



Social Security (Benefit Categories and Work Focus) Amendment Bill Social Services Select Committee

The Salvation Army (New Zealand, Fiji and Tonga Territory) Submission

1. BACKGROUND

- 1.1 The Salvation Army is an international Christian and social services organisation that has worked in New Zealand for over one hundred and thirty years. The Army provides a wide-range of practical social, community and faith-based services, particularly for those who are suffering, facing injustice or those who have been forgotten and marginalised by mainstream society.
- 1.2 The Salvation Army is strongly connected to the regions and communities around New Zealand. We have over 90 community ministry centres and churches (corps) across the nation, serving local families and communities. We are passionately committed to our local communities as we aim to fulfil our mission of caring for people, transforming lives and reforming society through God in Christ by the Holy Spirit's power.¹ Therefore, we believe we can speak effectively to this Bill because of our strong commitment and track record with local communities, and also because of our strong relationships with territorial authorities wherever our community ministry centres and corps are located.
- 1.3 This submission has been prepared by the Social Policy and Parliamentary Unit of The Salvation Army. This Unit works towards the eradication of poverty by encouraging policies and practices that strengthen the social framework of New Zealand. The Unit provides solid social research and robust policy analysis, engaging with national opinion makers in politics, government, business, media and education.
- 1.4 This submission has been approved by Commissioner Donald Bell, the Territorial Commander of The Salvation Army's New Zealand, Fiji and Tonga Territory.

2. THE SALVATION ARMY PERSPECTIVE

- 2.1 We are generally **opposed** to the passing of this Bill into legislation.
- 2.2 We acknowledge the rationale for this Bill is reducing long-term benefit dependency by moving people to work or to more actively seeking

¹ <http://www.salvationarmy.org.nz/our-community/mission/>

work. These are goals that we as a movement are also committed to through our work with beneficiaries and their families via our community ministry centres and corps (churches).

But we submit that there are better ways to work towards these goals rather than trying to induce job-seeking behaviours by imposing a raft of punitive sanctions on beneficiaries under this Bill, particularly if these sanctions will subsequently adversely affect their children. We believe that we and other social service providers are both currently delivering some of these better ways and trying to develop new and innovative ways to achieve these goals.

- 2.3 We submit that this Bill is unfair towards beneficiaries. We believe that individualising the social problems and issues that beneficiaries experience do not make those problems go away. Instead, we advocate for policy and law changes that will work at addressing some of the more macro level issues that some of our marginalised and vulnerable individuals and families face. For example, we highlight the recent efforts of the Expert Advisory Group on Solutions to Child Poverty to discuss the issues, realities and potential solutions surrounding child poverty in Aotearoa. We believe that approaches like this which aims to address these social realities and inform policy and law decisions with rigorously debated solutions can be more effective for more positive social and community change than imposing sanctions.
- 2.4 We call on the Government to continue to acknowledge that these beneficiaries are not nameless, faceless or placeless people. A Member of Parliament recently stated that this Bill was essentially about changing a brand to change the focus of the principal Act to give beneficiaries a new sense of hope and opportunity. Hope and opportunity are excellent things to try and create and instil within beneficiaries. But using sanctions that reinforce stereotypes and populist 'beneficiary bashing' ideas are not helpful and probably not the most effective ways to give hope and opportunity. In changing the 'brand' of the benefits, we sincerely hope that beneficiaries themselves do subsequently become branded with even more negative and unhelpful stereotypes.
- 2.5 We also want to highlight this Bill's focus on beneficiaries gaining employment or being work ready. We acknowledge that there has been a slight resurgence in the job market in recent times. The Ministry of Business, Innovation and Employment (MoBIE) is forecasting an increase in employment and a conversely reduction in the unemployment in the short to medium term. MoBIE is also forecasting that from 2012-2014, over 35,000 jobs for lower skilled workers will be added to the economy. Most of these new jobs will be in the food processing, retail, accommodation and construction sectors.

If these forecasts are correct by the Government, then we submit that the focus on gaining employment and being work-ready in this Bill should move people into meaningful employment that takes into account their real life situations like dependent children, child care, location, and health issues and so on.

- 2.6 We also want to highlight the increased potential of beneficiaries to engage in more at-risk behaviours as more stress and pressure is placed on them via these reforms and their work and work preparedness obligations. For some of those using our services, coping with financial, family and social pressures can lead to more risky behaviour. For instance, we have had feedback from our staff in Oasis (problem gambling programme) and our other social and welfare workers that these reforms could cause beneficiaries to turn to gambling, and drugs and alcohol, to deal with these stresses and also to try and magically add more money through pokie machines and other gambling activities. This is even more problematic as the areas with high concentrations of beneficiaries living there are generally the same areas with high numbers of pokie venues, liquor stores and other gambling outlets.

3. RESPONSES TO SPECIFIC AMENDMENTS TO LEGISLATION

- 3.1 This is a very large and technical Bill. Therefore, our responses here will be based on some of the major themes within this Bill.

3.2 *The Government's investment approach*

- 3.2.1 We are acutely aware of the consistent messages of fiscal responsibility and prudence espoused by the Government. But we are concerned by some aspects of the investment approach that Work and Income New Zealand (WINZ) is embracing through these social security reforms.

For example, this Bill is strongly calling for work obligations being placed on those receiving the new Jobseeker support benefit. We want to ensure that WINZ case workers are able to make comprehensive and fair assessments of these beneficiaries. Can they make comprehensive assessments about mental health issues a beneficiary might have? Or any addictions a beneficiary might have? If work obligations or expectations are to be placed on Jobseeker support clients, then we would argue for safeguards to ensure the drive to employ this investment approach does not lead to incomplete or unfair assessments of these people.

- 3.2.2 Additionally, we have had several accounts from some of social workers and budgeters in our various community ministry centres around the country of individuals and families being referred directly to The Salvation Army by WINZ and Housing New Zealand staff. With this practice, even more stress is placed on our already stretched social work, budgeting and food bank services. We acknowledge that most staff from government departments are highly skilled professionals. But we sincerely hope that these situations do not continue to happen, particularly under this new investment approach enshrined in this Bill. We want beneficiaries to be comprehensively assessed by WINZ staff and only be referred to our services if all other State-funded options for help have been exhausted. We will never turn away those seeking help

from us. But the social contract lauded in this Bill has obligations for both the recipients of social security and the Government providing these benefits.

3.2.3 We are supportive of some of the non-legislative changes in the Bill. These include simplifying access to the supported living payment for people with little or no access to work, and working to improve outcomes for vulnerable children with other government agencies.

3.3 ***New rules for the focus on work***

3.3.1 We believe, as mentioned above, that this Bill unnecessarily imposes tough sanctions as a means to increase a beneficiary's focus on work and/or work preparedness. For instance, the Bill calls for the cancellation of a benefit and a 13-week stand down period for any person who fails to accept an offer of suitable employment. The Explanatory Note to the Bill states that this rule is meant to send a strong message to beneficiaries about work availability expectations. Again, the assessments being carried out by WINZ staff are crucial here to determine whether or not there might be valid reasons, or a change in circumstances, for a person failing to accept specific employment. The issue here for us is the inadequacies within the assessment and referral processes of WINZ and MSD. Therefore the challenge for those conducting the assessments is to ensure the person is assessed as competently and comprehensively as well. If an assessment and/or subsequent referral is deemed inadequate by the beneficiary, those working with the beneficiary, or other parties, then we acknowledge there is some form of redress available through the Social Security Appeal Authority established by the principal Act. But in our experience, a lot of beneficiaries do have some problems gaining the information, time or confidence to lodge appeals to this Authority. In the end, we submit the assessment process must be strengthened.

3.3.2 Such sanctions will also have a huge flow-on effect on a beneficiary's family and children (if they have any). Like many of the other sanctions in this Bill, children will surely suffer more if and when these new rules are enforced by WINZ. They will in effect be punished for the alleged transgressions of their parents. This is an untenable position, particularly as the Government has consistently stated in recent months that vulnerable children and child poverty are critical issues in its' social issues agenda.

3.3.3 Also, there is a new rule in the Bill about WINZ staff having the discretion to require those on the supported living payment to undertake certain work preparation activities. We believe such provisions take away a person's control and knowledge of their own health and leave this decision in the hands of a WINZ staff member. Moreover, there is no scope in the Bill for a medical professional to make these kinds of important assessments.

Again, the assessment procedures are vital here to ensure fairness for these beneficiaries.

3.3.4 The Bill is also calling WINZ workers or contracted providers to undertake all assessments of clients but WINZ retains the right to decide on eligibility, work obligations and imposing sanctions. We submit that there needs to be quality information gathered and shared by these contracted providers with WINZ staff who make the final major decisions. We submit that all of the relevant information about that person gathered by a contracted provider is seriously considered by WINZ as they make the final decisions. We also believe that there are client assessments that WINZ staff might not have the proper expertise in making, especially around the Supported Living Payment. Therefore, there might need to be allowances in the Bill and in WINZ procedures to obtain as much quality and relevant information from other sources as possible to make informed major decisions on a person.

3.4 ***Drug testing and benefit payments for those with Warrants to Arrest***

3.4.1 This issue has garnered a lot of media and public attention as this Bill has progressed through the House. Rather than wade into the contentious populist debate, we want to focus our submission of the sanctions imposed by WINZ if a beneficiary fails a drug test.

3.4.2 We believe that the sanctions at the disposal of WINZ are too harsh and adversely affect a beneficiary's children if they have any. We do not believe that imposing sanctions that greatly reduce a person and their family's income will truly change a person's behaviour and help with work readiness.

3.4.3 Sanctions for beneficiaries with children will never be more than 50% of that beneficiary's benefit under this Bill. But we believe this sanction, if imposed, will greatly endanger these peoples' children. The families who are using our community ministry services are primarily coming because of significant lacks of income and/or issues around debt and addictions. If a beneficiary fails a drug test and loses 50% of their benefit, their children will definitely suffer. This will in turn create even more pressure on providers like The Salvation Army. We do not believe these are the types of situations the Government wants to create with these sanctions around beneficiary drug testing.

3.4.4 We support and acknowledge the provisions in the Bill that state that those with drug addictions or undergoing drug treatment will not be referred to jobs with pre-employment drug testing, and also the provisions where those with addictions will be offered support regarding their submissions. We want to ensure this support is with certified providers of addictions treatment services. We also believe that there needs to be greater funding commitment from the Government to support

these services, especially if WINZ staff will be referring these people to these services.

- 3.4.5 In terms of stopping payments to those with warrants to arrest, we believe caution needs to be exercised before such a sanction is imposed. We believe the welfare of the child or children needs to be adequately considered and safeguarded before a decision to impose a severe 50% benefit cut is made.

3.5 ***New social obligations***

- 3.5.1 We are generally supportive of the four new social obligations to be introduced for beneficiary parents and their dependent child.
- 3.5.2 But we believe that, although these goals or obligations are admirable, they are much harder for some beneficiary parents to achieve in reality. Recently, our Social Policy and Parliamentary Unit held an informal community hui with some beneficiaries using our South Auckland community ministry services. The feedback from this group was hugely insightful and challenging. One of the areas this group gave a lot of feedback around was early childhood education
- 3.5.3 This Bill calls for all children aged 3 and over to be enrolled and attending an ECE centre. We clearly support increasing attendance and access for all families to ECE. However, several participants from our community hui talked about their desire to take their children to ECE centres but there were huge difficulties in cost, time and travel that hindered this, these participants talked about increased costs in petrol and time needed to drive their children if a centre was not nearby their home. They also talked about challenges in time if they had more than one child and these children were attending different schools. They also mentioned the high costs in good after-school care for their children.
- 3.5.4 Consequently, the new social obligations in this Bill are all positive elements. But the reality of making these things happen for a lot of these beneficiary parents and families is extremely hard. Therefore we advocate for safeguards around the decisions to impose any sanctions if the beneficiary parent has failed to meet any of these new social obligations. We hope that WINZ staff can gather all the in-depth information and realities of their clients before any of these harsh penalties might be imposed.

4. CONCLUSION

In summary, we recognise the validity in the intentions of the Government these to reform the Social Security Act to reduce long-term benefit and welfare dependency by moving people into work or work preparedness. But

we believe that the amendments within this Bill are not the type of actions or policies that will incentivise job seeking behaviour or even catalyse people moving away from welfare dependency. We submit these reforms impose negative sanctions that could lead to even more suffering for the dependents of beneficiaries if their benefits are cut due to, for example, a failure in the drug test or if a warrant to arrest is issued for that beneficiary. For these reasons, we submit that we are generally opposed to the progression of this Bill into law. However, if this Bill is passed, then we submit that there needs to be several changes to it as we have detailed throughout this submission.

Thank you for this opportunity.

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