

## Submission

to the

### Social Services Select Committee

on the

### Social Security Legislation Rewrite Bill

*I would like to mention the situation of families living in dire poverty and great limitations. The problems faced by poor households are often the more trying. For example, if a single mother has to raise a child by herself and needs to leave the child alone at home while she goes to work, the child can grow up exposed to all sorts of risks and obstacles to personal growth. In such difficult situations of need, [we] must be particularly concerned to offer understanding, comfort and acceptance, rather than imposing straightaway a set of rules that only lead people to feel judged and abandoned.*

Pope Francis: Amoris Laetitia/The joy of love, 2016

#### Summary of main points

- We recognise the necessity of the Social Security Act rewrite, as it is complex legislation which has been amended many times and is difficult to understand.
- We would have preferred a policy-neutral rewrite and a longer Select Committee process
- The primary goal of New Zealand's social security legislation should be the elimination of poverty and the support of human dignity and wellbeing.
- The onus needs to be placed on the Ministry of Social Development to ensure that people are receiving all the assistance to which they are entitled.
- The value of parenting, especially by sole-parents, needs to be formally recognised in the legislation.
- We do not support a number of areas of discretion being removed from the primary legislation and placed in regulations, which require a lower level of scrutiny.
- The right of Māori to remain in their papakainga must be formally recognised in both legislation and policy.
- We do not support the existing provisions in Section 60GAE which do not recognise additional children of sole parents for the purposes of work-testing. We are concerned that the combining of the Section 20 and Section 60 sections may result in additional discriminations and restrictions for sole parents who have additional children come into their care.
- We have concerns about the "modernisation" of Ministry of Social Development processes through use of electronic communication, as beneficiaries frequently do not have consistent or reliable access to texts and emails. It is important that significant decisions and requirements that potentially have an impact on a beneficiary's income continue to be communicated in writing by mail.
- We add our voices to others in the community asking for the removal of Section 70A sanctions which penalise the children of mothers who have not named the fathers of their children.

## **Introduction**

1. Caritas welcomes the opportunity to comment on the Social Security Legislation Rewrite Bill. Our social security legislation, and the government ministries and services that are set up to administer its provisions, are key elements of our society's response to the poverty in our midst.
2. The overriding goal of New Zealand's social security legislation should be the elimination of poverty. It is our primary way of ensuring the wellbeing and welfare of New Zealand's most vulnerable citizens, our brothers and sisters, especially when facing times of financial stress and hardship. The goal of legislation should not be about reducing the numbers of beneficiaries, or of setting increasingly severe restrictions and requirements on beneficiaries. It should be about ensuring that all families and all people, whatever the difficulties they are facing, are supported to ensure they are able to flourish and participate in society.
3. We agree that the Social Security Act required a rewrite – it is a hugely complex piece of legislation, which is difficult to read and understand, and is particularly inaccessible for the people who are most affected by it.
4. We would have preferred that a technical, policy-neutral rewrite had occurred without the addition of policy changes. In that scenario, we would still need to closely examine the text of the legislation to ensure no unexpected consequences. However, that task has been made more difficult by the addition of policy changes.
5. In these circumstances, we do not support the decision to have a shortened Select Committee process, which reduced the amount of time available for community submissions to be prepared. Legislation which has the potential to make significant changes to the lives of vulnerable New Zealanders needs the full scrutiny of the community and of Parliament.

## **Purpose and principles of the Act**

6. We have watched with concern and dismay over recent years as parties on both sides of the House have modified the key principles of the Social Security Act, particularly in legislation changes in 2007 and 2012.
7. We agree in principle that dignified work for all is a very significant way of ensuring that people are able to attain their rights and meet their responsibilities. However, there will always be groups of people in our society who, for reasons beyond their control, require assistance for periods of their life. New Zealand's social security legislation was created by a compassionate society which put the elimination of poverty and the creation of social wellbeing as a high priority.
8. The overriding goal of our social security legislation should be the elimination of poverty, rather than reducing the numbers of beneficiaries. People who move from poverty on a benefit to insecure, low-paid, unsafe work may simply exchange one form of poverty for another. And the sole focus on work as a path out of poverty overlooks the needs of those for whom paid employment is not a realistic option.

9. The principles of the Act need to reference human dignity and wellbeing. The onus needs to be placed on the Ministry of Social Development to ensure that people are receiving all the assistance to which they are entitled.
10. The Act needs also to formally recognise the role of parenting, especially by sole parents. The increasing focus on paid employment can devalue and overlook the very significant role of parenting, and the impact this has on the wellbeing of children.

#### **Moving areas of discretion from the primary legislation to regulations**

11. We do not support the moving of areas of discretion from primary legislation to regulations. Discretionary assistance which enables Work and Income staff to meet the particular costs of specific circumstances is a very significant measure to keep people out of poverty.
12. Apparently small changes in second and third tier assistance can have very significant consequences for some of New Zealand's most vulnerable people. Moving these areas from the primary legislation to regulations reduces Parliamentary scrutiny of these changes, and removes the opportunity for public comment on intended and unintended consequences.

#### **Right of Māori to remain in their papakainga**

13. Work-testing requirements placed on beneficiaries must recognise the right of Māori to remain in their own papakainga or rohe. The Limited Employment Location policy of Work and Income, introduced under section 102A of the current Act, formally acknowledges that people are not expected to relocate under this policy. However, we continue to hear of situations in which, under work-testing requirements, Māori are being asked to move away from their homes, communities and marae to take up employment.
14. This is a matter which urgently needs to be addressed in legislation, policy and practice of the Ministry of Social Development. The rewritten legislation must recognise the right of Māori to live on their own ancestral lands, and to ensure the survival and flourishing of marae and many other aspects of community life.

#### **Recognition of additional children**

15. We do not support the provisions of the current legislation under Section 60GAE which do not recognise additional children which come into a beneficiary's care for the purposes of work testing. A one-year old child needs and deserves time with their mother, regardless of the circumstances of their birth. This measure attempts to discourage the birth of children to beneficiaries by penalising the child.
16. We repeat our opposition to policy provision which introduce penalties and sanctions for the birth of additional children. These "family cap" measures have been shown in the United States not to reduce the number of pregnancies to families on social assistance, but to increase the number of abortions in poor communities. Such measures should not be part of our social welfare arrangements in New Zealand.

17. The rewrite of the legislation, which brings these section 60GAE provisions together with the former Section 20 provisions for sole parent support into the new Section 30. We are concerned that this means there is a potential extension of the exclusion of children from the work testing obligations into other areas of benefit eligibility. For example, is the child excluded from consideration for accommodation supplement, which has different maximums dependant on family size? If this is not the intention, this needs to be made more clear in determining for what purposes additional children are not considered under sole parent eligibility.

### **Electronic forms of communication**

18. We recognise that forms of communication are evolving, and that beneficiaries themselves may wish to use email and texts to communicate with case managers. However, we are concerned that allowing a wider range of possible forms of communication does not remove the importance of communicating significant decisions and other information with beneficiaries in writing by mail.

19. There is no charge to receive a letter. However, there are charges to download phone messages left on a mobile phone, and a person reliant on a cellphone to receive emails and other data may not be able to access significant information sent electronically if they have no funds to top up a pre-pay phone.

20. The digital divide in New Zealand society is well documented and is real – there is a significant difference in the ability of different groups in New Zealand society to access the internet. While this is acknowledged at a policy level, and initiatives like the roll out of rural broadband are reducing some of the infrastructure barriers, it is still possible for a beneficiary to be surrounded by high-speed internet and not to be able to check email messages or respond to a text because there is no credit on the phone.

21. There is not just the possibility, but the probability of poor outcomes and unintended consequences if significant information is communicated with beneficiaries through text, cellphone answerphone messages, email and on-line application processes which require a person to download correspondence. It is important that significant decisions and requirements that potentially have an impact on a beneficiary's income continue to be communicated in writing by mail. Given the reduction in postal delivery times, the time periods also need to be adjusted to ensure that people receive mail in time to act on any requirements communicated through the post.

### **Replacing face-to-face interviews with on-line application processes**

22. Similarly, we have concerns that the roll-out of the on-line application process will reduce the opportunity for face-to-face conversations with Work and Income staff. This year Caritas partnered with the Archdiocese of Wellington in a Benefit Impact in Upper Hutt. We saw again at first-hand what a difference it made to talk through in person people's specific circumstances and entitlements. '

23. One third of beneficiaries at the Upper Hutt benefit impact required assistance with the disability allowance or child disability allowance. In some situations, medical costs were putting people into real hardship, but beneficiaries were unaware that there was some assistance available to them for these medical costs. Half of those seeking help with medical costs were superannuitants.

24. While on-line applications may bring some efficiencies, they also run a strong risk of confining the “conversation” with beneficiaries to the most obvious categories of assistance. Beneficiaries filling out or considering an on-line application may not have all the information they need about what they could potentially apply for.

### **Section 70A sanctions for not naming the father of a child**

25. We add our voices to others in the community seeking the removal of Section 70A penalties where a mother has not named the father of a child. This sanction penalises children and mothers more than it affects the fathers, who are intended to be the focus.

26. While exemptions current exist in the law, we regularly come across people who have not had the opportunity to explain their circumstances and so have their case for exemption considered. This includes victims of rape, incest, violence and circumstances in which mothers are genuinely unable to prove the parentage of their children.

27. The process to apply for consideration of an exemption requires a woman to reveal a great deal of personal information. We consider it unnecessarily intrusive. Even women aware that there is the possibility of an exemption do not necessarily want to apply for it, because of the difficulties of putting very significant issues in writing. One example is a mother who did not want to have formally recorded that her son resulted from rape, because it was something she had not and did not want to reveal to her child.

28. This sanction causes unnecessary and unhelpful distress to people, while in many cases not succeeding in its aim, which is to ensure that more fathers take responsibility for and contribute financially to their children. The Ministry of Social Development should find policies and processes which focus on fathers, rather than trying to have an impact on their behaviour through penalising mothers and children.

### **Conclusion**

29. The Catholic church is currently celebrating the Jubilee of Mercy called by Pope Francis, which asks us to open our eyes to people in need in our communities, and to reach out to them and to others living on the margins and periphery of our society. The wellbeing of families, especially families who are living with poverty, is another key focus of Pope Francis.

30. Catholic parishes, schools and communities reach out to ensure the wellbeing of people within our communities, and in this Jubilee of Mercy, there are numerous new initiatives in Dioceses, parishes and schools. However, the key way of ensuring the social wellbeing of all in our society continues to be to ensure we have a well-functioning social welfare system which meets the needs of people in hardship.

31. Creation of decent, meaningful, dignified work needs to be a high priority for government. However, not all jobs available in New Zealand society at present offer or deliver freedom from poverty. Casualised work, zero-hours contracts, probationary employment and short-term contracts all contribute to making employment more insecure and more difficult for people with medical needs, childcare responsibilities or other barriers to employment.

32. We agree with the creation of dignified work being one priority of the New Zealand's social welfare system. But it is not the only goal, or even the primary goal.
33. The overriding goal of social security legislation should be the elimination of poverty, the recognition of human dignity and wellbeing, and the strengthening and flourishing of families. These matters are overlooked in the principles of the act. This results in a focus on activities, policies and procedures that many beneficiaries find demeaning, complex and unhelpful. Instead the focus should be on activities, policies and procedures that empower and strengthen beneficiaries, families and communities.