sup>12</sup> In this view Māori could be impediments to the socialist nirvana that welfare presaged.

The sacrifice of the Māori Battalion in World War Two was a big driver towards the idea of Māori social equality. It achieved in some ways Apirana Ngata's reward for "the price of citizenship". The Māori Social Economic Advancement Act 1945 removed formal discrimination in the welfare system, allowing Māori to receive the same benefits as Pakeha. However the underlying racial attitudes remained. There was constant talk of Māori benefits being wasted on alcohol and other vices, and control was exerted by the state to reign in these perceived Māori behaviours.<sup>13</sup>

The confluence of perceptions of Māori laziness and bad behaviour came together over condiments. Even though in theory there was equality in benefit levels, Māori could not be trusted with what they were given. McClure gives the example of Ruatoria in the 1940s where Māori family benefits were not allowed to be spent on goods including: food for a tangi, tobacco, tinned meats, and pickles and sauces, which Māori should be making themselves and not wasting in the laziness. Irrespective that Pakeha families could spend their family benefits on whatever they fancied. Māori behaviours were subject to control by the state.

This pattern of official equality and unofficial inequality was epitomised in the key government policy the Hunn report.<sup>14</sup> Released in 1961 by the National government, it has been commissioned by the previous Labour government. There was a general Pakeha political consensus over the desired relationship between Māori and the welfare state. The Hunn report was the driver behind a new form of assimilation, pushing Māori off their remaining land and into the cities: economic exploitation with the added bonus of breaking remaining Māori cultural resistance. State houses – the lynchpin of the welfare state - became the "new turangawaewae", encouraging Māori to become not only economically but spiritually and culturally dependent on the benevolent welfare state.

I was raised in a Māori Affairs house in Mangere in the 1970s. My Pakeha mother clearly remembers a welfare officer regularly coming into the house uninvited to inspect the hygiene. As a Pakeha it was a new and invasive experience of the welfare state. My father was unsurprised by the visits, as a common Māori experience. Māori could partake of the welfare society, but were subject to paternalistic control.

In more recent times this notion of lazy Māori taking advantage of what was nominally a universal welfare state continues to rear its ugly head. Don Brash in his 2004 Orewa speech<sup>15</sup> simultaneously referred to Māori dependence on benefits and the notion of Māori privilege. These concepts were so entrenched in New Zealand society that, combined with an aggressive political campaign, Brash almost led National to electoral

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<sup>8</sup> McClure, p.112.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> McClure, pp.116-117.

<sup>12</sup> McClure, pp.117-118.

<sup>13</sup> McClure, p.119.

<sup>14</sup> J.K.Hunn, J.K. (1961) Report on the Department of Māori Affairs, Wellington, Government Printer, at <http://www.teara.govt.nz/en/document/3570/the-hunn-report>.

<sup>15</sup> Brash, D. (2004) *Nationhood*. Speech delivered at Orewa Rotary Club, 27 January, at <http://www.scoop.co.nz/stories/PA0401/S00220.htm>.

victory. In 2013 the award-winning cartoonist Al Nisbet published a series of cartoons in the Marlborough Express<sup>16</sup> once again portraying Māori as paradoxically both lazy and privileged in their ability to exploit the welfare system. The cartoons played up a series of tropes, displaying Māori as obese, alcohol and tobacco obsessed, fast food reliant, lazy and cynical. Even the laudable recent left wing campaign by Action Station against child poverty felt the need to explain to its own (mainly Pakeha and middle class) supporters that increased benefits would not be wasted on alcohol and that iwi were trying their best to meet their own needs. This in the face of a “universal” welfare system.<sup>17</sup>



None of this is a call to abandon the principles of the welfare state. The idea of an inclusive society that meets the needs of its most marginalised is an ideal to be upheld and even expanded. The welfare state was welcomed on inception by Māori and has lifted generations of Māori out of the most extreme poverty. It has provided safety net and assured a quality of life. This recounting of history is to note that there was not a perfect past, and that national characteristics such as racism stemming from colonisation have not disappeared. Solutions will not come from a return to the past, and underlying attitudes remain, guiding policy and practice.

The introduction of Ruth Richardson’s “Mother of All Budgets” in 1991 which aimed to end the social compact over the welfare state had the effect of throwing thousands of Māori whanau into relatively dire poverty, from which we have never recovered. It also exposed once again the vulnerability of Māori workforce, where our position as unskilled labour, exploited through mechanisms such as the Hunn Report and not benefiting from an unresponsive monocultural education system. Thus the slide into a new round of poverty began and continued unabated through to the present day, where Māori now make up a hugely disproportionate number of the child poverty statistics, exacerbated by age-old views of Māori as the “undeserving poor”.

These forces come together in the Young Parent Payment. The idea of the young Māori solo mother on welfare typifies many of the attitudes of those who believe in the existence of the “undeserving poor”. The argument runs that not only will this situation create long-term dependency on the state created by bad choices, but runs contrary to Pakeha middle-class expectations of what constitutes a worthwhile life. This image was used to great effect in the United States by Bill Clinton and his allies on the right with the 1996 passing of the pejoratively-entitled “Personal Responsibility and Work Opportunity Act”. Young black and brown solo mothers encapsulate the “undeserving poor” images held so dearly by the white middle class.

<sup>16</sup> The Marlborough Express May 29 & 30 2013.

<sup>17</sup> <http://www.actionstation.org.nz/endpovertynz>.

The Young Parent Payment is a punitive regime used against young parents, mostly women. Applied to 16-18 year olds, and disproportionately Māori, this part of the welfare system is held up as a new “investment” approach. Under this euphemistic guise, extra money is spent on the application of the benefit with a “Youth Service provider” who manages many aspects of the recipient’s life, including relationships and social media use. The idea is that through education the recipient will not be “dependent” on benefits, breaking the cycle. Those under this regime are incentivised through financial rewards to enrol in deficit-based, non-Māori parenting programmes for example, and have to enrol their babies after six months into McDonalds-style Early Childcare Education. This breaks the early bond between parent and child which research indicates is crucial.<sup>18</sup>

Māori are most likely to suffer under this punitive regime. Not only will these programmes and educational demands not work for us, but we have a much younger median age for child birth meaning we are more likely to fall under this category for social support. As an economy we need to increase our population to increase our productivity, otherwise we risk joining other low birth-rate countries such as Italy or Japan. So Māori are punished for our economic contribution. The continued failure of mainstream education for Māori is not factored into this equation, and the huge likelihood is “investment” in an economically productive unit will instead create another culturally disconnected fringe member of a society that shuns them.

These “investment” approaches do not allow for kaupapa Māori understandings which have proved so successful in education. Research seeking to align Māori outcomes with Māori aspirations rather than continuously portraying Māori as “failing” is very important.<sup>19</sup> This research also calls for a less reductionist approach to welfare and inequality, not solely based on economic indicators but also cultural outcomes including language retention and identity security. Thus instead of the sole aim being creating economic units we could instead aim to make healthy, happy, well-adjusted families and people. In the long run this would save money in health, justice and, ironically, welfare spending.

This is not, of course, to underemphasise the economic and physical element to these challenges. The pain of seeing your children go without food is universal; the grief of a family over a child dying of rheumatic fever due to poor housing is universal; the degradation of being rejected by your society based on your material well-being is universal. Thus the recent benefit increases must be celebrated, as small and complicated as they are. It’s just that for Māori this is systemic and never-ending.

It is the challenge of “the nation”. More than benefits, more than economic development and community development, we need broader strategies for mitigating the destructive influences of colonisation and poverty. We need to address issues of long term systemic and constitutional change. Alongside Michael Joseph Savage at the foundation of the welfare state walked the Māori prophet Tahupotiki Wiremu Ratana, who provided a Māori mandate for its inception. In doing so he held up Te Tiriti o Waitangi and the Bible representing both constitutional and cultural answers to society’s problems. As we look at the idea of “Welfare fit for families in a changing world” let us not forget these aspects of the challenge.

*Many thanks must go in the writing of this paper to Felicity Ware and her ground-breaking PhD research currently underway at Massey University.*

## A sole parent’s transition to work. Reb Fountain

I’m a single parent of two teenagers and have been since they were little. I am a full time Masters student, have three part time jobs and 2 giant horse like dogs. Life is really busy and I am always juggling and struggling. I never have enough money. It’s such an endless strain. I know some of it’s because of my choices but being a mother is very strategic like that; we have to make the best choices we can for our kids

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<sup>18</sup> For example see <http://www.brainwave.org.nz/>.

<sup>19</sup> <http://www.ririki.org.nz/wp-content/uploads/2015/04/He-Ara-Hou-Report-20112.pdf>.

even though sometimes that makes life harder for us. Giving them what they need is a costly commitment; let alone considering what I need. Our present need is so urgent that doing anything that takes 'time to build' for our future distracts from surviving.

However challenging, I figured I would take on post-graduate study in hopes I might gain a well-paid position that enables financial stability for us now and the possibility I can support them to grow into young well-educated adults in the future. But now a 40-hour study load is compressed into 20 so I can get paid work for as many hours as I can without breaking. And that's a major consideration - juggling and struggling, it's seriously taxing on my health and over the years I've had to learn to listen really hard to my body saying enough is enough.

I've had a long relationship with Work & Income (W & I) – back in my day it was Social Welfare. When I was 16 my mum took me into the local Christchurch office and told them I had to pay rent to her and my step dad so I needed money. I remember it was \$60 a week – seems like pittance now. Needless to say I moved out of 'home' not long after but in truth home hadn't existed for a while. My family had immigrated from North America when I was little. New Zealand was a long way from home back then. My parents separated when I was 9 after years of disconnection and that was it for home for me. We were one of the first families to go through the new family court system and they were trying out all sorts of fangled new approaches and I lost myself along the way. I won't go into all the gorey details but suffice to say I developed all the classic dysfunctions and those years shifted the trajectory of my life way off course. But when you're young you can slip through the cracks easily and still function. I was living out of home at 16, going to school and working full time. I went to night school to manage, and didn't manage, and got more and more depressed. I got some meds, some Social Welfare support, and then I got rehab at 17. I knew a lot of my problems were symptomatic of how I felt and getting free of some of those symptoms meant I could start on the road to unraveling my feelings – but I had a long way to go.

Now I'm aware this isn't AA – I'm not sharing this with you for kicks – I wanted to tell you a little about me so you'd get a sense of the complex histories that inform people's lives. I'm sure you all have your respective tales of calamity and woe – we all do – but even then we're still privileged. I'm a migrant but I'm pakeha and 'white'. I still have choices, I'm educated and pretty strong willed, even if I break here or there. We need to understand our history to effectively tackle our present and future. I certainly cannot speak to a collective 'W & I' experience but hopefully you will gain a sense of the connectivity of experience, policy and outcome.

In January 2010 someone made a call to the beneficiary hotline to do me in for earning money from busking and made some carefully thought out personal accusations. And that was the beginning of hell – that's the only way I can describe it. It's been 5 ½ years since the national fraud investigation unit picked up the caller's baton and ran – an inept and incredibly biased investigation, Benefit Review Committees, Social Security Appeal hearings after hearings, submissions and more submissions – hundreds of hours and days and weeks and moments of me and children's lives sucked into the enormous black hole that is the Ministry system. It's unpleasant to say the least and very time consuming, which is actually what I'm here to talk about. I'm not alone – there are thousands of women like me and I say women because 91% of people receiving the sole parent support are women, and because women and their children bare the brunt emotionally and physically of financial deprivation and struggle. And it doesn't have to be this extreme for it to be hard.

If you haven't ever done it its hard to imagine needing money and what it takes from you to interact with W & I. Just walking into that office fills me with anxiety. The letter comes in the mail and what news is it going to bring today? How is this going to turn my life upside down? I have to tell you – and I'm not making this up – I got home yesterday and there was a letter from W & I saying "you owe us \$118,000 and you need to pay us by 17 September. It was so absurd I laughed and joked with my kids how I would call them and tell them how very wrong they are. But it's taken me years to be able to laugh at the craziness. I've been battling with them for so long I truly can't imagine what life would be like without this weighing upon our lives. When it first started I felt like I had been crushed, I've had to work so hard but all along I've known I am privileged enough to fight so I have to keep going because there are so many women who don't have the time or the will or the education or the support or the history that would enable them to stand up to the Ministry, or even know what

to do when their benefit gets cut. And that's what I am really hear to talk about today – it is hard to navigate the system – so hard, even for me and I would consider myself somewhat of an expert.

About a month ago I walked out of the W & I office and felt great joy – not something you generally feel leaving W & I – but I walked out crying with joy and great relief. I had been trying to come off the benefit for some time but finally I had done it. OK so my benefit had been cut and I'd decided not to go back on....



but I had taken the plunge into non beneficiary status. There's not a great difference between being a beneficiary and non-beneficiary but the label is symbolically significant. I'm sure you've heard our Government touting figures like '6,900 people off the benefit', or 'less solo parents on the DPB'. But where do they go? The Government conflates going off the benefit with being better off but who is better off – the Government gets a reduction in spending but what's the cost to those people, to our nationwide community? Why did they go off? Where are they now? Were their benefits just cut like mine has been countless times? What happened to them? What happened their kids?

There's a whole lot of pressure to be a non beneficiary. And yet here I am off the benefit but still receiving 'assistance' like 800,000 odd other New Zealanders who receive some sort of top of like Accommodation Supplement or Working for Families. So assistance is fine but a main benefit is not; need is normal nowadays but if you don't have a partner to support you or you lose your job then you're a beneficiary and that's a 'burden'. But it's worse than just an 'act of social deviance' - when you are in that position of need and labeled as a beneficiary, you are so controlled, so regulated, and so vulnerable. I would not hesitate to say that we have some serious power and control issues embedded in our social security system. But aside from the macro on the ground life becomes incredibly micro managed.

A couple of years ago I lost most of my nest egg that I had slowly built over years of owning a home – I was pretty broken from the W & I investigation stuff, I had massive financial issues, really bad health and life felt pretty overwhelming for me let alone for my kids. As their mum I couldn't even save them from our situation. I couldn't save myself.

We finally got a house and started rebuilding but I had to go back on the benefit. It was torture – the very place that I needed support from was also the place that had been hurting my family for years. It's these kinds of trade offs that we make for ourselves and our family. They aren't easy. I was shifted from 'sole parent' to 'jobseeker' but I had jobseeker with medical deferment. That means I didn't have a work expectation but I wasn't considered an invalid – so I had to go to my doctor every four weeks then every three months to get a medical certificate to keep getting my income. And every time I would debate with myself maybe I'm ok, maybe I can manage – and I'd get so anxious about the pressure of going into W & I and whether I could manage financially or not – it was an enduring cycle that did nothing to help my physical condition or my mental wellbeing.

When I decided I wanted to go back to University I had hours and hours of broken conversation with W & I, Studylink, and several case managers on and off the phone. Everyone told me something different: you can or cannot be on a benefit and go to school. I knew what I was entitled to because of years of research for my case. But I wasn't in charge of my life – random W & I employees were. So, like a pin ball I bounced off one after another each making new decisions. I had one case manager who didn't know what to do so he called the hotline and they misinformed him so he refused to help me and cut my benefit. He literally would not walk across the floor and ask his supervisor to advise him – I walked out of the office with no money because he didn't want to look like he knew nothing. I have had my benefit cut so many times without warning, then my automatic payments bounce and I end up with a whopping fee and I spend time I am meant to be doing paid work on the phone to W & I and in the office trying to get my benefit reinstated – fighting for what I'm entitled to because if I don't fight nobody is going to do it for me.

My neighbor won't ask for help from the police because when she has done in the past, they have threatened to take her children off her. She doesn't know she could make a complaint or that legally they can't do that or that she could challenge it or that even her ex partner is the one that's in the wrong for being abusive – she can't even articulate her abuse let alone know how to demand help from a system supposedly trying to support her. And that's the way it is with W & I. The people that need their help are vulnerable, and the system isn't designed to consider their lived experiences.

With the casualisation of the labour market has come zero contracts, inconsistent wage packets; individuals holding down two or three jobs has become the norm. Our taxation structures aren't really built for that. I've been juggling jobs – one of them is a night job – it's casual and I can submit available hours but then I get rostered, so I might get 5 hours one week and then they want me to work 20 another. And it's hard to do lots of nights and have kids and school – I never get to see them - so I got another job which is twice a week in the day – they have more work for me but I haven't got more time. But even with those two jobs I spent 6 months not being able to go off the benefit and not earning the money I was working for. See on a benefit I could earn \$100 a week before abatement kicks in – I'd end up effectively being taxed 80 cents in the dollar for my work. On top of that my W & I income was seen by IRD as my main income so my jobs – the two jobs that I was trying to work at to get off the benefit – got taxed as secondary income, which is a lot higher. And because I had accrued a student loan and was now 'officially' earning over \$19,000 I started having to repay my student loan – whilst on a benefit, and whilst trying to get off the benefit by working two jobs and whilst still being a student – so I ended up working effectively for nothing.

It would be easier and actually quite sensible to consider not working at all given the amount of stress and regulation upon your life. And that's really what I would like to impress on you today. Beneficiaries are people too. People like me who have complex histories and varying degrees of abilities, yet are positioned as deserving of inadequately considered systems and structures with very little oversight.

There was one case manager recently –there is rarely continuity of care anymore in W & I so you get a different person every time – and this case manager she was really worried. I had gone into the office and said “I want to go off the benefit, I'm desperate, I can't handle the stress anymore and maybe I could go off and get the in work tax credit which might make me better off”. She went through the numbers with me and she said “I'm worried that if you don't earn this much you might not have enough money to live on or feed your kids”. And I said I don't have enough already – I borrow money every month and it's so stressful to be on the benefit whilst under investigation whilst working and going to school. But she was right – I did need support - and I was grateful for her care.

We have to care about what's happening to people, people like us, and let's face it – we're all here today because we do care. But its time we got informed about what is going on the ground for people who need government assistance of any kind.

Studies like Auckland City Mission's *The Family 100 Project* provide an opportunity for us to understand the experiences of those living in poverty, whilst concurrently examining the practice of those engaging with the mission population. The reciprocity of learning within the project not only creates a more effective response and action framework, it provides evidence-based material that informs public and political debate and policy. And that's what we need – we need to find a way for voices to be heard and for us to listen to them.

Thanks for having me.

## Welfare and work in the 21st century. Mike Treen

Over the last three to four decades there has been an expansion of casualised work across the globe. A recent International Labour Organisation (ILO) report found that only one in four workers had a stable job. “The rise in informal employment, undeclared and temporary work arrangements, as well as involuntary part-time work, has contributed to the widening of income inequalities, which have been recorded in the majority of countries” noted Guy Ryder ILO Director General.

In New Zealand the CTU reports “At least 30% of New Zealand's workers – over 635,000 people – are in insecure work. We believe it may well cover 50% of the workforce. 95,000 workers have no usual work time, 61,000 workers have no written employment agreement, 573,000 workers earn less than the Living Wage and almost a quarter of a million Kiwi workers say they have experienced discrimination, harassment or bullying at work. As the CTU comments: “Whether we call it casualisation, precarious work, temporary, or

non-standard work – it means that workers have worse conditions, less security, less say and are more vulnerable. That may suit the boss – but it is unfair and does not work for workers.”

Unite began organising workers in fast food, the tourist hotels, the Casino, security, English language schools and call centres just over a decade ago. We discovered a world of insecure work, no guaranteed hours, with workers completely at the whim of the boss to use and abuse as they saw fit. We have been fighting tooth and nail for a decade to change these practices. Progress was made in many areas but we found the one issue they refused to budge was on what they call “flexible rostering”. Only this year when we named the unnamed as zero hour contracts did we get the breakthrough in the media and public consciousness needed to force the employers to finally end this practice.

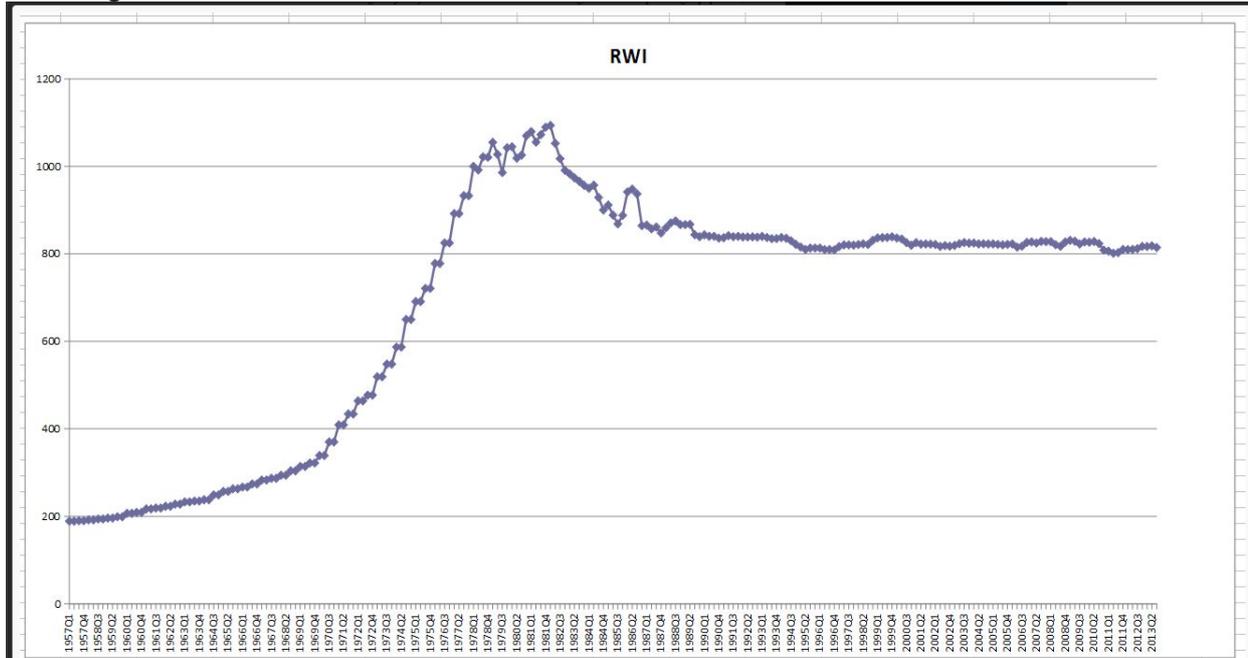
When I started organising workers I was genuinely shocked at how far the basic rights of working people had been pushed back. I grew up in a world with full employment so I could work full or part time in every school or University vacation from the age of 15. I had union protection on every job I until the 1990s. During a brief period of unemployment I had access to an unemployment benefit as a 16 year old of \$15 a week that was equal to the rent of a three bedroom Mt Eden home. In this world unions prospered, inequality was reduced, and real wages peaked by the early 1980s.

The ruling rich hated this world and sought to destroy it. They have been successful. Technology helped. Computers and the software needed for just in time manufacturing suited just in time rostering as well. We know, like them, that it will strengthen workers hand in asserting their rights to fair treatment, appropriate breaks and join a Union. But fundamentally they had to break the power that working people had accumulated during the three decades of economic expansion following world war 2.

That expansion as well as the fear of the Soviet Union saw the rulers of the advanced capitalist countries in Europe, the US, Japan and Australasia make many concessions – including many of the main features of the Welfare States as we know them - that they regretted and sought to reverse as soon as conditions allowed. Those conditions followed the period of renewed economic crises from the mid-1970s that reproduced a reserve army of unemployed to break unions and tame workers. The goal of this programme was simple – to reduce real living standards of workers by reducing wages and dismantling welfare – especially assistance to those who could not work.

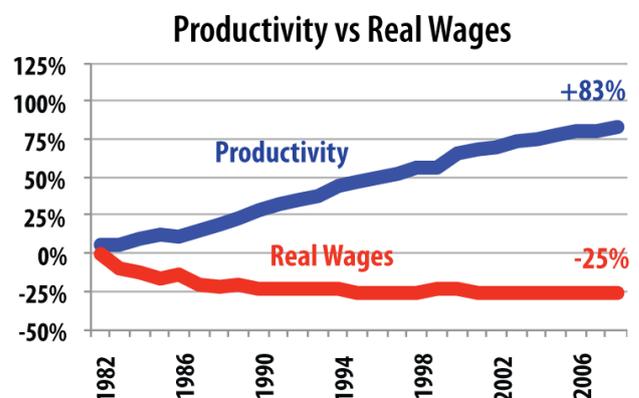
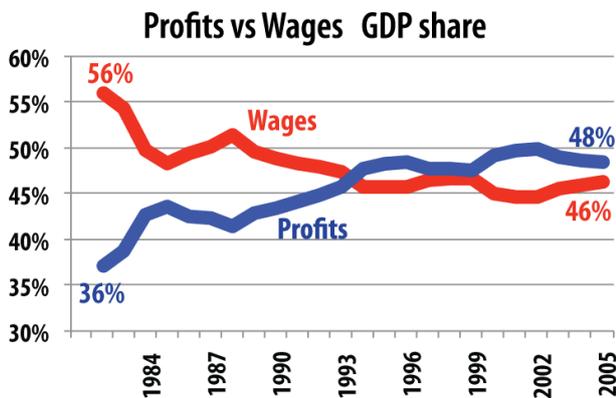
Real wages in NZ were cut 25% by the early 1990s and have only recovered a little (if we use the Quarterly Employment Survey) or not at all (if we use the Labour Cost Index) to measure changes. To help the process along the minimum wage was frozen for 8 of the 9 years of the 1990s National Government. The one year there was an increase was when Winston was in coalition. The real value of the minimum wage dropped from 50% of the average to 30%. Private sector union coverage has been reduced from 50% to 10% of all workers.

## Real wage Index 1957 to 2013



There has been a massive shift of wealth from workers to bosses. The July 2014 CTU Economic Bulletin calculates that “labour share of income fell from approximately 60% of income in early 1980s to 46% in 2002 – a loss to wage earners of about a quarter of aggregate income. It then recovered to around 50% – a sixth lower than the 1980s. In current dollar terms, that is a loss of about \$19bn per year or \$10,000 per wage earner per year. The present value of the loss over that period is estimated at between \$660bn (invested in term deposits) and \$1,200bn (paying off mortgages) or 3 to 5 times GDP.

New Zealand’s labour share is very low by developed country standards: Piketty considers 60-70% typical. In United Nations comparisons, only Chile and Mexico are lower among OECD countries.” ILO research attributes falling labour share in developed economies to nationalisation (46%) globalisation (19%), technology (10%) and loss of employee bargaining power, de-unionisation and falling government spending (25%). Higher unemployment also contributes. Between 1978 and 2011, aggregate labour productivity in New Zealand grew by an average of 2.73% a year according to a recent Productivity Commission report. That means each individual worker is producing twice as much output today as they did 26 years ago. All that increased productivity has been captured by the employers of labour power.



Discussing this process in the USA one of that country's richest men commented: “There’s class warfare, all right, but it’s my class, the rich class, that’s making war, and we’re winning.” This is actually the first time in the history of capitalism where the real living standards of working people has not increased from one generation to the next. The problem is not “can we afford it” but who will control that additional wealth.

Benefit levels were also slashed. If you want to cut wages you have to make living on a benefit as miserable as possible. Prior to the cuts in 1991 around 25% of children in beneficiary families were identified as poor in the Household Economic Survey. That rose to 75% post cuts and hasn't changed much since. To justify these cuts (and the refusal of future Labour-led governments to reverse them) a whole ideology around deserving and undeserving poor has been developed. Anyone who is not working is a bludger. Assistance is targeted to those deserving people in work through Working for Families.

Universal entitlements like the family benefit were eliminated so assistance could be targeted to the deserving more accurately. The system became one where seeking assistance became more and more difficult, humiliating, and vindictive.

The economic recession that was partly induced by the budget welfare cuts saw unemployment hit 10-12% on average. But for those of Maori or Pacifica descent the recession was a depression with unemployment reaching 25% and whole communities shattered. Prior to this recession Maori and Pacifica had higher labour force participation rates than did Pakeha. That was before the infection of these communities by a mass virus of laziness that saw tens of thousands of them quit work over just a few years.

Full time male employment fell by 120,000 over four years from 1987-91. Of course this impacted much more on Maori and Pacifica. Working class communities and families were torn inside out and upside down. To compensate for the loss of real income families worked more hours. Two parent families with both working full time doubled from 20% in the 1980s to 42% of all families. Another 28% of families today had a parent working part time.

A report by Simon Collins in the New Zealand Herald 25/11/06 found that average family income in 2001 in constant dollars was the same as in 1981 despite the fact that the proportion of women working went from 47% to 61% and the percentage of families working 50+ hours a week went from half to two thirds.

In New Zealand average household debt went from 60% of GDP 15 years ago to 150% today. This is the second most indebted in the OECD. Much of this went into housing with the banks fuelling a housing price bubble as prices doubled since 2000 – the same as they did in the UK and Australia. We were told not to worry. We were encouraged to use our houses as an ATM machine. Average household expenditure exceeded average income on average about 6% for those 15 years but increased to 15% in the mid 2000s. In the 3 decades before 1980 households saved on average about 10% of their income.

The bosses agenda is simple. Shift all costs onto workers (or the environment, or the government) and maximise their profits. That is the nature of capitalism. New technology was an important aspect of these changes. For example computers and specialised software has been developed for just in time inventories but also just in time workers.

New industries developed to take advantage of this new flexibility. Specialised call centres and the rapidly growing fast food industry, moved quickly to use zero hour contracts. Even a 24/7 operation with thousands of staff like the Casino preferred staff on part time contracts with the bare minimum of hours. Other industries like forestry and construction were transformed from companies with staff directly employed right through the chain to head offices contracting out to small gangs competing against each other.

Tens of thousands of regular full time jobs were also lost in what had been secure public sector jobs through corporatisation and privatisation. Many workers were tuned in self-employed contractors. Thousands of other workers like courier drivers and pizza deliverers have also been classified as self employed when they have no control over their labour at all. Usually full-time manufacturing jobs were sacrificed on the free trade altar. A wave of factory closures ripped through working class communities in NZ. A lot of regular full time work in older industries like Hotels were also eliminated as soon as the union was taken out of the equation.

Also eliminated were penal rates and other allowances. We estimated that real wages of a housekeeper in a hotel today are only about 50% of what one would have received under the union contract in the mid 1980s.

More and more employers use temping agencies for at least part of their workforce rather than employ directly. Unite has run into this problem at call centres like Sky TV and manufacturing plants like Allied Liquor.

Job insecurity means we have jobs that don't give us enough hours. Job insecurity for other is being worked too many hours – and not all of them will be paid. Job insecurity means we often have to work more than one job. Job insecurity today means if we lose a job the one we get to replace it with is more likely to pay less. Job insecurity means that if we are unemployed we are far less likely to be able to access benefits.

Both the previous Labour Government and this government have introduced measures that have systematically denied access to benefits for those who should be eligible – i.e. they are unemployed. Under Labour there was much more dramatic fall in the number of people receiving unemployment benefits than the comparable fall in the official measurements of unemployment that was a direct consequence of the “active” case management of people off their entitlements.

From 1990 to about 2003 there was a broad correlation between the number on benefits and the number of people recorded by the Household Labour Force Survey as unemployed or jobless. Using the jobless number as the comparator the percentage on benefits was always about 70%. That percentage fell to 21% in less than 5 years and there was no possible reason other than aggressive denial of entitlements.

This has continued under National with increased requirements for women with children of a certain age to make themselves available for full or part time work. The bureaucratic nightmare of repeated form filling and participation in useless training is used to just bully and harass people into giving up.

### Beneficiaries as a percentage of the jobless 1990-2013

Year	Unemployed 000s June year	Unemployed 000s benefit June year	Jobless 000s – June year	Benefits as a percentage of Jobless
1990	121.8	149.078	190.9	78
1991	156.7	160.742	191.9	66
1992	184	178.224	192.9	64
1993	175.6	181.236	193.9	69
1994	159.4	170.016	194.9	69
1995	127.7	151.052	195.9	73
1996	115.4	145.559	196.9	76
1997	122.4	148.359	197.9	73
1998	137.5	161.279	198.9	72
1999	143.4	169.203	199.9	74
2000	124.6	159.16	200.9	77
2001	109.4	144.849	201.9	78
2002	106.8	129.932	202.9	69
2003	103.3	116.197	203.9	65
2004	91.9	85.712	204.9	52
2005	82.2	66.822	205.9	43
2006	84.2	57.124	206.9	37
2007	85	40.323	207.9	24
2008	84.5	33.925	208.9	20
2009	114.8	68.428	209.9	32
2010	153	78.161	210.9	30
2011	154.2	71.281	211.9	28
2012	157.3	64.056	212.9	24
2013	158.6	50	213.9	18

Benefits gets cancelled immediately for the most trivial and bureaucratic reasons but mistakes by WINZ take months to correct. The net result is that the percentage of the working age population receiving any type of benefit (unemployment, sickness, invalid, sole parent) has been cut from over 13% in the late 1990s to less than 8% today when the unemployment rate has only fallen from around 8% to 6%. Getting that 3% of the working age population (about 110,000 people) off benefits essentially has just removed about a billion dollars a year from working class communities.

It is reflected in overcrowded homes, people living in garages or on the street, kids staying at home longer, poor health, poor nutrition. Systems have created to weed out the undeserving poor (those who don't work or don't work the hours considered necessary to be deserving). This creates poverty

traps around working extra hours or getting a promotion or a pay rise if we receive working for families. Sole parents must juggle child care and work obligations if they are deemed able to work because their child is a

certain age, and again any extra hours worked can penalise you. An unemployment benefit is also clawed back so mercilessly that additional part time work is essentially discouraged.

Working for Families doesn't match the combined income of a low wage and a sole parent benefit so parents are forced to live apart to access enough support from the state to be able to afford to bring up a child. This is true even for the single and couple's unemployment benefit which if you apply as a couple rather than two singles leaves you \$90 a week worse off. The law incentivises the break up of relationships. Then of course if they live separately they are spied on to make them prove they are not in relationship – especially if you are a solo mum.

Working for Families is premised on regular work of 20 hours a week or more for a single person or 30 hours for a couple. Tens of thousands of workers with children have no idea how many hours work they will get week to week and navigating access is almost impossible for many. How does a self employed pizza hut driver access this system? That is the reality we discovered when we returned to try and unionise the hotels and fast food workers again a decade ago. But what we also discovered is that these are not some special class of worker with special needs that are different from other workers. They want the same things. Better pay, more secure hours including the chance of full time work, respect and dignity and fairness around breaks and rostering and an end to bullying and illegal deductions.

We could fix some things relatively quickly. Other like an end to the zero hours regime took a decade. This year we have also ended the zero hour regime at SkyCity casino. Some progress has also been made in the tourist hotel sector but bars and restaurants and most retail work remains unionised and without any protections. 90% of employees in the private sector remain unprotected by a union. Many will be on some form of zero hour contract.

We also have a danger with new technology that is becoming available. There is a real debate over robots taking all our jobs. That may be the case in the future but I have no way of passing judgement. What I do know is that if we could make sure the benefits of robotics and automation are shared in society then we should welcome their arrival.

But that is the problem. That is not what has been occurring. I do not believe that rising productivity necessarily leads to unemployment. Capitalism is a system that is built on competition. Only the fit survive. Costs get cut, including labour costs. The essence of a productivity rise over time is the replacement of labour by machines. Until now new types of work also inevitably develop – often in the form of new needs not thought of before.

It is probable in the near future that a driver less car and an app combo will eliminate taxi drivers for good. That is progress in my view. But the productivity gain, the profit share, needs to be captured by society not only by Google or whoever invents it. The jobs lost need to be replaced and that is a social obligation. If the jobs can't be replaced then the work can be shared and the free time devoted to leisure, education and crafts art and all manner of creative pursuits. I see no reason why the majority of humanity would surrender their lives to some form of techno feudalism with a tiny minority of winners and vast number of losers. A social struggle will determine that outcome.

However there is an immediate dangerous development for working people that we need to confront. That is the apps like Uber and TaskRabbit in the USA. There are other examples of it in NZ also. They say about 3-4 million are employed in the US by these apps and this is expected to double in five years. These apps are allowing labour to be connected directly to a customer in a bidding process that incentivises the lowest cost providers. At the moment these workers are being classified as self employed and they often have no protections. In some cases basic things like a character checks or insurance aren't being done so they are being given unfair competitive advantages over those who must play by the rules.

I don't believe unions can stop the technology. We need to figure out ways to use it. Where there are unfair advantages because one group is following the law and the other is not then that needs addressing. Uber for

example should be obliged to have necessary insurance, to do checks on the drivers, and so on. But if it is an artificial barrier designed to protect the existing taxi company monopoly then that doesn't need protecting.

One of these apps in the US has adopted a logarithm that allocates work based on earning at least \$15 an hour. Another one which arranges someone to do your shopping has shifted from a self employed model to a waged model. Californian courts have ruled that Uber drivers are employees not self employed.

We can write the law to make that happen here as well. That means they would have to be paid at least the minimum wage. It means the contract would stipulate the app must include an algorithm that ensures that is the case. These apps also open up the possibility of cooperative labour being promoted. Why can't a local governments help drivers establish their own cooperative using the same technology.

All of those issues need addressing. That is why legislative measures remain vital to restore security and dignity for workers. We have pushed the minimum wage back up to 50% of the average and this government has not felt able to reduce it's real value. That is a victory. The government promised to eliminate zero hour contracts. They lied. The draft law is worse. The MBIE website is upfront. It says that with the new law "The employer and the employee do not have to agree on set hours if both prefer flexibility." Telling a young, unemployed, unskilled worker that they can make a choice to "prefer flexibility" when accepting a job with a fast food giant is a lie and Woodhouse knows it.

But the fight is not over on this issue. I think they are vulnerable. We will be launching a campaign to force the government to meet its promise. We will need your support. We need laws that will allow a radical expansion of union coverage. Most workers like unions. Given a genuinely free choice most would join. How hard is it to design laws that give that choice. We need real access rights. We need real choice for workers when they start work, including meeting the union for that sector. Unite has 7000 members but only 20% density. With 60 or 80% density we would be able to bargain much more effectively with the bosses in our sectors.

We need a minimum wage that equals 2/3 of the average wage. But we need laws on breaks, scheduling, and overtime. We need additional sick leave and annual leave to spread the benefits of the productivity rises we have already achieved. We need to radically reduce the use of self-employment and subcontracting. Make the big companies employ directly unless they have a good reason not to or make the lead employer liable for unpaid wages, failed health and safety and so on.

And we need a welfare system based on universal entitlements not begging for crumbs. There should be universal access to publicly provided housing – most deserving first but progressively making it a right for whoever wants one. Health care and education must remain universal entitlements and made really free. There should be a generous universal family benefit for all children. There should be a universal citizens income for all when you leave school. We could end WFF and nearly all benefits currently being paid by WINZ. I was sceptical for many years on this. But the cost is not unreasonable. In fact the elimination of the punitive multibillion dollar bureaucracy known as WINZ would be a wonderful sight. But it has been promoted by some who see it as a support mechanism to avoid challenging the low wage, casualisation, and job insecurity because we can't stop it. I would dispute that.

A citizens income shouldn't be done to avoid taking action to turn back the clock on casualisation and job insecurity. We need better laws and stronger unions for that to happen. But I think a citizens income will empower workers to join unions. It will enable workers being abuse to give the boss the one finger salute and be safe while finding other work. And it will give many WINZ staff the chance to find a worthwhile job to redeem themselves.

The future of work and welfare is another one where there will be a social struggle between the interests of the majority and those of a small minority. Let us step up with radical ideas for the radical challenges that lay before us. Let us propose practical humane solutions. Let us be reasonable. But let us also be insistent that

change must come. And if the system can't accommodate these sane practical solutions then we need to change they system so that it serves the majority not a tiny minority of super rich "haters and wreckers".

## Health. Innes Asher

I would like to thank the children and families from whom I have learnt so much. The future health and wellbeing of any country is dependent on the well-being of its children. A much greater proportion of New Zealand children are affected by poverty now than 2-3 decades ago, with accompanying ill health. Poverty is one of the leading factors contributing to childhood illness, disease, disability and deaths in New Zealand. In addition to those immediate consequences, many major health issues in adulthood have origins in childhood poverty, such as cardiovascular disease, mental illness, dental decay and lowered longevity.

**Innes Asher**

Head of Department of Paediatrics: Child and Youth Health,  
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&  
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Starship Children's Health  
Health Spokesperson, Child Poverty Action Group



CHILD  
POVERTY  
ACTION  
GROUP



### What is the difference between Glasgow and NZ?

Both have poverty, yet Glasgow does not have high rates of preventable diseases in children



*Glasgow has good quality housing structure and free primary health care at all hours.*

In 2004, when I presented about New Zealand child health at the Public Health Unit in Glasgow they were very surprised that we had such high rates of preventable diseases in New Zealand. In Glasgow they don't experience these high rates. Yet Glasgow has the one of the highest rates of poverty in Europe. Why is Glasgow protected? It's because their housing structure is of an adequate standard and they have free access to primary health care at all times; these are the two factors that are different in New Zealand.

### New Zealand's triple jeopardy for preventable diseases and mental illness

*All of these influenced by policies*



Turner N, Asher I. Child Poverty and Health in 'Our children, Our Choice' Child Poverty Action Group Policy Series 2014

This led me to conclude that we have a triple jeopardy for preventable diseases and mental illness in New Zealand caused by three things happening at once:

- poverty
- unhealthy housing and
- inadequate basic health care.

All of these are influenced by policies.

### Emma-Lita Bourne (2 years) died in Aug 2014



I am going to illustrate these issues through respiratory disease.

Emma-Lita Bourne died a year ago. The coroner determined that the cold damp housing she was and was a likely contributing factor in her death from pneumonia. Pneumonia is a serious infection deep in the lung tissue.

A 3 month old baby with bronchiolitis



There are other infections deep in the lungs such as bronchiolitis shown here in this photo. It is similar to pneumonia but the baby wheezes.

## Bronchiectasis (scarred dilated airways)



Child with bronchiectasis



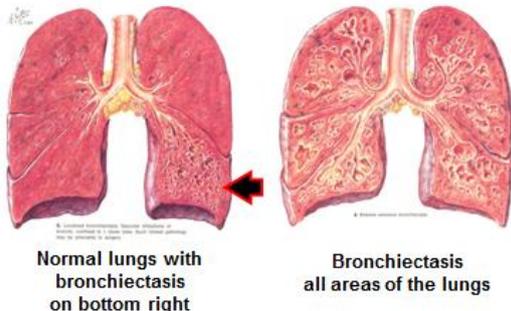
May die as a teenager or young adult or too sick to work

When children have severe pneumonia or repeated pneumonia they can develop permanent scarring of the airways in their lungs called bronchiectasis. This is a very serious and permanent disease. We are diagnosing about one child per 10 days with bronchiectasis at Starship.

This slide on the left shows a child with his chest deformed through bronchiectasis. This disease can lead to a child dying as a teenager or becoming or as a young adult or becoming too sick to work. A person with bronchiectasis may die as a young parent perpetuating the cycle of poverty.

## Bronchiectasis (scarred dilated airways)

- Caused by repeated or severe pneumonia
- In NZ is 8-9 times commoner than UK and Finland



Normal lungs with bronchiectasis on bottom right

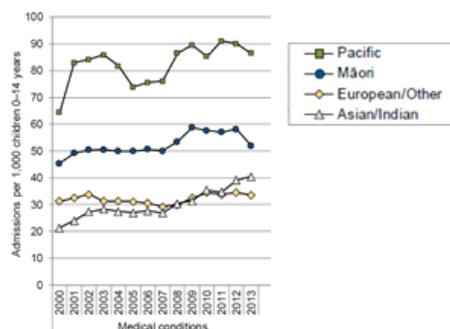
Bronchiectasis all areas of the lungs

The rate of bronchiectasis in New Zealand is 8 to 9 times that of Finland and the UK - the only OECD countries who have measured it, because it is relatively rare there. However bronchiectasis is widely recognised as a chronic disease of extreme disadvantage.

This slide shows a localised area of bronchiectasis in the left hand diagram and all areas of the lungs affected in the right-hand diagram. The average age of diagnosis of bronchiectasis in children in Starship, is now about three years of age and most of these children have least half their lungs affected by bronchiectasis

## Hospital Admissions for Medical Conditions with a Social Gradient\*, Children Aged 0–14 Years, New Zealand 2000–2013

\*asthma  
bronchiolitis  
pneumonia  
gastroenteritis  
serious skin infections,  
rheumatic fever,  
bronchiectasis  
etc



Craig E et al. Child Poverty Monitor, 2014

This slide shows hospital admissions for medical conditions with a social gradient in children aged up to 14 years from 2000 to 2013. These diseases include bronchiectasis and rheumatic fever which are relatively rare. The most common causes of these admissions are asthma, bronchiolitis, pneumonia gastroenteritis and serious skin infections

This slide also shows data by ethnicity. The yellow diamonds are European/Other which have been remarkably steady through this 13 year period. The rates of admission for Asian/Indian children have been gradually

increasing which is a cause of concern. However, strikingly, Māori rates of admission were about 50% more than European/Other in 2000 and are now even greater than that – the gap has widened. Pacific children admitted to hospital at even more shocking rates more than double the European rates in 2000 and now nearly triple their rates.

I'd like you to imagine that the European rate was the top line and the yellow diamonds the Māori and Pacific rate and ask yourselves if the European/Other rate was as high as the Pacific rate would this country's actions have been urgent and comprehensive?

I have spoken about respiratory diseases as an example of preventable physical diseases caused through poverty, unhealthy housing and inadequate basic health care. Inadequate basic health care includes lacking any of these: basic hygiene in the home; health literacy – systemic and family levels; access to primary health care, including doctor visits and medicines; enrolment with health providers from pregnancy, regular assessment and coordination; dental care and optometry care. Some of these issues require money to fix them, but many require better systems and access.

How does unhealthy housing cause health problems?

- Cold – viruses survive better; the World Health Organisation recommends house temperatures should be 18+ degrees;
- damp encourages mould which can cause airway inflammation;
- unflued gas heaters - noxious gases cause cough and wheeze;
- crowding causes rapid spread of infection between people.

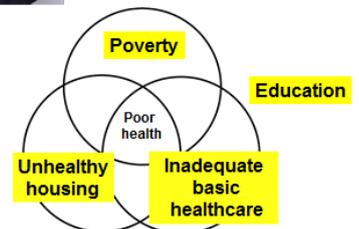
Does making New Zealand's homes healthy improve health? Yes- there is less wheezing, fewer days off school and work, fewer visits to GPs, fewer hospital admissions for respiratory diseases

### Policy recommendations for health:

1. Increase health funding for children to a level that achieves equal child health outcomes for all ethnic groups.
2. Primary care services are free for all children from last three months of pregnancy up to age 18, including general practice services, prescriptions, dental and optometry care.
3. Effective and universal antenatal care/maternity services to be provided that include national targets and ensure all pregnant women are enrolled with maternity services as early as possible in their pregnancy.
4. All children are enrolled at birth with the necessary health services: General Practice, National Immunisation Register, WellChild /Tamariki Ora and Dental services.
5. Establish youth-friendly health and social services in all low decile secondary schools, with sustained Government funding.



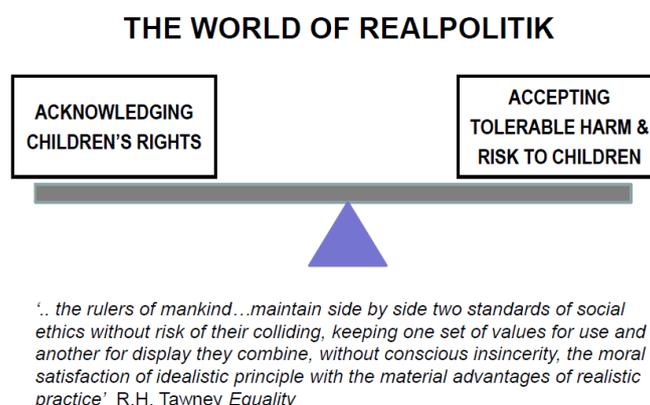
To address poor health NZ must have the right policies to address all these areas



In summary, to address poor health among children and young people, New Zealand must have the right policies to address all these areas: poverty, unhealthy housing, inadequate basic health care, and of course education which is woven through all these areas too.

# Every Child's Right To Housing. Alan Johnson

A policy dichotomy



## How we might create a statutory right for every New Zealand child to be adequately housed?

New Zealand children have a number of statutory rights to protection against abuse, neglect and avoidable harm. These rights are well respected both by politicians and ordinary citizens, as witnessed by the recent release of a report by the Commissioner for Children of his review of Child Youth and Family<sup>20</sup> and by the public disquiet expressed about the poor outcomes being achieved for children by this Government agency<sup>21</sup>. At one level New Zealanders appear passionate about ensuring that every New Zealand child is kept safe from harm and abuse. But on another level many are a little indifferent about the circumstances which thousands of these children live in which put them at risk of harm<sup>22</sup>.

This widespread concern for preventing extreme or very serious harm to children, but an ambivalence to either moderate harm or just the risk of harm, creates a sort of policy dichotomy. This dichotomy is at least two-dimensional. In the world of realpolitik there is clearly a temptation and perhaps even a tendency for politicians to care sufficiently about children's wellbeing in order to appear concerned and to have available adequate responses to extreme examples of harm to children, but not to care so much that it distracts from their other political priorities. For those responsible for designing and administering policy, this dichotomy translates into having to develop and support policies which on one hand acknowledge the rights of children to be protected from harm, while on the other hand having to subtly determine when the level of harm or the risk of harm to children is tolerable politically.

This paper investigates this policy dichotomy with reference to children's right to housing. The paper takes it as a given that children's wellbeing is adversely affected when they do not have access to safe, secure and healthy housing, so the importance of such housing and of rights of access to this housing have been assumed without further discussion. Having assumed this relationship, this paper first considers the relationship between a child's legal rights to protection and their need for housing which is safe, secure and healthy. The focus then shifts to economic rights and because the economic rights afforded to children are generally inseparable from those available to their parents or guardians the papers considers these rights from the perspective of adults

<sup>20</sup> See Children's Commissioner (2015) *State of Care: What we learnt from monitoring Child Youth and Family*. Available at <http://www.occ.org.nz/assets/Publications/OCC-State-of-Care-2015.pdf>. See also the Minister of Social Development's comments on the needs for a review of Child Youth and Family at 'Minister vows to CYF review right' at <http://www.radionz.co.nz/news/national/282605/minister-vows-to-get-cyf-overhaul-right??> support for the release of the report at

<sup>21</sup> See for example some of the following media commentary. Public Service Organisation 'Children's Commissioner report highlights continued underfunding of CYF' at <http://www.psa.org.nz/media/releases/childrens-commissioner-report-highlights-continued-underfunding-of-cyf/>. Family First 'If CYF was a family, it would have had state intervention by now at' <https://www.familyfirst.org.nz/2015/08/if-cyf-was-a-family-it-would-have-had-state-intervention-by-now/> and Save the Children at <http://www.voxy.co.nz/national/scnz-responds-cyf-report/5/230152>

<sup>22</sup> Research commissioned by Child Poverty Action Group on New Zealanders' attitudes to poverty found that 40% of respondents attributed child poverty to economic and other structural factors while 40% blamed bad parenting and poor budgeting for this poverty. See MM Research (2014) 'New Zealanders' attitudes to child poverty' available at [http://www.cpag.org.nz/assets/MMResearchReport\\_CPAG\\_%2818.7.14%29.pdf](http://www.cpag.org.nz/assets/MMResearchReport_CPAG_%2818.7.14%29.pdf).

with dependent children. The paper then considers the gaps which exist between economic rights and existing legislative provisions around housing. Finally some suggestions are offered for how these gaps can be closed in order to bring more secure housing rights to children and their families.

## An overview of children's right to protection

Children in New Zealand have their rights to protection from violence, abuse and neglect set down in three main pieces of legislation – the Children, Young Persons and their Families Act 1989, the Crimes Act 1961 and the Domestic Violence Act 1995. In addition the Care of Children Act 2004 discusses such protections although its purpose is to decide who might best look after children who might be judged to be at risk of abuse or neglect.

The overall presumption offered in these statutes is that parents and families have the primary responsibility to care for and nurture their children and quite naturally that they have a duty not to harm them or allow them to be harmed. Behind these presumptions, responsibilities and duties stands the State. The State's role here is partly one of protector but also one of adjudicator and enforcer.

The Children, Young Persons and Their Families Act is the main statute protecting children from violence, harm and abuse. A central objective of this Act is '*providing for the protection of children and young persons from harm, ill-treatment, abuse, neglect, and deprivation*' (s4(e)). Section 13 of the Act sets out the Acts principles which include that:

- the *primary role in caring for and protecting children and young people* lies with their family or whanau,
- a child's family or whanau should be *supported, assisted and protected as much as possible* and,
- any *intervention into family life* should be the minimum necessary to ensure the safety and protection of children and young people.

Section 14 of the Act outlines the circumstances in which a child is determined to be in need of the care and protection of the State. These circumstances are:

- when a child (or young person) is being or likely to be harmed, ill-treated, abused or seriously deprived,
- when a child's development or wellbeing is or is likely to be impaired or neglected and where this impairment or neglect is serious and avoidable and,
- when parents or guardians are unwilling or unable to adequately care for their child.

The Domestic Violence Act specifically deals with violence and abuse in family or other domestic relationships. Section 3(3) of the Act states that '*a person psychologically abuses a child if that person— causes or allows the child to see or hear the physical, sexual, or psychological abuse of a person with whom the child has a domestic relationship*'. Section 3(2) defines violence to include '*financial or economic abuse (for example, denying or limiting access to financial resources)*'.

The Crimes Act has in sections 152 and 195 specified criminal offences against children. Section 152 outlines the '*Duty of parent or guardian to provide necessities and protect from injury*'. Section 195 sets out the duties of parents, guardians and caregivers in the care and treatment of children and vulnerable adults. Offences against these provisions occur when there '*is a major departure from the standard of care to be expected of a reasonable person*'.

Somewhat interestingly the Vulnerable Children Act 2014 really fails to offer any additional legal protections for so-called vulnerable children. Rather, it provides for ministerial direction of processes to prepare a '*vulnerable children's plan*' and imposes requirements on public agencies such as school boards to have '*child protection policies*'. The circumstances or conditions which might contribute to a child's vulnerability are not even set down in the Act. Section 5 of the Act defines vulnerable children as '*of the kind or kinds (that may be or, as the case requires, have been and are currently) identified as vulnerable in the setting of Government priorities under section 7*'. Section 7 does not identify either these settings or the '*types*' of children who might be classed as vulnerable but really just sets out a process where the '*responsible minister may from time to time, after consulting with the children's Ministers, set Government priorities for improving the well-being of vulnerable children*'.

Under these acts combined, the protections offered to children who are not being seriously harmed by abuse, neglect or deprivation appears minimal. This is especially so in the case of deprivation where a child has to be at risk of serious deprivation in order to warrant some form of intervention from the State.

Furthermore, in all but the most extreme cases, the presumption is that the primary responsibility to avoid a child being deprived lies with the family and that it is a secondary role for the State to support families or whanau 'as much as possible' – whatever that means.

While it is helpful that the Domestic Violence Act acknowledges the violence of 'financial or economic abuse' which includes depriving individuals of access to economic resources, such violence is, through the purpose of the Act, limited to being within family or domestic relationships. The violence of 'financial or economic abuse' outside of family relationships does not exist elsewhere on the statute books.

While the protections under the statutes cited above extend to deprivation and the harm caused by this deprivation the reason for such deprivation, the extent of deprivation which is considered tolerable, and the form this deprivation takes are not mentioned – outside of the access to economic resources within family units. Some of the legislation appears designed to clarify expectations that the core responsibility to look after children lies with their families or whanau.

To this end the legislation also establishes that the State's first role is to enforce not unreasonable standards around how children are treated and cared for. Beyond these expectations the State does not appear to have an explicit obligation in the legislation cited here to ensure that families or whanau have access to the resources to ensure that children have the necessities of life. There is just a vague promise that families and whanau will be 'supported whenever possible' by some outside party. In the extreme where children are being seriously deprived they may come under the explicit care and protection of the State.

In effect, children have fairly minimal explicit rights to reasonable access to the material resources which might be seen as unexceptional in a wealthy society such as ours. Against this background the promise of access to housing is completely missing. It is not that children have been intentionally denied a right of access to housing, it is just that it has never come into the conversation around statutory rights for children.

## An overview of economic rights

New Zealanders enjoy a considerable range and depth of economic and social rights, although they are often not framed as such. Probably the best basis for considering economic rights is the International Covenant on Economic, Social and Cultural Rights (ICESCR), which was completed through the United Nations in 1966 and more or less ratified by New Zealand in 1978.

The main economic, social and cultural rights covered by the ICESCR are as follows:

- **Article 6** covers the right to work in a freely chosen and accepted occupation,
- **Article 7** provides protections that such work is just, safe, free of discrimination and able to provide workers and their families with a 'decent living',
- **Article 8** provides for the right to join freely functioning trade unions,
- **Article 9** offers rights to social security including forms of social insurance,
- **Article 10** covers various rights attached to families including protections for pregnant women and the right to marry freely,
- **Article 11** recognises 'the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions',
- **Article 12** covers health rights including the right to enjoy 'the highest attainable standard of physical and mental health',
- **Article 13** recognises various education rights including the right to free and compulsory primary education and freely available secondary and tertiary education,
- **Article 15** covers cultural rights and the rights to both share in the benefits of scientific progress and enjoy property rights associated with copyright and cultural production.

An assessment of these various rights against New Zealand legislation which might be seen as supporting them is attached as a table in Appendix 1. This table indicates that there are some rights which are not specifically covered by legislation – the right to work for example. Such gaps raise important questions around the role of the State with respect to economic, social and cultural rights.

Is it, for example, the State's role to merely **respect** these rights – that is not trampling on them through other political agendas? Alternatively, it may be the State's role to **protect** rights especially for the most vulnerable citizens and especially in the face of market forces and property ownership structures. At perhaps the most idealist end of the spectrum is the idea that the State has a role to **fulfil** various economic, social and cultural rights. It is often assumed, or at least claimed by those who advocate for the respect of economic and social rights, that governments have obligations to fulfil these rights. There is very little in the ICESCR to draw such a conclusion and the reality of political practice to date is that the State's obligations often extend only to the respect and protection of rights. This is especially so for economic rights.

Notwithstanding its genesis, the State most often functions as an entity in itself and not as some extension of the common will and consent of the people as proposed for example by Rousseau and other social contract theorists. This is especially so in New Zealand where the State's legitimacy was originally based on conquest, confiscation and colonisation and remains without a constitution. The State as an entity in itself, and especially one without a constitution, then determines who has what rights according to its own political agenda<sup>23</sup>. In practice however, this determination is most likely mediated by the need to gain a bare majority of political support in order to claim a mandate.

Such political support is most easily garnered by acceding to the economic rights of the politically powerful against those of the least powerful. Such examples in New Zealand include a universal retirement income entitlement against a discriminatory and selective family income support programme<sup>24</sup> and by an unwillingness to impose a capital gains tax on wealth while continuing to impose income taxes on all the income of the poorest paid.

This all suggests that economic and social rights need to be seen in the context of other rights such as legal and political rights of all citizens and property and other ownership rights of the more wealthy of citizens. An attempt to offer such a context is provided in Table 1 below. This table provides examples of statutes which to some extent codify the State's roles with respect to various rights offered to New Zealand citizens. The statutes offered in this table are not meant to be an exhaustive list of how the State chooses to observe various rights but merely as examples of such observance.

**Table 1: An overview of the State's roles around rights in New Zealand**

TYPES of RIGHTS			
THE STATE'S ROLE	CIVIL & POLITICAL	ECONOMIC SOCIAL & CULTURAL	PROPERTY & OWNERSHIP
TO RESPECT	Bill of Rights Electoral Act Habeas Corpus Act	Human Rights Act	Public Works Act Resource Management Act
TO PROTECT	Bill of Rights Privacy Act Human Rights Act	Human Rights Act Crimes Act Employment Relations Act	Land Transfer Act Crimes Act Companies Act
TO FULFIL	Human Rights Act	Social Welfare Act Education Act NZ Public Health & Disability Services Act	Commerce Act Credit Contracts & Consumer Finance Act

### Economic rights and housing

Perhaps of most interest in a study such as this are those rights covered in Articles 9 and 11 of the ICESCR which set out States' obligations and citizens' expectations around social security and a material standard of living. In addition Article 10.3 may also be of some interest because it offers children protection from economic and social exploitation and from '*discrimination for reasons of parentage or other conditions*'.

As discussed above Article 9 deals with rights to social security while Article 11 deals with rights to an adequate standard of living, which includes access to housing. These rights as with others are subject to resource availability of each of the States signing up to the Convention – see Article 2. Article 11 however calls for the '*continuous improvement of living conditions*' so it can be assumed that the expectation of

<sup>23</sup> A recent and clear example of an arbitrary decision by the New Zealand State over the extent of citizens' right is the decision in 2004 by the Clark led Labour-Coalition Government to use specific legislation to override Maori claimant's legal rights to use the courts to establish their ownership rights in the foreshore and seabed.

<sup>24</sup> For example under the Working for Families programme some income entitlements are only available to families which are working for 30 hours or more per week despite the fact that children living in benefit dependent households are more likely to be living in poverty – see Perry, B. (2015) '*Household incomes in New Zealand: Trends in indicators of inequality and hardship 1982 to 2014*' Table 11.4.

signatory States is that living conditions do not get worse and that the focus of States should be on continuously improving the living conditions of their citizens.

There are no specific requirements of States around measures of adequacy in terms of a standard of living or of the content and nature of any system of social security. This is probably to be expected given the great differences which continue to exist in the wealth and prosperity of participating States. Article 2 of ICESCR does however suggest that participating States should adopt legislative measures as the basis for '*achieving progressively the full realisation of the rights*' covered by the Covenant.

So what legislative measures in New Zealand cover housing rights?

Four main pieces of legislation deal with housing related matters although none of these provide any meaningful housing rights. The relevant statutes are the Social Security Act 1964, the Residential Tenancies Act 1986 and the Housing Restructuring and Tenancy Matters Act 1992. In addition, there is also the Housing Improvement Regulations 1947.

The Housing Restructuring and Tenancy Matters Act manages the operation of social housing within New Zealand<sup>25</sup>. This focus includes how the state owned social housing provider Housing New Zealand Corporation Ltd is governed and managed. The Act also establishes another public entity known as the Social Housing Agency whose job it is to provide '*assistance and advice to people on matters relating to housing or services related to housing*' and manage applications from citizens for social housing (section 101).

The Housing Restructuring and Tenancy Matters Act provides no guarantees or rights to housing and in fact does exactly the opposite. In sections 79 and 97 Housing New Zealand or other social housing providers are explicitly put under no obligation to allocate housing to any particular tenant or applicant who may have been referred from the Social Housing Agency.

The Residential Tenancies Act 1986 manages the relationship between landlords and tenants in residential properties and boarding houses. This Act sets out the minimum requirements of tenancy agreements between landlords and tenants and specifies each party's rights. The Act makes discriminatory practices in the letting or management of tenancies unlawful (section 12) but offers tenants no rights to secure tenure. In effect, landlords (or their agents) can terminate an open term or periodic tenancy for no reason whatsoever and give the tenant 90 days' notice to vacate. This termination notice can be shortened to 42 days in some circumstance (section 51). Although no specific housing standards are set down in the Residential Tenancies Act. Section 45(1)(b) requires landlords to '*provide and maintain the premises in a reasonable state of repair having regard to the age and character of the premises and the period during which the premises are likely to remain habitable and available for residential purposes*'.

Part 1K of the Social Security Act 1964 provides for the State to offer qualifying citizens assistance with their housing costs. The assistance is known as the Accommodation Supplement. The Supplement is paid out for costs which an eligible person faces for accommodation costs for the '*premises*,' which means '*the place that he or she occupies as a home*' or in the case of a boarder or lodger '*any room or other accommodation occupied as a home by that person*' (section 61EA). Rules around eligibility for an Accommodation Supplement payment and for the amount of such a payment are set out in section 61EC of the Act.

Minimum standards for what can be called a residence or dwellings are contained in a 68 year old regulation known as the Housing Improvement Regulations 1947. These regulations set down minimum standards for housing alongside provision for a \$40 fine for property owners who breach these standards. These standards are on any account fairly primitive by 21<sup>st</sup> century standards with for example allowance for shared bathrooms and toilets between separate dwellings (regulation 19).

A number of worthwhile observations can be made about these legislative provisions. Firstly, not only do none of these provisions offer any rights to housing but they don't even express any interest or concern for rights outside of the provision for unlawful discrimination in the allocation of tenancies.

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<sup>25</sup> The Housing Act 1955 also provides various powers to the Government for the provision of 'state housing' and for various miscellaneous operational powers of Housing New Zealand as a statutory body. This Act has nothing to do with actual provision of housing however.

Secondly, none of the main statutes deal explicitly with the quality of the housing provided although the Residential Tenancies Act places a duty on landlords to maintain their properties in a reasonable state of repair after taking account of the property's age and future use. The Housing Improvement Regulations set some sort of minimum standards although these are now 68 years old and threaten trivial penalties for non-compliance. The lack of interest in reviewing these standards points to the lack of importance placed on housing conditions over the past 50 years. Recent moves by the present government to impose minimum standards for insulation and fire alarms are very welcomed. However, perhaps as many as 100,000 of the estimated 280,000 poorly insulated rental properties may be exempt from this requirement<sup>26</sup>.

Finally, children and the housing needs of children do not feature at all in housing related legislation. This failure is especially disappointing in provisions of the Social Security Act relating to the Accommodation Supplement, which provides for housing assistance subsidies of \$1.3 billion annually. The actual housing requirements of households with children do not feature at all in the setting of subsidy rates and in fact the proviso that the accommodation secured through the Supplement is of a minimum standard is entirely absent. The premises secured by the recipient simply has to be *'the place that he or she occupies as a home'*.

### Addressing children's housing rights

The ICESCR places two not unreasonable requirements on signatory States, which have some relevance to the idea that all New Zealand children should be accorded a right of access to housing which is safe, secure and healthy. As cited above, Article 10.3 requires that *'Special measures of protection and assistance should be taken on behalf of all children and young persons without any discrimination for reasons of parentage or other conditions'*. Also as cited above there is an expectation, established under Article 11.1, of a *'continuous improvement in living conditions'*. In other words, children's economic rights should be given special protection and support and we should see on-going improvements in the standards of living achieved over time.

There is evidence of some improvement in housing conditions for children over recent years although this evidence is somewhat equivocal. For example Table 2 reports rates of overcrowding for children and the total population from the 2006 and 2013 censuses while Table 3 reports overcrowding by ethnicity for the same periods. Overall, there has been a slight reduction in the proportion of households living in overcrowded housing – from 10.4% in 2006 to 10.1% in 2013, but there have been significant declines in overcrowding rates amongst children aged between 5 years and 14 years. However given population increases overall there was a small numerical increase of around 9,000 people who lived in overcrowded housing.

**Table 2: Proportions living in crowded housing by age from 2006 and 2013 Censuses<sup>27</sup>**

	AGE in YEARS				TOTALS
	0-4 years	5-9 years	10-14 years	All ages	Total number
2006	16.9	17.4	15.3	10.4	389,385
2013	15.4	12.2	10.3	10.1	398,100

Overcrowding amongst Maori households fell appreciably between 2006 and 2013 while numbers increased for both European and Pacific people although the share of European and Pacific reported as being overcrowded declined slightly between censuses. Table 3 reports these results.

<sup>26</sup> See Housing Minister Nick Smith's proposals for legislated minimum standards for rental properties at <https://www.beehive.govt.nz/release/tenancy-law-changes-include-insulation-and-smoke-alarm-requirements>, <http://www.mbie.govt.nz/info-services/housing-property/consultation/changes-to-residential-tenancies-act?searchterm=changes+to+residential+tenancies>.

<sup>27</sup> Data for Tables 2 and 3 is taken from Baker M, Goodyear R, Telfar Barnard L, Howden-Chapman P. (2012) *'The distribution of household crowding in New Zealand: An analysis based on 1991 to 2006 Census data'*, and Ministry of Health (2015) *'Analysis of household crowding based on Census 2013 data.'*

**Table 3: Living in crowded housing by ethnicity from 2006 and 2013 Censuses**

	ETHNICITY			
	European	Maori	Pacific	Total population
2006 - numbers	113,700	117,010	103,560	389,385
2006 - %	4.7	22.8	42.6	10.4
2013 - numbers	119,430	110,940	108,660	398,100
2013 - %	4.3	20.0	39.8	10.1

Although there has been a small reduction in the rates of overcrowding across New Zealand, the geographical distribution of this decline has not been even. Rates of overcrowding in the Counties-Manukau District Health Board area are around twice the national rate and in 2013 people living in overcrowded households in these communities accounted for almost one quarter of all the New Zealanders living in overcrowded conditions. The proportion of people in the Counties-Manukau DHB area who are living in overcrowded conditions has changed little since 1991 when it was 21.1% rising to 21.9% in 2006 and falling very marginally to 21.8% in 2013<sup>28</sup>. Unsurprisingly rates of infectious diseases such as Rheumatic fever are three to four times higher in Counties-Manukau than the national average<sup>29</sup>.

The distribution of the burden of poor housing is not evenly spread geographically, ethnically, or in terms of age. Overall there has been some material improvement in housing conditions New Zealand wide although there are more New Zealanders living in overcrowded housing than at least since 1991 when reliable data has been available. Fewer children overall seem to be living in overcrowded conditions although younger children (aged under 5) are about 50% more likely to live in such conditions.

But none of these changes are a result of any Government policies although Government may claim credit for the rising prosperity which New Zealanders have experienced over the past decade and which has contributed generally, but not equally, to improving living conditions. Housing pressure especially in and around Auckland may risk these gains along with the small advantages which have accrued to the least advantaged in the housing market.

Without specific legislative measures guaranteeing children some rights to safe, secure and healthy housing, there remain no guarantees either that minimum housing standards are being achieved or that the almost \$2 billion spent annually on housing assistance is being spent prudently on worthwhile housing outcomes.

There are considerable barriers to introducing a right to housing for children. The absence of such a right is contrary both to the New Zealand Government's obligation under ICESCR and its statutory commitments under the Children Young Persons and Their Families Act. The poor housing conditions endured by thousands of New Zealand children place them at risk of serious deprivation and arguably should be subject to direct intervention, of some form, by Child Youth and Family. While such assistance should preferably not be one where children are taken into State custody, the measures and guarantees available to families struggling to provide adequate housing for their children remain vague and unreliable. Furthermore no mechanisms are available which can translate financial assistance with housing costs into housing of an acceptable standard – mainly because the idea of acceptable housing standards has only a loose relevance in some housing markets.

These difficulties suggest that three connected responses are required if New Zealand children are to always have access to housing of an acceptable standard. These responses are:

- Agreeing that poor housing situations pose a serious risk to children's physical, social and emotional wellbeing,
- Clearly identifying the statutory responsibilities of public agencies to respond to housing need where children's wellbeing is at risk.
- Enforcing mechanisms to ensure that State assistance with housing and public subsidies specifically translate directly into housing for children which is safe secure and healthy.

<sup>28</sup> Ibid.

<sup>29</sup> Data from New Zealand Public Health Observatory which is available at <http://www.nzpho.org.nz/NotifiableDisease.aspx>.

## Conclusions

A review of the various protections which children enjoy under legislation and agencies' practices suggests that many of these rights are not well defined both in terms of scope and responsibility. These rights and protections generally only relate to children's legal and social rights and it appears that children's economic rights have been given little consideration in legislation or practice. Essentially children's economic rights are delivered through their parents or guardians. The ease with which these parental rights can be rescinded with no regard for the impact of children – as with sanctions on non-compliant benefit recipients, points to the weakness of this approach. Ideally and practically children should have economic rights independent of their parents as provided for in Article 10.3 of the ICESCR.

Perhaps one way of both coordinating and safeguarding the rights which children have or should have, is to combine them all in a Children's Rights Act. Such a piece of legislation has at least two functions. Firstly, it allows for some cross-referencing of the various rights of children, as is already done in legislation, and by doing so to ensure that inconsistencies and ambiguities are identified and resolved. Secondly, such a statute has considerable symbolic value as a whole of community commitment to our children. Such a commitment should become a clear and unequivocal statement of what we offer all New Zealand children regardless of their circumstances and background.

### APPENDIX 1: The legislative acknowledgement of social and economic rights in New Zealand

SPECIFIC RIGHT	ICESCR ARTICLE	RELEVANT LEGISLATION
Right to work	6.1	None
Just & favourable conditions of work	7	Employment Relations Act 2000
Fair wages	7(a)(i)	Minimum Wage Act 1983
Right to earn a decent living	7(a)(ii)	None
Safe & health working conditions	7(b)	Health & Safety in Employment Act 1992
Equal opportunity in employment	7(c)	Equal Pay Act 1972
Rest and leisure	7(d)	Holidays Act 2003
Right to form & join trade unions	8	Trade Union Act 1908
Social security	9	Social Security Act 1964
Right to protection for families	10.1	Children, Young Persons & their Families Act 1989
Protection & support for pregnant women	10.2	Parental Leave & Employment Protection Act 1987 NZ Public Health & Disabilities Services Act 2000
Protection & assistance to children	10.3	Children, Young Persons & their Families Act 1989
Adequate standard of living including adequate food, clothing and housing	11	None
Highest attainable standard of physical and mental health	12	NZ Public Health & Disabilities Services Act 2000 Health Act 1955
Free & compulsory primary education	13.2(a)	Education Act 1989
Freely available secondary education	13.2(b)	Education Act 1989
Freely available tertiary education	13.2(c)	Education Act 1989
To take part in cultural life	15.1(a)	NZ Bill of Rights Act 1990
To enjoy the benefits of scientific progress	15.1(b)	None
Copyrights to creative production	15.1(c)	Copyright Act 1994

# Working for Families/Incomes. Susan St John

	PRINCIPLES for WELFARE FIT FOR FAMILIES	CURRENT POLICIES	WELFARE FIT FOR FAMILIES	NZ SUPER-ANNUATION
1	Best interests of the child	NO	YES	YES (65+)
2	Simplicity	NO	YES	YES
3	Equity	NO	YES	YES
4	Adequacy	NO	YES	YES
5	Neutrality	NO	YES	YES
6	Efficiency	NO	YES	YES
7	Generosity	NO	YES	YES

Kia ora.

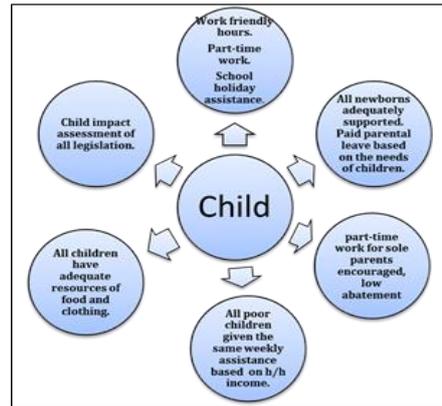
For the purposes of today, Child Poverty Action Group has proposed 7 principles to guide reform.

For older people we can see that the needs of the over 65 are indeed *at the centre*, not contributions to the paid workforce.

New Zealand Superannuation is very *simple*. It is fair and *equitable*, does not judge some worthy and others not, good for women and *adequate* for most. It is not affected by the income of a partner so it is *neutral* to relationships except in the rates themselves, it is *efficient* so it does not discourage paid work, and there are many *generous* aspects, such as entitlement to the gold card.

The table (above) contrasts the treatment of those over 65 with that of families under current policies. How can we change the current column for families to one more like NZ Superannuation?

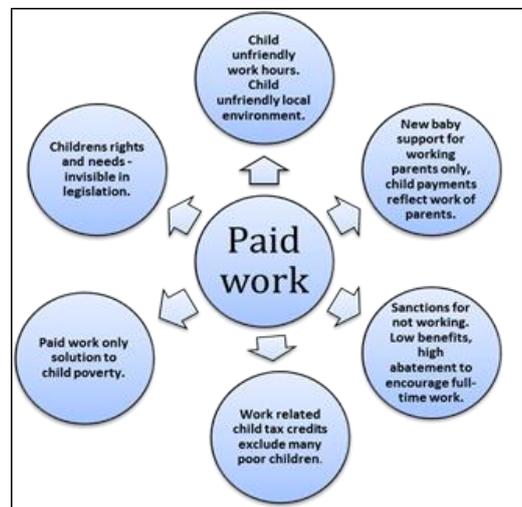
The place to start is with the first principle to put the **best interests of the child at the centre**. If we do that then policies and practices look more like they do in the diagram. So for example, policies for newborns would recognise that all babies need proper support and mothering, not just the babies of those whose mother has been in the paid workforce.



Sadly, since the early 1990s the needs of business and paid work has been at the centre of policy not the needs of children. When paid work is at the centre, policies look like they do in the next diagram.

New Zealand has taken a very extreme approach to prioritising work over children. The assumptions have been: paid work is good for families therefore the solution to child poverty is that parents must work; paid work is available and feasible even for sole parents with young children; all that is needed is an incentive; child related tax credits are the only way to provide this incentive.

The 2015 Child Hardship Bill continues this theme with “A relentless focus on paid work” where an increase in the Sole Parent Support benefit is offset by increased requirements to be in at least 20 hours of paid work a week when the youngest child is aged over three. The only parts of Working for Families that are to be increased are the ones that only ‘working’ families can get.



Let us take how newborns are treated. The current rhetoric is: “More paid parental leave best option for our babies” and “More paid parental leave best option for our babies”.



“Evidence shows babies do better the longer they are with their parents and the longer they are breastfed. All mothers know how hard it is to continue breastfeeding when you have to go back to work.

Between 18 and 26 weeks babies go through significant milestones. All parents should have the opportunity to share those special moments with their babies.” Sue Moroney 26 Aug 2015

*“Extending paid parental leave will give more children a better start in life particularly in light of a recent report which found that nearly half of early childhood centres did not provide quality learning for under-tuos.” NZEI Thursday, 27 Aug 2015*

But this rhetoric avoids mentioning that of 60,000 babies born each year, around 15,000 poorest ones miss out on any extra help for the first months of that baby’s life.

- Their parents don’t get **Paid Parental Leave** (PPL) (net \$7,401, or \$8,329 in 2016).
- They don’t get the **In Work Tax Credit** (\$3120 or \$3770 in 2016)
- They don’t even get the **Parental Tax Credit** (\$2,200) meant for those who don’t get PPL

Here is an example of how it works for Kezi, taken from the IRD website where it has been sitting for years:

*Kezi is 20 years old. She has a two year old daughter for whom she receives child support. Kezi’s been working for a temp agency for the past 16 months. Two weeks ago, she gave birth to a baby boy and is now at home with him. Kezi’s new partner Mark is a student and receives a student allowance. Kezi can’t apply for a parental tax credit but she can apply for paid parental leave. IRD webpage*

This example is priceless. Kezi is supposed to have been working continuously for one employer for 6 months at 10 hours at least a week up to the birth to get Paid Parental Leave. She has a two year old and is on her own and has temping work??? It is highly unlikely that she would qualify for PPL in reality. For reasons completely unrelated to her work effort she is denied the Parental Tax Credit, in fact if she had married or partnered ‘better’ she could have had the In Work Tax Credit as well as the Parental Tax Credit. Who asks whether this example makes any policy sense?

Low income families must negotiate a confusing and threatening system. First, the welfare system that is highly targeted; stigmatising; conditional and entraps low income families. Second, Working for Families (WFF) which is the principal way children’s need are recognized. This complex family assistance package comprises 4 main tax credits: The Family Tax Credit, the In Work Tax Credit, the Parental Tax Credit and the Minimum Family Tax Credit.



WFF is supposed to Reduce child poverty AND make work pay. It in fact does neither of these things well. The around 230,000 children who do not qualify for the full package have been left behind as MSD says repeatedly in their various annual household incomes reports.

*“The fall in child poverty rates from 2004 to 2007 for children in one-Full Time, one Workless 2 Parent households was very large (28% to 9%), **reflecting the Working for Families impact, especially through the In-work Tax Credit.**” (Perry, 2013, emphasis added)*

For those who missed out on the IWTC:

*“From 2007 to 2012, [the poverty rates were] around six to seven times higher for children in workless households. **This to a large degree reflects the greater WFF assistance for working families than for beneficiary families.**” (Perry, 2013, emphasis added)*

The various evaluations of WFF have shown that the work incentive effect was small as was predicted and any increased employment had vanished by the post Global Financial crisis recession.

While tax credits are bizarrely complex for families to navigate, **The welfare system** is Kafkaesque in the extreme.<sup>30</sup>

**Lets look at the Principle of neutrality.** The Tax system is based on the *individual* BUT Welfare is based on the idea that the couple can live more cheaply than a single person and that ‘married’ people ought to support each other. The State finds relationships in the nature of marriage and punishes them.



<sup>30</sup> Marked by a [senseless, disorienting](#), often [menacing complexity](#). Marked by [surreal distortion](#) and often a sense of impending [danger](#). In the manner of something written by Franz Kafka.

But when does a boarder/flatmate become a partner? Who decides? Look at the penalty for two beneficiaries being 'coupled'. It is no wonder such couples with kids are among the poorest and have the biggest gap to fill to reach any given poverty line (Boston & Chapple, 2014).

**To help distinguish the nature of a de facto relationship, Work and Income (2014) 'helpfully' suggests that the beneficiary 'thinks about these issues':**

- You live together at the same address most of the time.
- You live separately but stay overnight at each other's place a few nights a week.
- You share responsibilities, for example bringing up children (if any).
- You socialise and holiday together.
- You share money, bank accounts or credit cards.
- You share household bills.
- You have a sexual relationship.
- People think of you as a couple.
- You give each other emotional support and companionship.
- Your partner would be willing to support you financially if you couldn't support yourself.

#### Who wants to be 'married'

- Jobseeker..... Single \$210 pw  
Married \$175 pw
- 2 singles \$420 pw **Each** have \$80 a week exempt
- If 'coupled' get a total \$348 **or \$70 a week less**  
**Joint income exemption of only \$80 before lose**  
**over 80% of extra earnings**
- Same if there are children
- But who is boarder/flatmate/same sex/defacto?

**Informants are requested to supply detailed information as detailed on the Work and Income website (2014): Information that helps us when you report a suspected fraud. This includes:**

- Do they live with a partner but say they're living alone?
- If you think they do then we'd like to know:
- the full name of their partner and any other names they're known by
- their partner's age and date of birth
- their partner's address
- whether their partner works and who employs them
- why you think that they're a couple
- how long they've been in a relationship
- whether they have had children together
- the names and ages of any children they have.

**CPAG's report notes the serious implications of being found to be in a 'relationship'**

*A sole mother investigated for 'relationship fraud' faces a process that can be protracted and intimidating for both them and their children, and that affords them few rights or protections. When mothers serve custodial sentences, they become separated from their children, wider family and whanau, disrupting their children's lives and causing on-going distress. Mothers may then emerge from prison with large debts that are not cancelled even when repayments cause extreme hardship. In large part, the media fails to investigate and report these cases with insight and empathy. The harm to children from both their separation from a primary caregiver, and her subsequent debt and diminished income, has been largely invisible. (St John, MacLennan, Anderson, & Fountain, 2014)*

MSD plans home visits to "check in" on sole parent beneficiaries after 14 weeks to make sure they're still living alone. The Minister has noted "relationships could develop quickly and some people might not be aware of their obligation to tell Work and Income."

Recent cases before the courts are most disturbing as highlighted in the CPAG report. The way forward is to be neutral to relationships in all policy, but use parenthood when appropriate for targeted child related provisions. The very first thing that must happen is the alignment of married and single rates of benefits and individual treatment for any targeting of extra earned income.

There needs to be a greater understanding of the punitive nature of the welfare system and how great is the imbalance of power faced by many within it especially mothers.

Frances Joychild QC recently said, in *Continuing the conversation ... the fading star of the rule of law*:<sup>31</sup>

*Over the past three years, I have wondered increasingly if I have woken in Charles Dickens' England. Some of the most alarming cases I have dealt with recently come from income-tested beneficiaries. There are increasingly large discretions held by WINZ officials, largely without legal overview by independent lawyers. I have heard regular complaints of benefits being randomly cut off, without notice. And it taking weeks or even months and numerous phone calls or visits to WINZ offices to get them reinstated. Often these cut-offs are the result of a mistake on the part of the WINZ system (e.g. the medical certificate had been delivered on time but had not made it to the file).*

Joychild went on to say:

*.....Clearly, beneficiaries have no money to employ a lawyer. Most of the problems they encounter are not covered by legal aid. Some are lucky enough to have access to unpaid beneficiary advocates. I suspect a very large number do not. It is extraordinary that, in an area of major legal complexity, wide government discretions and deeply disempowered citizens, the rule of law is at its weakest.*

Let us look briefly at another Principle: **Simplicity**. The Budget 2015 Four-year Plan indicates that the government is also keen on improving simplicity:



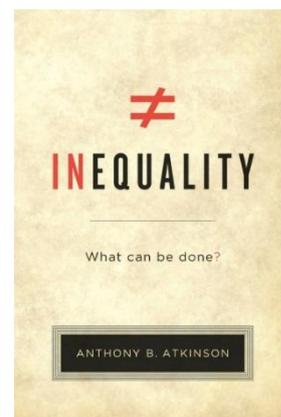
**MINISTRY OF SOCIAL DEVELOPMENT**  
TE MANATŪ WHAKAHIATO ORA

*It is important to emphasise that Simplification will not change people's entitlements, eligibility, or work and social obligations. It is about clearing away transactional clutter and repositioning the Ministry so it can increase its focus on necessary interactions in relation to obligations, work readiness, and job search.*

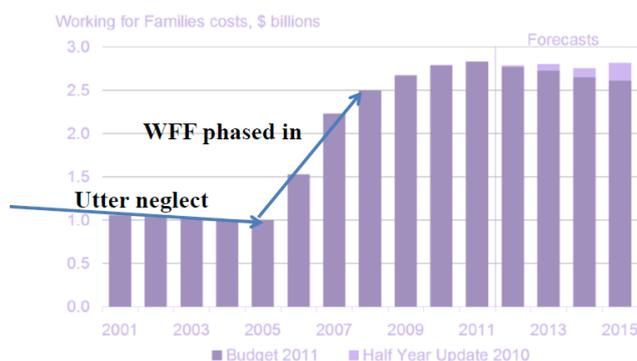
Unfortunately, the vision of simplicity is more around making the state machinery more ruthlessly efficient in its implementation of complex policies like sanctions, rather than seeking simplification of policies themselves.

Finally let us look at the principles of **Adequacy and Equity**. Increasingly OECD countries are paying attention to growing inequality and the importance of policy settings for inequality outcomes. In a new book UK economist Atkinson writes:

*The welfare state has in the past played a major role in reducing inequality. It is the primary vehicle by which our societies seek to ensure a minimum level of resources for all members. ...One reason for rising inequality in recent decades has been the scaling back of social protection at a time when needs are growing not shrinking." Atkinson, 2015*



The important social protective policies of Working for Families (\$2.4 billion) and New Zealand Superannuation (\$12 billion) must be supported. We have done very well with NZS for 650,000 people, but spend far less on WFF for 1 million children.



### 2005-7 WFF was a great boost to (some) family incomes

After a long period of disgraceful neglect of weekly family assistance Working for Families came in 2005-7. The Child Poverty Rate fell but... "WFF had little if any impact on the poverty rates for children in workless households" (MSD 2012).

CPAG fought the discrimination of the In Work Tax Credit against the poorest children in a protracted court case 2002-2013. The complaint was founded

<sup>31</sup> <http://www.adls.org.nz/for-the-profession/news-and-opinion/2015/2/5/continuing-the-conversation-%E2%80%A6-the-fading-star-of-the-rule-of-law/>

on human rights law and conventions such as the UN Convention on the rights of the child:

*“Parties shall recognize for every child the right to benefit from social security, including social insurance, and shall take the necessary measures to achieve the full realization of this right in accordance with their national law.” (UNCROC 1993)*

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In the final decision: The Court of Appeal 2013 found that the IWTC part of Working for Families paid to the mother in a so called ‘working’ family was discriminatory and caused material harm to the beneficiary families who were excluded.

However the Court decided the harm to over 200,000 of NZ’s poorest children was justified by the ‘benefits of incentivising work’. Recent study by Treasury suggests the overall impact on work effort was probably negative as partnered women felt more supported to stay home.

This perfectly illustrates that paid work not children is at the centre as far as the courts are concerned and that the courts are not yet ready or equipped to make these moral decisions. We saw no hope for a broader approach at the Supreme Court. I am not a judge, but if I was, and had no knowledge of economics, work incentives, tax credits and did not have the expertise to do a cost benefit analysis I would suggest that the issue of justification needed to be examined by technical experts. Surely there was a moral obligation for the government to prove there was no alternative, less harmful way to ‘make work pay’?

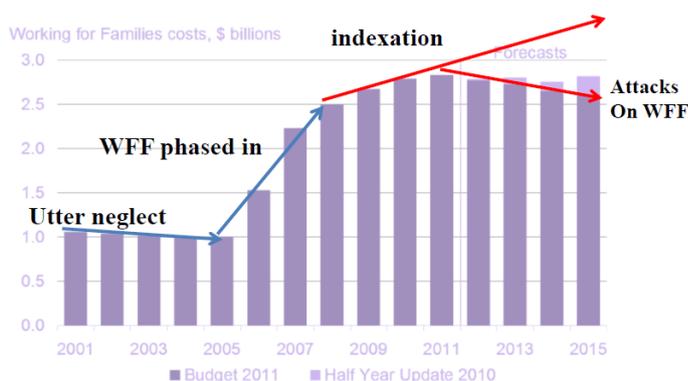
The lesson for now is that the courts can identify discrimination with material harm, but what we do with that is up to us. In the meantime WFF is actually being cut back for the working poor.

In 2012 big changes were made to Working for Families that have squeezed low income working families:

*We’ve made changes that will better target Working for Families to lower-income families and put the scheme on a more sustainable footing. Working for Families was designed in good times and the cost has almost doubled over the past five years to \$2.8 billion. We think the scheme is important to families, but we want to target it better and hold its cost. The changes will be phased in over seven years. They will be small changes that take place as Family Tax Credit rates are increased for inflation. The changes announced today represent about a 4% trimming of the scheme, bringing its annual cost down to about \$2.6 billion a year by 2015. Bill English 2011 Budget*

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### Thresholds abatements indexation and the working poor



The changes that see future costs reducing instead of rising as one would expect, include the reduction in the threshold for abatement and the raising of the rate of abatement.

Inflation must be a cumulative 5% before any part of WFF is adjusted. The last adjustment was 2012 and another is not expected until 2016. But while measured CPI is very low, families have faced crippling rising costs of rent, daycare, power and transport costs.

The Child Hardship Bill to be enacted for 2016 increases ONLY the work-based tax credits parts of WFF. These are the carrots for leaving the welfare system. But the \$12.50 represents only the inflation adjustment that IWTC should have had. It has been unchanged since 2006.

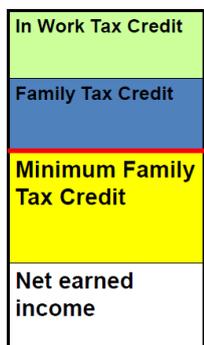
*Lower-income working families not on a benefit will get up to \$12.50 a week extra from Working for Families, and some very low-income working families will get \$24.50 extra. Increasing the part-time work obligation to 20 hours a week means a greater attachment to the workforce. In addition, most sole parents working 20 hours or more a week will be better off with a mixture of wages and Working for Families tax credits than they are on benefits. This is a strong incentive to leave the benefit altogether. Tolley- May 2015*

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**The aim to get ‘most’ sole parents off the benefit system.** In the Child Hardship, the government has taken the most complex convoluted system imaginable and made it more complex. Benefits have increased for some but there is an offset expected.

Now we know why government was claiming to have been working so hard on this issue over so many months. To craft onto a complex system a few dollars extra and subtly extract it was no mean feat.



Many more will find themselves on the Minimum Family Tax Credit a top up that has a perverse 100% effective marginal tax rate.

So what happens if she loses hours of work as is likely in a recession and in a casualised labour market where hours are not guaranteed? Both the MFTC and the IWTC disappear and she will have to claw her way back onto a benefit.

A Sole parent on Sole Parent Support gets- about \$17,000 gross. If she earns \$1 over \$200 gross a week she may

lose more than \$1 in disposable income. The levels of income before abatement too low and the situation is far worse for couples. If work matters for parents then reward part time work and allow sole parents the security of a part benefit!

	Cents lost
tax	17.5
acc	1.4
Loss net benefit	70
Repayment student loan	12.5
<b>Total</b>	<b>101.4</b>

Here is how we should Fix Working for Families (FWFF) using the principles above:

PRINCIPLES for WELFARE FOR FAMILIES	WELFARE FIT FOR FAMILIES
Best interests of the child	Support increase and nurture WFF Restore for working poor Index all aspects annually to wages Remove 20/30 hours requirement Join FTC, IWTC, and PTC for baby Abolish MFTC Allow parents on part benefit to retain more from working
Simplicity	Yes
Equity	YES
Adequacy	YES
Neutrality	YES
Efficiency	YES
Generosity	YES

**References**

Boston, J., & Chapple, S. (2014). *Child Poverty in New Zealand*: Bridget Williams Books.  
 St John, S., MacLennan, C., Anderson, H., & Fountain, R. (2014). *The complexities of relationship in the welfare system and the consequences for children* Auckland: Child Poverty Action Group. Retrieved from <http://www.cpag.org.nz/assets/141204CPAG%20Welfare%20System%20final.pdf>

## Panel: Making the child support system fit for families in a changing world. Michael Fletcher

Kia ora tatou,

I've been asked to talk briefly about child support. In the time available I won't be able to cover each of the seven principles we've been discussing so I will focus on just three key issues. As most of you probably know child support has just been going through a very drawn-out and major reform process – easily the biggest in its 23 year history. There are some good bits in the new system, but overall my view is that the reforms represent a serious lost opportunity and leave some important problems that need fixing if we are to have a system that puts children at the centre.

It's easy to forget the significance of the child support system. At any one time it involves around 210,000 children – almost one in five (18 percent) of all children - and about 270,000 parents. Many more kids will be part of it at some point while they are growing up. And, of course, lots of others are affected indirectly as their parents use the system and the formula as a guide and a fall-back position when they are negotiating financial arrangements privately.

Child support policy therefore has huge potential to affect families' and children's living standards and to ameliorate child poverty. I say "potential" because in fact the scheme currently does little or nothing to help a substantial proportion of the children who are part of the system.

### ***The absence of pass on***

The first issue I want to talk about is perhaps the worst aspect of the reforms. Despite a four-year process and the biggest reforms since the scheme began, the new Act has done nothing to change the scheme's heavy emphasis on fiscal cost recovery. Unlike nearly all other developed countries, New Zealand still has no pass-on in its scheme. That is to say, when a parent-with-care is on a sole parent rate of benefit, government retains all child support payments received in respect of those children up to the total value of the main benefit. Other countries typically have pass on mechanisms. In Australia for example, all child support is passed on to the receiving parent but the amount received reduces a parent's Family Tax Benefit (Part A), with the effect that the child support is 'split' between helping the child directly and reducing the cost to government. The UK has gone even further – child support received has no effect on welfare entitlements at all and the only implicit cost recovery is through application and collection fees.

In New Zealand roughly 130,000 or more than 60 percent of children in the child support system in 2011 had all child support payments withheld (Boston and Chapple, 2014). For these children, and their beneficiary parents, child support is irrelevant – the amount paid does nothing to improve their living standard at all. For the paying parent, child support is simply an extra tax. And any improvement in the paying parent's income results only in additional payments to the Crown. Aside from the direct cash aspect, it also disconnects parents from joint responsibility for their children, creating a type of invisibility: the parent with care's relationship is with W & I, the paying parent's is with relationship with IRD. They may not even know how much each other is paying or getting.

A better pass-on policy could be structured in various ways – and the best design will depend on other social assistance parameters - but I would suggest two principles:

- first, as in Australia, every cent paid by one parent should be transferred to the other. To what extent, and how, child support receipts reduce other assistance should follow after this. One approach within the current structure would be simply to say that child support received will be treated the same as earnings and subject to the same abatement.
- Second, child support is money for children – and therefore rules around it should be consistent with the structures and supports of government assistance for children. Although this sounds obvious, it is not the case at present.

### ***Opportunity costs and childcare for young children***

This brings me to a second fundamental problem with the new scheme. The new formula is based on empirical studies of actual expenditure on children by partnered couples, given their income and the age and number of children. That's a fair enough approach in itself. Under the new Act expenditure on children is assumed to rise with combined parental income, but to do so at a diminishing rate. Teenagers are also assumed to cost more than under-13 year olds. This system replaces the previous very simple "percent of income" rule where the percentage depended only on the number of children. As a general statement, this change means child support will be a bit higher than in the past for teenagers, and will be lower for younger children.

The difficulty arises in respect of very young children: the expenditure-on-children estimates make no allowance for the opportunity costs a parent faces when she or he is at home caring for children, or for childcare costs if she or he opts to buy childcare so as to be able to take paid work. Beyond a certain age, when kids are at school or can access more-or-less free childcare that may be reasonable, but in the case of very young children it is not.

Moreover, it is also inconsistent with our welfare policies: even after the government's recent reforms, our system (quite rightly) does not expect the sole parent of an under-three year old to be available for work. Our child support system, on the other hand, assumes she has enough income to provide for herself and allows only for a contribution towards the costs of the child. The two are seriously out of line with each other. To make it worse, if – as is very common – that parent does not have enough earnings to support herself as well as the child, the recourse our current welfare system provides is the sole parent benefit. In which case we go round in a complete circle and take the child support payments off her (or him) as cost recovery for the benefit...!

The starting point for dealing with this problem is coherence between child support, welfare benefit and tax credit policies. Specifically, I think we need to begin with the question:

*Whether parents are separated or not, what level of support should we as a society provide when children are very young?*

To my mind, if we start with the needs of the child as the first principle then I think it suggests having a substantial and universal (or near-universal) payment in the first year, ie, basically a system that encourages, or at least makes it possible for, one parent to be at home when a child is very young. Only after that more general policy issue is determined, can the appropriate child support rate for young kids be addressed.

### ***The living allowance, and relationship status vs parenthood status***

The last change that I want to very quickly mention relates to something Susan touched on earlier and is a more positive one. At least in my view it is, although it will mean higher payments for a number of payers and has probably attracted more negative publicity than any other part of the reforms.

The previous formula was very old-school, very male-breadwinner oriented. As part of this, it included an extra living allowance for a payer's new partner and any step-children. The assumption was that if a man re-partnered then, (naturally), they would need to provide at least partially for their new spouse and any children she may already have in her care. As a result, the amount available for the other, child support, children was reduced when a payer re-partnered. (Note though, that it was asymmetrical: if a receiving parent re-partnered there was no impact on the paying parent's liability.

The new scheme does away with the variable living allowances. Each person has an individualised living allowance, and all children that a person is the natural or legal parent of are treated equally applying the same formula. There is no allowance for a spouse or for children that may live with you who are not legally your own.

The effect of this is to increase some paying parents' liabilities – sometimes quite substantially. One advantage of this though is that it removes relationship status from this part of the system. This of course, is at odds with the welfare system which, as others have mentioned earlier, is still deeply mired in unjust and increasingly unworkable questions of relationship status. Although I think the living allowance changes are a step in the right direction, I can sympathise with low- and middle-income paying parents whose required

payments will rise because they are now treated as individuals in the child support system and yet who continue to be treated on a relationship-status basis for benefit and tax credit purposes.

(It is important to note by the way that relationship status is still in child support: bizarrely, if a sole parent beneficiary whose child support entitlements are being withheld as part of the no-pass-on rule, partners with, say, an unemployed person and they switch to the couple rate of benefit, she or he becomes entitled to receive the child support payments.) Nonetheless, the change to the living allowances is a step in the right direction.

To sum up, three points:

- The child support reforms are a mixed bag, but we missed a rare opportunity to fix some of the fundamental problems.
- At least one of these – pass-on – could be fixed readily; it requires only deciding what form pass-on should take.
- Others, like support when children are very young and the treatment of relationships, are inextricably related to other parts of the system and can only be addressed in that context.

Thank you.

## Panel: Benefit reforms and the 'place' of the child in early childhood education and care. Lesley Lyons

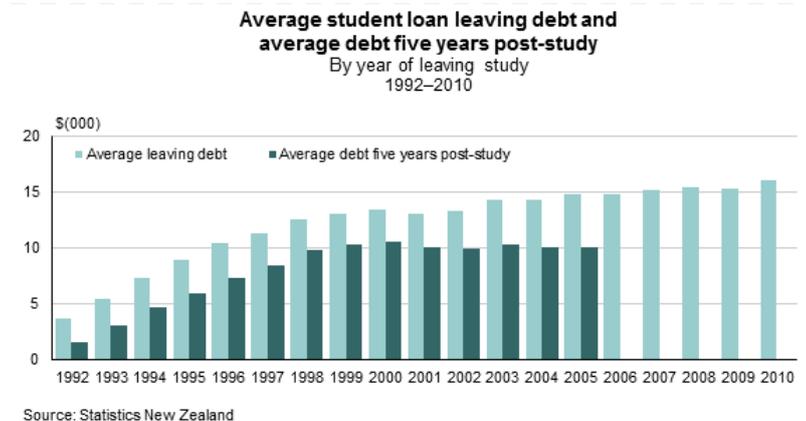
Lesley sends her apologies for being unable to attend.

New 'entering the workforce' requirements are a very worrying part of Budget 2015. These much tougher *requirements for sole parents* on a benefit include being available for *work* once their youngest child turns three. Questions must be raised about the default position this places young children in. Ideally, individual families should be respected partners in decision-making about what works best for the family and the preschool child. Current concerns must also be addressed about the quality of the ECEC sector into which the children of beneficiaries will be directed. Currently the majority of New Zealand's ECEC provision is in the hands of private enterprise. Predictably, private investment in the sector has engendered a discursive shift in the ways in which the sector is explained and articulated. Over time, the early childhood education profession has been reframed as an 'industry' with children increasingly being viewed as a tradable commodity. The latest reforms package has done little to disrupt this view of the child. Children of beneficiaries will become part of an ECEC market place which may or may not do well by them or their families.

## Panel: Students. Nardos Tilahun

The freezes in the parental income threshold means less students (25%) are now eligible for a student allowance coupled with decreased financial support from families. This leads to the borrowing of living cost (max of \$175 a week which has to be paid back) which is incapable of covering all living expenses.

- o Accommodation cost unreflective of rises in rent
- o Inability to save from summer job and also student hardship processing time
- o Inadequacy of part time work while full time student
- o Different amount of allowance for students in relationships and those with children
- o Unavailability of allowance for post-grad students
- o Increase in credit card debt



### **Negative effects:**

- Increase in mental health problems related to stress and depression
- Unable to participate fully in their education
- Poor living conditions, leading to illness
- Disillusionment and leaving degrees

Growing student loan debt (reach 15 billion next year); 90% of students have at least one form of debt. Increase in credit card debt (mainly to make up for their ineligibility for allowance to cover their full expenses). Longer period of repayment and tougher repayment obligations (12 c for every \$1 earned above \$19, 084). Increase in tertiary education fees; underfunding of universities.

### **Negative effects:**

- Deterrence of having children (ripple effect on the aging NZ population)
- Deterrence moving into higher paying job
- Harder to buy houses in the future
- Delay in starting business
- Potentially worse off in retirement

### **Possible changes:**

- o Australian style repayment scheme
- o Unfreezing the parental income threshold
- o More flexible accommodation cost depending on area
- o Adequate funding for tertiary institutions
- o Rethink the 200 week limit on student allowance
- o Reinstate allowance for post graduate students
- o Better financial support for couples with children. Currently no difference in allowance from couples without children (especially when both are students) except for a \$80 difference where only one of the two individuals is eligible for an allowance.



## Panel: Families and debt. M.Claire Dale

Kia ora koutou, tena koutou katoa

The safety net of welfare has been deliberately unpicked over the last 20-plus years, as we have heard today.

Other worker and consumer protections have also been eroded and diminished. As signalled by Mike Treen, low pay and casualization are two of the major problems, now joined by decreased Health and Safety protections.

Rising inequality means fewer people are able to purchase their own home, but as Alan Johnson and Innes Asher have shown, renting can be an expensive, insecure and unhealthy option. A tenant has few rights and protections – not even the right to a dry, healthy environment.

My focus in these few minutes is on the lack of consumer protections around credit and debt that impacts most severely on the poorest citizens.

The Government's recent Credit Contracts and Consumer Finance Act changes and the introduction of the voluntary Responsible Lending Code are cosmetic treatments avoiding the fundamental problem: *the cost of credit*.



Most of the rest of the world has a legislated limit on the cost of credit. We don't. A payday lender can legally charge 500% interest and then add on administration charges and late payment penalties.

This usurious regime doesn't touch middle New Zealand with their 6% interest mortgages, but it keeps the poorest people poor, and keeps food off their tables.

Given the reality that it is almost impossible to function in a modern society without access to credit, the current system is socially unjust, and is a major contributor to the widening inequality gap that is obscured by focus on incomes.

Nga Tangata Microfinance was established in 2010 by CPAG, NZFFBS and NZCCSS, with capital funding from Kiwibank, to address this issue of access and to drive for change toward a socially just and inclusive debt and credit environment.

We provide no interest loans to low income people for asset building and for debt relief who meet our criteria of both capacity and willingness to repay.

Nga Tangata's clients will often have a bad credit rating, which can occur for something as minor as late payment of the electricity bill, but can prevent them from accessing mainstream credit like a bank loan for 5 years. Their work is low paid, casualised, and even with two or three 'jobs', their income is irregular and insecure.

When your income is inadequate, crises constantly occur. If the fridge futs out, your precious food will rot. If the car breaks down, you will lose your job because public transport is largely useless and anyway it can't get you between the different jobs fast enough for you to be on time. When the children need new school uniforms, how are you going to pay for them? And the longer you live with an inadequate income, the worse and more frequent the crises become.

At Nga Tangata, to give a few examples, we have provided asset-building loans up to \$1,500 for car repairs, computers, fridges, beds and bedding, tenancy bonds, mobile phones and a fence.

Nga Tangata has provided debt relief loans up to \$3,000 to help people escape from high interest debt - often a base interest of 40% but with the administration costs, penalty charges, and compounding, the real rate exceeds 50%.

One example: Anna (not her real name) was working full time, but had recently set herself up in a rented flat, and by the time she had furnished it, she had reached the limit of her available credit at the bank. Then her father died. Anna's mother, in her distressed state, signed the funeral director's contract where she agreed to a 5% per week interest charge on any outstanding balance of the \$6,000 funeral cost, starting one week after the funeral. She urgently needed another \$2,000 to pay the full cost. Anna went to the only place she could to find the \$2,000 her mother needed: the local fringe lender. The base interest rate on the \$2,000 loan plus the administration charges was 39%, and the loan was to be repaid at \$70 per week over 18 months.

3 years later.... Although she had given up her flat and moved back into her mother's rented home to reduce her outgoings, Anna was occasionally unable to make the weekly \$70 loan repayment. Every missed repayment incurred a \$400 administration charge, and a 55% penalty rate

After 3 years paying \$70 nearly every week on her \$2,000 loan, Anna owed just under \$2,400.

Without help, she would never escape from this debt.

The good news is, her Nga Tangata no interest debt relief loan of \$2,400 was repaid at \$50 a week in 48 weeks. In less than a year, she was freed from that financial burden. Anna will never again make the mistake of borrowing from a third-tier lender.

While Nga Tangata Microfinance was the first *formal* microfinance scheme in New Zealand, we are not alone and similar no or low schemes include Women's Angel Funds dotted throughout the country, Newton Ethical Lending in Wellington, the Moray Trust in Dunedin, and last year, Australia's Good Shepherd Microfinance partnered with the Salvation Army and BNZ, and with some government funding launched Community Finance Lending in Auckland.

As well as immediate relief from a current financial crisis, ensuring there is enough money for food, and improved financial literacy, this safe, fair credit offers hope. Hope that rather than being trapped in an enduring and crippling cycle of debt, under the power of the moneylender, that family can escape and gain financial control over their lives. They can plan and look forward.

But, these organisations are a band-aid, not a cure.

As inequality increases; as welfare and work conditions deteriorate, as consumer protections erode, the problem of unmanageable high interest debt is becoming an epidemic. The evidence for this is the proliferation of third-tier lenders in our low income communities and online. Just a click away...

The cure for New Zealand's problem of unmanageable high interest debt is to catch up with the rest of the world and legislate for a maximum cost of credit.

How does this link with the proposed Principles fit for families?

1. Best interests of the child: unmanageable high interest debt creates enduring poverty that harms our children.
2. Simplicity: a cap on the cost of credit is simple, clear, and produces a socially just credit environment.
3. Equity: there is no equity in the poor paying more for credit.
4. Adequacy: in a credit society like ours, access to fair, safe credit will have an immediate effect on disposable income for low income families.
5. Efficiency: fair credit is efficient and effective.
6. Generous: it isn't generous to be fair, but fairness is on the side of the angels. We could move to that side.

Thankyou.

# Strategy. Deborah Morris-Travers

Imagine for a moment, that Aotearoa NZ sits at the top of OECD and UNICEF league tables on child wellbeing measures:

*UN Convention on the Rights of the Child:*

- Protection
- Provision
- Participation

The best interests of child; universality; non discrimination; survival and development + the highest attainable standard of health.

The Government demonstrates leadership so that all NZers know children are valued citizens; it uses human rights frameworks and an equity approach in policy and is careful to assess the impact of policies on children; there are transparent budgets so people can see what's invested in children

Our communities and neighbourhoods are connected and people work to solve local problems with local solutions. Local Government and businesses invest in community-led development and understand their role in enabling families to do well

Parents – including sole parents - feel valued and supported; they are educated and have good quality services available to them; they have knowledge of child development and positive child management skills; they receive a universal child payment with additional top ups if they are on low incomes; work pays a living wage and is flexible so parents can manage their responsibilities; housing is accessible and stable

All our children live in warm, dry homes with a standard of living that supports their physical and mental development; they participate in quality, culturally appropriate, ECE and in their schools and child-friendly communities they are heard on matters that affect them; they have access to recreation and play that supports them to dream and grow; they know they are valued.

This is the Aotearoa NZ our children need us all to strive for.

UNICEF is the United Nations Children's Fund. We work to promote the rights of children: here, there and everywhere.



The UN Convention on the Rights of the Child sets standards for provision, protection and participation. It also sets out the general principles of the best interests of the child; survival and development; universality and non-discrimination; and children's voices. And it requires that children should achieve the highest attainable standard of health.

New Zealand is in breach of the rights of children on a number of measures.

I'm going to describe to you 6 key actions we need to pursue to get measurable improvements on child poverty.

These comments are set against an understanding that **public policy follows public sentiment** so our strategy has to be based around increasing public engagement and understanding that incomes are the key lever for lifting people out of poverty.

When the Prime Minister announced after the election that child poverty would be a priority and that he would govern for all New Zealanders, he did so because of the campaigning we all did in the lead up to the election.

Our collective campaigning ensured that poverty and inequality were high on the agenda – this was evident in opinion polls. And after the election the PM said he would govern for all New Zealanders and child poverty would be a priority for this term of parliament.

**Six priorities for action, include:**

- 1.Evidence, stories and mythbusting
- 2.Ensuring consistent messages



3. Utilising key moments
4. Building alliances
5. Maintaining a media and social presence
6. Children's voices

## 1. Evidence and stories

The Prime Minister John Key, and Minister of Finance, Bill English, have been driving the process to look at further solutions to child poverty. The Maori Party has also been working to ensure there is some progress.

Budget 2015 was important because it signalled an admission that income matters for child wellbeing. It has delivered little to improve the situation - so far they are simply tinkering around the edges so we must continue to use evidence and stories to illustrate the need for further action.

We have to keep bringing the evidence, the heart breaking personal stories and facts to the table to highlight the gap between government rhetoric and what children actually need. 40,000 hospitalisations linked to socio-economic status every year; 12% of children living in homes with serious cold, damp and mould problems ... these are the kinds of things we must keep highlighting.

This diagram from the Office of the Children's Commissioner points to the needs of those in sole parent homes; those in the early years; Maori and Pasifika children; and those who are in deep poverty.



## 2. Ensuring consistent messages

MPs and the public get overwhelmed by the issues impacting on children's wellbeing – poverty and violence are complex. When they receive different advice from different groups, it becomes too easy for them to do nothing. With this in mind, it's imperative that we ensure consistent messaging in our asks of MPs and in our calls to action.

A great example of this working well was in the Action Station campaign in the lead up to the Budget. We distributed key messages through our networks and then we saw, in multiple media interviews, the same calls coming through.

In all of our work, we have to keep working together to define the messages that we can all carry – then work to bring in different voices to convey the same messaging.

## 3. Utilising key moments and becoming core to the political discourse

Children's status and wellbeing have to be core to political discourse and we have to build relationships within the Parliament, in all political parties, within government departments and throughout the nation so that when these key moments arise we have people who are able to champion the solutions to poverty and make the right decisions.

Processes such as the Government shaping up the Budget, debating Bills in Parliament, reporting to the UN Committee on the Rights of the Child or developing policy ahead of the election, and election campaigns are all moments in time that we have to plug into.

Similarly, the release of new research, the Household Incomes Survey, or our own campaigns are all things that need to be highlighted and reinforced by all of us working together.

Given that the Government is only doing small things to address poverty so far – and still thinks the only way out of poverty is through work – it's important to build disquiet about the current approach so that people keep questioning whether the Government is doing enough. At the same, we have to ensure that opposition parties are developing the right kinds of policies so that when elections come around all of the parties are focused on the solutions and ready to implement them.

We have to use these moments in the political and parliamentary cycles, and create our own moments so that the issues remain at the forefront of public consideration.

#### **4. Building alliances**

In addition to some of the usual suspects, it's essential for all of us to be reaching out to new audiences. Tick for Kids partners are currently preparing for a roadshow where, from October to May, we'll be pursuing speaking opportunities throughout the country to be able to speak to child poverty solutions and engage the public.

A good example of this was the work we did some years ago to engage Business NZ – resulting in the CE, Phil O'Reilly sitting on the Experts Advisory Group on Solutions to Child Poverty.

We need to be reaching Rotary, Business and Professional Women, Lions, Chambers of Commerce, Grey Power, Age Concern, churches, youth groups and different ethnic groups and inviting them to work with us. This way we amplify the messages and our impact – with some unexpected partners carrying the message for us.

Our mission is to find the common ground with others and build their engagement in the issue of child poverty so that everyone can work together on this.

The Tick 4 Kids campaign ran in the local body elections 2013 and in General Election 2014. We have 36 organisations working together and we will keep working to build this collective approach to campaigning.

We campaigned on the call that it takes a child to raise a country because our national productivity, creativity and security come down to how well our children do.

#### **5. Maintaining a media and social media presence**

News media and social media are essential for building awareness and keeping the issues in the public eye.

As much as possible we need to convey urgency, solutions, and identify the actions that people can take. We need to appeal to heads and hearts but give people things they can do with their hands.

In spite of all of the odds, we got section 59 of the Crimes Act amended (the law that means children are protected from physical assault) because we made it easy for people to write to MPs.

#### **6. Getting beyond ideology: parents' and children's views**

It's vital that in this work, the voices of those affected by poverty are heard. What children have told us includes a desire that their parents stop being angry.

But of course, if you're a parent living in poverty you are bound to be angry with the system, with life and ... potentially also with your children. It becomes difficult to play with your children and be emotionally available to them if you are carrying the heavy burden of trying to find food and warmth for them.

#### **He aha te mea nui?**

The issues we're talking about cut right to the heart of what we value as a nation.

We can change poverty and ensure that all children do well. And as we make progress, it's important that we stand together to celebrate the small wins – and celebrate each-other because this is hard work. It's exhausting work and we have to keep on pushing.

Kia kaha.



# Summary: Rethinking the issues for 21<sup>st</sup> century welfare for families. Len Cook

## CONTEXT

There have been an average of 60,000 babies born every year since 1960 and this is set to be the case for a century until after 2050. As an asset to protect, New Zealand is unique among developed countries in the way birth numbers have fluctuated around the levels experienced in the baby boom decades. Given the increasing share of babies that are of Maori and Pacific ethnicity, the opportunity exists for both communities to increase their wealth and security given the right health and education services.

We need to recognise that support for children involves a mix of culture, families, community, institutions and policy in housing, health, education, as well as benefits.

Inequality has an increasing visibility – this is seen as needing an immediacy of focus. We need to see children's rights in context of other rights (see Alan Johnson's presentation). It is not unusual for children's rights to be compromised by practicality and political balances. Rule of law requires laws to be fairly administered by public administration, overseen by right to judicial processes.

Also we need to look at today's challenges in the light of:

- The good old days were never for all. (Norman Kirk, DPB, Pua to ata tu)
- Separate Maori impacts have been identified (see Hirini Kaa's presentation).
- Today we have some 40,000 children in CYPFS care, another 40,000 in other forms of care, but in the 1950s and 1960s we saw some 85,000 babies adopted out often without choice.
- A good future is not a return to the past.
- The position of women is very different from 1938, and this gender shift remains unrecognised by many elements of system

## UNIVERSALITY FUNDAMENTAL TO 1938 SOCIAL SECURITY ACT

Universality was transformed through targeting from 1970's, and very strongly pushed from late 1980s. Can we be sure that universality is always more expensive? Presentations noted that NZ and Australia at the extreme end of targeting among OECD countries. Shift to cash transfers (Housing eg Johnson) from direct provision associated with a move to the significance of debt, a great capacity to make money from the poor. Pervasiveness of debt reflects a diminished investment in young citizens, and a fragility in the purchasing power of households that is partly obscured by focus on incomes rather than purchasing power.

**The means of having normal ways for protecting children's development in the face of a variable capacity of families has been diminished, exacerbated by reduced opportunity of many families from globalisation, changing form of jobs and economic restructuring.**

Pivotal point in change occurred with shift in concept from social security to social welfare (Seddon introduced concept of citizenship, but had classes of citizens). Perverse incentives in system to deter access to entitlements, including part charges.

An important connection between social insurance and wages that has been lost through changes to the availability and form of jobs. In particular,

- Growth in insecurity of jobs, rise in intermittent employment
- Decline in purchasing power of low incomes
- Predominant emphasis on wage earning in benefit system
- Later generations currently having lower wages than predecessors

Independent of policy, public administration has narrow focus on fiscal imperatives, leading to poorly linked services, foundation on a lack of trust. The social services system is both confusing and threatening if on receiving end.

- a focus on surveillance rather than facilitation
- selective micro management of benefit recipients (emphasis on cure as well as care), and sanctions – we have no known basis for assessing net benefits of placing such costs on beneficiaries
- household based focus of benefits makes the nature of relationships a matter of definition, assessment and surveillance for public administration
- a segmented family support system depending on age and employment
- An absence of awareness of pathways from information that is obviously needed (Moira Lawler pointed to 4,000 15-25 years old on the street) Triggers and Coping pathways
- Complexity of system poorly understood by public officials,
- Necessity for advocates to obtain entitlements (AAAP Mangere Benefit impact event)
- Citizen costs compounded by poor quality information management and recording - archaic! (repeated presentation of documents)
- Consequences on child health point to third world consequences/ huge ethnic differentials. An investment model focus?
- Why do we need personal disaster to influence policy (Innes Asher) where is the information?

Redistribution has been become perverse in places by part charges and differential administration

Affordability of housing seen as issue of home ownership rather than place to live, so solutions so far have little relevance for most

## CONCLUSIONS

Have we a national mean streak? Is Charles Dickens really irrelevant - after all in 1898 we did put “the worthy poor” qualification into the trail blazing legislation for old age pensions.

## Background resources – available online at [www.cpag.org.nz](http://www.cpag.org.nz):

[Rethinking welfare for the 21st century: Forum Proceedings](#) (September 2010) CPAG

[Our children, our choice: priorities for policy](#) (2014 ) CPAG

["It shouldn't be this hard": children, poverty and disability](#) (Feb 2015) CPAG

[Prevention: The Best Way To Address Child Poverty](#) (May 2015) CPAG

[An overview of New Zealand's Housing](#) (May 2015) CPAG

[More Income Is Required To Improve The Health Of Poor Children](#) (May 2015) CPAG

[Vulnerability Report](#) (July 2015) NZCCSS

[France wants to outlaw discrimination against the poor – is that so ridiculous?](#) (2015) Frances Ryan

[Benefit bashing hurts the whole working class](#) (24 July 2015) Mike Treen

[Policy Watch Newsletter](#) (30 July 2015) NZCCSS

[‘Outcomes Plus’](#), (May 2015) NZCCSS

[New Zealand's debt society and child poverty](#) (February 2014) CPAG

[The cost of GP visits for 6-17 year olds in New Zealand](#) (July 2014) CPAG

[Benefit sanctions: creating an invisible underclass of children?](#) (October 2013) CPAG

[Ministry of Social Development Budget 2015: Four-Year Plan](#) (May 2015) MSD

[Iain Duncan Smith's delusional world of welfare reform- Polly Toynbee](#)

[Tertiary Student Income and Expenditure Survey 2014](#) (2015) NZUSA

Also: Jones, R. (2015) The end game: The marketisation and privatisation of children's social work and child protection. *Critical Social Policy*, Vol. 35(4): 1–23.

## Short Biographies of Presenters, in order of appearance:

<p><b>Trevor McGlinchey</b></p> 	<p><b>Trevor McGlinchey</b> (Ngāi Tahu) is Executive Officer of the New Zealand Council of Christian Social Services (NZCCSS). This organisation has been a long term ally of the Child Poverty Action Group in the drive for the elimination of child poverty in New Zealand. Trevor is a trustee of the Ngā Tangata Microfinance Trust, an organisation established by CPAG, NZCCSS and the New Zealand Federation of Family Budgeting Services to combat unethical lending practices and to promote financial literacy. He chairs the Ministry of Social Development NGO Advisory Group, and is chairman of the board of directors for marae-owned investment company, Moeraki Ltd.</p>
<p><b>Ass. Professor Mike O'Brien</b></p> 	<p><b>Mike O'Brien</b> works part-time at the School of Counselling, Human Services and Social Work, University of Auckland. He has written extensively in New Zealand and internationally on child poverty (including the recent CPAG publication '<i>Our Children. Our Choice</i>'), social security and social service changes and social policy. He chaired the Alternative Welfare Working Group in 2011 and is a current member of the CPAG Management group.</p>
<p><b>Dr Gerard Cotterell</b></p> 	<p><b>Gerry Cotterell</b> joined CPAG late in 2013 and currently chairs its research committee. He lives in South Auckland. Based at the University of Auckland, Gerry is primarily engaged in research management and social and public policy research. Gerry has an academic background in economics, sociology and social policy. His PhD compared welfare reforms in New Zealand and the United Kingdom in the period leading up to and including the early 2000s. His current academic interests include welfare reform and comparative social policy.</p>
<p><b>Sarah Thompson</b></p> 	<p><b>Sarah Thompson</b> is one of the Coordinators for Auckland Action Against Poverty (AAP). Since 2012 she has been working in this capacity to expose and oppose the Government's neo-liberal agenda on jobs welfare and poverty. Prior to working for AAP Sarah achieved a First Class Masters in Sociology with a focus on social welfare policy and creating social change.</p>
<p><b>Moira Lawler</b></p> 	<p><b>Moira Lawler</b> is the General Manager of Lifewise, a social change organisation with its roots in the Methodist church. Lifewise works with families across the full life cycle from Early Childhood Education and foster care through to working with families under stress and providing care to older adults in the home. We are known for our work to end homelessness through the 'Housing First' approach.</p>
<p><b>Dr Ben Spies-Butcher</b></p> 	<p><b>Ben Spies-Butcher</b> is a Senior Lecturer and Director of the Masters of Policy and Applied Social Research in the Sociology Department at Macquarie University. He has a PhD in Economics from the University of Sydney and his work focuses on the political economy of social policy. Ben is a board member of Shelter NSW, a member of the Policy Advisory Group for the Council on the Ageing and a Research Associate at the Retirement Policy and Research Centre at the University of Auckland. His most recent co-authored book is <i>Market Society</i> published with Cambridge University Press.</p>
<p><b>Max Rashbrooke</b></p> 	<p><b>Max Rashbrooke</b> is the editor of <i>Inequality: A New Zealand Crisis</i>, published in June 2013 by Bridget Williams Books, and the author of 'The Inequality Debate: An Introduction', published in July 2014. He is also a research associate of the Institute for Governance and Policy Studies at Victoria University of Wellington. As a journalist, he has written stories for national newspapers and magazines in Britain and New Zealand, including the <i>Guardian</i>, the <i>National Business Review</i> and <i>Metro</i>. He has twice been the recipient of the Bruce Jesson Senior Journalism Award, and is a 2015 Winston Churchill Fellow.</p>
<p><b>Dr Hirini Kaa</b></p> 	<p><b>Hirini Kaa</b> (Ngāti Porou, Ngāti Kahungunu, Rongowhakaata) is the Executive Director of Te Kahui Mana Ririki working to create violence-free whānau. Mana Ririki understand that the drivers of whanau violence are multi-layered and complex, and that addressing poverty (in all its forms) plays an important part in transforming whanau. Hirini's background includes social and historical research in a variety of areas; providing communications advice to iwi; as well as working as an Anglican Priest in Māori communities across Aotearoa.</p>

<p><b>Reb Fountain</b></p> 	<p><b>Reb Fountain</b> is a musician and mother living in Auckland. She has a BA in Gender Studies from Canterbury and is currently studying towards her Masters in Public Policy at Auckland University. Reb is also a CPAG researcher and author with considerable 'on the ground' experience with WINZ &amp; the Ministry of Social Development. Reb will share a glimpse into some of the twists &amp; turns on the path to 'welfare independence' and discuss possible considerations for those in need when revisiting social security for the 21st century.</p>
<p><b>Mike Treen</b></p> 	<p><b>Mike Treen</b> is the National Director of Unite Union. Unite organises workers in areas like fast food, call centres, hotels, security, and the casino. These workers were mostly casualised in terms of their employment agreements in the 1990s. Unite has sought to reorganise these sectors into unions to improve the security of hours and pay. Most recently Mike led the successful negotiations with the fast food companies to end zero hour contracts.</p>
<p><b>Professor Innes Asher</b></p> 	<p><b>Innes Asher</b> is head of Paediatrics: Child and Youth Health, School of Medicine, University of Auckland, and Honorary Consultant in Paediatric Respiratory Medicine, Starship Children's Hospital. Since 1992 she has led the worldwide children's research study: <a href="#">The International Study of Asthma and Allergies in Childhood</a> (ISAAC). Since 2012 she has chaired the <a href="#">Global Asthma Network</a>, publishing the <a href="#">Global Asthma Report 2014</a>. In 2003 Innes was made an Officer of the New Zealand Order of Merit for services to Paediatrics, and in 2007 was awarded the Health Research Council Liley Medal for her research leadership. She instigated Auckland University's 2004 Winter Lecture Series <a href="#">Are we wasting our children?</a> Innes is a contributing author in CPAG's, <a href="#">Our children, our choice: priorities for policy (2014)</a>. She is on the Steering Group of the <a href="#">National Child and Youth Epidemiology Service</a> which collates and disseminates health information on New Zealand's children and youth.</p>
<p><b>Alan Johnson</b></p> 	<p><b>Alan Johnson</b> currently works as a social policy analyst for The Salvation Army's Social Policy &amp; Parliamentary Unit. He is author of <a href="#">A Mountain All Can Climb</a> which is The Salvation Army's 2015 State of the Nation report. In his spare time he is a community activist in South Auckland where he is active as an administrator in local sports clubs and as a school trustee. He is also a trustee of the Auckland Community Housing Trust and an executive member CPAG. Alan has an academic background in town planning and economics and has been involved in Auckland local government for over 15 years both as a politician and bureaucrat. He contributed the housing chapter to CPAG's report <a href="#">Our children, our choice: priorities for policy, 2014</a>.</p>
<p><b>Ass. Professor Susan St John</b></p> 	<p><b>Susan St John</b>, QSO, CPAG founding member and economics spokesperson is an Honorary Associate Professor in the Economics Department, University of Auckland and director of the Retirement Policy and Research Centre. Susan is co-editor of CPAG's latest flagship publication <a href="#">Our children, our choice: priorities for policy</a> (2014) and co-editor of earlier reports <a href="#">Left Further Behind: How policies fail the poorest children in New Zealand</a> (2011) and <a href="#">Left Behind: How social and income inequalities damage New Zealand children</a> (2008). She is co-author of CPAG's <a href="#">Cut Price Kids: Does the 2004 Working for Families' Budget work for children?</a> (2004) and <a href="#">Our Children: The Priority for Policy</a> (2001, 2003). She was co-editor with Dalziel &amp; Boston of <i>Redesigning the Welfare State in New Zealand: Problems, Policies Prospects</i> (1999) OUP. Recent articles are: <a href="#">Reflections on the Child Hardship Bill</a>, Policy Quarterly, 2015; <a href="#">Children at the Centre: Making policy as if children mattered</a>, <i>Edu. Philosophy &amp; Theory</i>, 2014.</p>
<p><b>Dr Ian Hassall</b></p> 	<p><b>Ian Hassall</b> is an independent children's advocate and Research Associate at AUT. He is part of the Tick for Kids campaign to place children's rights and interests centrally in New Zealand's public life. He is a specialist paediatrician, worked with the Plunket Society and was New Zealand's first Children's Commissioner. He taught the Children and Public Policy masters course at AUT and has published on child rights, safety and mortality. In 2010 he received the international Aldo Farina award for child rights advocacy.</p>

<p><b>Michael Fletcher</b></p> 	<p><b>Michael Fletcher</b> is a Senior Researcher with the Policy Observatory at Auckland University of Technology. He has extensive experience as an economic and social policy advisor, researcher and manager working for, or as a consultant to, various New Zealand government agencies. He has published recently in the areas of social welfare, child poverty and child support and his current research interests are focused on the financial consequences of marital separation, child support, and welfare reform. Michael is the New Zealand Correspondent for the Max Planck Institute for Social Law and Social Policy in Munich.</p>
<p><b>Lesley Lyons</b></p> 	<p><b>Lesley Lyons</b> is an honorary academic in the Faculty of Education, University of Auckland. Lesley has extensive academic and field experience in the early childhood education and care sector (ECEC). Her current research project investigates the impact of privatisation in the sector on the inclusion of children with disabilities. The research queries the availability of quality full day ECEC designed to meet the needs of working parents.</p>
<p><b>Nardos Tilahun</b></p> 	<p><b>Nardos Tilahun</b> says “Selam! I’m Nardos and 18 years old, originally from Ethiopia. I’m currently studying a conjoint degree in Law and BA (Politics and International Relations) at the University of Auckland. I love art and I’m passionate about Human Rights. As a UNICEF NZ Youth Ambassador I am pursuing opportunities to advocate for the rights of children but also to help provide opportunities for other youth to engage in social issues they feel passionate about.”</p>
<p><b>Dr M. Claire Dale</b></p> 	<p><b>M.Claire Dale</b> is Research Fellow with the Retirement Policy and Research Centre at the University of Auckland. She is chief editor and contributing author of CPAG's publications <a href="#">Our children, our choice: priorities for policy</a>, 2014, and <a href="#">Left Further Behind: How policies fail the poorest children in New Zealand</a>, 2011, and co-author of CPAG's first publication <a href="#">Our Children: Priority for Policy, 2001</a>. Claire writes many of CPAG's <a href="#">submissions</a> on tax, health, welfare and financial sector reform. In 2010 she founded Nga Tangata Microfinance Trust, providing no interest loans to low income families in partnership with Kiwibank.</p>
<p><b>Deborah Morris-Travers</b></p> 	<p><b>Deborah Morris-Travers</b> is the National Advocacy Manager at UNICEF NZ. Previously, she managed Every Child Counts (ECC)– a coalition of NGOs and individuals working to improve the status and wellbeing of New Zealand children. Over the past 11 years, she has also worked for Plunket and Barnardos. In 2007, Deborah received a Vodafone World of Difference Award to support her work with ECC. She is passionate about the place of children in our lives and how we build strong, connected families and communities to nurture them. She has a degree in political science and a Masters of International Relations; was elected to the first MMP parliament in 1996 and was the youngest ever Minister of the Crown. In 1998 as Associate Minister of Women’s Affairs she presented our periodic report to the UN Committee on the Elimination of All forms of Discrimination Against Women in New York.</p>
<p><b>Len Cook</b></p> 	<p><b>Len Cook</b>, Families Commissioner, has been a Government Statistician in New Zealand, and a National Statistician of the United Kingdom. Len has been involved in a variety of public policy initiatives including Member of the Royal Commission on Social Policy, Past President of the Institute of Public Administration. Particular interests are in population change, social policy and public administration. He serves as the Families Commissioner on the board which was been rebranded late last year as the Social Policy Evaluation and Research Unit (SUPERU).</p>

## "Sweet azz bro" lyrics of the lives. Taaz Harrison



**Taaz Harrison, of *No Artificial Flavours*.** The streets of Auckland City developed the unique blend of the three musicians known as *No Artificial Flavours*, consisting of the MC, Taaz Harrison, DJ Manchoo, and singer Cherene Clarke. Although they came together in 2001, their story begins earlier. Taaz was formerly a member of the legendary Aotearoa hip-hop outfit, [Dam Native](#). *No Artificial Flavours* released the track 'Sweet Azz Bro' combining true musical talent with the raw sounds of hip-hop, and Taaz's truthful lyrics describing the lives of many of his peers and friends, making it one of the most musical hip-hop releases to date in New Zealand.

### **Chorus**

The streets that i'm from say  
sweet azz bro  
kids going to school are like sweet azz bro  
our top notch athletes  
sweet azz bro  
but in reality i know its not sweet azz bro

### **verse 1**

got no time for lame topics like a party  
i represent for those who got food in their  
cupboards  
hardly  
you dont know me  
do you know what that feels like  
when your having dinner and the power runs out  
the kids are in the shower and the water runs out  
3 babies crying cause last week their powder ran  
out  
instead of buying food every week  
their paying bills so every night they got some  
where to sleep  
to some it puzzling  
in every street someone struggling  
from social welfare lines to food bank lines  
you know the kind not physical but strong in mind  
the type that smiles when the card declines  
since it cost 30 bucks just to see a gp  
their trying grow aloe vera  
and use home remedies  
praying for a better day with a heart full of hope  
dont believe in horoscopes or even fights for votes

### **hook sings ...**

The streets where i'm from say sweet azz bro  
kids going to school are like sweet azz bro  
our top notch athletes sweet azz bro  
but in reality i know its not sweet azz bro

### **cherene sings ...**

seen it on the news but you didnt believe  
failed to realize it's reality

heard on the street but you just dont see  
it's just another day in mah community

### **Verse 2**

present and luxuries  
they simply cant afford  
the kids are taught to run and hide from the  
landlord  
going to school no breakfast 1 apple for lunch  
so on the way to school its the apple they munch  
now its lunchtime  
and their hungry as ever  
so they go to the toilets eat the other kids lunch  
back to class the bell rings their gone and their  
clever  
they walk home from school  
in every different form of weather  
2 t-shirts 1 pants  
thats all their clothes  
if thats not bad enough  
their shoes have got holes  
drinking out of taps with more floride then water  
worried about the person that lurks around the  
corner  
cause they learnt stranger danger stranger danger  
they run home quick straight next door  
play alex the kid  
there's fruit on the trees so the sneak is fixed  
waiting for dinner a plate of weet bix

### **cherene sings ...**

seen it on the news but you didnt believe  
failed to realize its reality  
heard it on the street but you just dont see  
its just another day in mah community  
is it 'cause of their skin or the clothes  
that they wear  
that makes you decide if you really care  
heard it on the street but you just dont see  
its just another day in mah community

### **sweet azz bro the lyrics**

dathoritaaz, no artificial flavour