



A BRIEF ANALYSIS OF THE WELFARE WORKING GROUP RECOMMENDATIONS FEBRUARY 2011

Overview:

In 2010 the New Zealand Government appointed the Welfare Working Group to examine ways to reduce “long term benefit dependency” in NZ for working age people. The group was to particularly focus on sole parents, sick people, disabled people and those deemed at-risk of “long term benefit dependency”. The groups Terms of Reference explicitly excluded any thinking about the “adequacy of income from welfare”.

The Group undertook a three phase process in developing its report. It ran some initial consultation forum to gain feedback from interested individuals and groups, it published an Issues Paper and received submissions and it published an Options Paper and received submissions. The Group then published its Reducing Long-Term Benefit Dependency Recommendations.

These Recommendations are grouped around the following themes: -

- *A stronger work focus for more people* – more people need to be more focussed on getting a job. It is envisioned that only a small group of very disabled or terminally ill people will not be expected to work
- *Reciprocal obligations* – if you don’t get a job quickly expect to be supported to do so, if this doesn’t work expect financial and other penalties for being an unsuccessful job searcher
- *A long-term view* – if you become a beneficiary your theoretical potential long-term cost to the system will be calculated and this will provide a guide on how much help you should receive
- *Committing to targets* – reduce the beneficiary rolls by 100,000 by 2020 (about the same level it was at in 2007 before the global financial crisis)
- *Improving outcomes for Māori* – “share the risk of Māori unemployment” with Māori organisations so they will be incentivised to improve Māori education, training and employment outcomes
- *Improving outcomes for children* – Reduce the numbers of children living in poverty by forcing parents into employment – any employment. Identify and label “at-risk” parents and apply draconian measures to enforce child safety
- *A cross-Government approach* – encourage Government departments such as Health to properly respond to mental health and drug and alcohol treatment needs, to provide elective surgery early in the cycle to people who may end up on a sickness benefit if operations are not received. Get schools to provide more effective education services to children who leave school under-qualified



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- *More effective delivery* – Establish a new government agency to take over delivering services to people on benefits from Work and Income. Have this agency contract private organisations to deliver support services focussed on getting people into work

Underpinning Philosophy

The underpinning philosophy of this report is three-fold. The most dominant philosophy is one of “a job will fix everything”. This philosophy is best summed up by the theory that any job will automatically make a person a better person, a better parent, a better contributor to society than not having a job and being on a benefit. The second and supporting philosophy is that any person on a benefit for longer than six months is highly likely not to want to be employed and will need to be forcefully compelled to accept employment or will end up being a lifelong drain on the public purse. The third aspect is that a person’s potential long-term cost in benefit payments, their “forward liability”, can be reduced by effective early intervention to ensure the person has the physical and mental health, child support mechanisms etc. to allow them to get and hold a job. This approach is vastly different to the outcomes of the 1972 Commission on Social Welfare and the 1988 Royal Commission on Social Policy both of which concluded that social participation brought about through adequate welfare support, quality training and education and secure and adequately paid work should underpin New Zealand’s social welfare policies.

The economist’s theory of “forward liability”, of calculating how much a person may cost the system if they don’t ‘get fixed and get a job’, is used to analyse how much support should be provided and whether or not the new processes have been successful. With the reduced forward liability achieved through these interventions being the single most driving measure of success of the changes. There is logic in this approach, particularly for people needing minor surgery so they can return to employment and not become a long term sickness beneficiary just because their illness is not considered serious enough to get onto a hospital waiting list. However, for many others the ability for the welfare system to provide a reasonable standard of living, the ability to live an inclusive life, raise a healthy family and develop the skills to gain meaningful, adequately paid work is a far better measure.

Proposed Tools for Change

For People on Sickness and Invalid’s Benefits

Instead of getting a Doctor’s Certificate to indicate eligibility for a sickness or invalid’s benefit – both paid at higher rates than an unemployment benefit – a person would get a “fit-note” from their GP. The “fit-note” would detail what work the person may be capable of doing rather than saying the person was



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unable to work. The person would be placed on a “Jobseeker Support” allowance - paid at the same level as an unemployment benefit and topped up to cover some additional costs due to their condition – and given support to find a job that matched their level of fitness. In the cases of highly disabled people and terminally ill people they would be given a permanent exemption from work testing obligations.

Support may include providing early access to medical interventions that are currently not treated but which exclude people from their normal work. This could include operations on joints, hernias etc. so that people achieve health levels that allow them to work. Through accessing early interventions people will be able to return to work rather than be trapped on a benefit because they suffer from a readily treatable illness. This will mean that they are likely to be better off financially and in their personal well-being and may reduce the person’s forward liability (welfare cost over a life-time).

The recommendations also propose increasing mental health treatment resources throughout New Zealand. The Report notes that the current provision of mental health services is very poor and does not meet the need for these services particularly in rural New Zealand. There are also recommendations to provide greater access to drug and alcohol treatment by developing more services, both residential and community based.

For Māori

The Welfare Working Group report has no analysis of how its recommendations will impact on Māori. It does acknowledge that Māori are overrepresented in welfare statistics but does not consider how many of its recommendations – both positive and punitive may impact. Actions such as early intervention health services and improved access to effective mental health services will be positive for the Tangata Whenua. However, the punitive effects are also likely to be hugely impactful on Māori well-being with the potential for proportionally more Maori to be placed on reduced incomes, or be stood-down from receiving any support and/or have the management their personal lives and the lives of their children placed in the hands of third parties.

The Welfare Working Group is “... of a view that the scale of the issue requires a partnership with Māori leadership at the highest levels”. The inclusion of Māori on the Welfare Working Group was important, given the above mentioned imbalance in Māori participation on benefit rolls. It would have been even better, however, if the group had developed and implemented a full engagement strategy with Māori in order to develop its recommendations – rather than just recommend that this should occur. By not doing so the macro-systems that will be implemented as a result of this report will not take cognisance of Māori issues – rather the Māori response will have to be developed within (and as an ‘add-on’ to) a pre-existent set of major changes within welfare policy.



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For Families and Children

The underpinning philosophy that a job, any job is good for parents and their children is very strongly reflected in the Working Groups recommendations in this area as is the need to forcefully impel parents into accepting any job. There are very strong “work expectations” for sole parents and the partners of beneficiaries. While the recommendations paper states that , “...it is important to recognise that sole parents will often have additional constraints due to being primarily responsible for the care of their children”, it is difficult to find any recommendation that takes this requirement into account. Incentives to engage in work include requirements to be work seekers or face stiff penalties for “failing work tests”. These penalties include steep and increasing deductions for benefits up to and including 100% removal of income and a long stand-down period after work tests have been complied with.

All parents, including the partners of beneficiaries and sole parents, are expected to be available to work when their youngest child is three years old. Unless a subsequent child is born whilst receiving a benefit, then they are expected to be available for work when that child is 14 weeks old. The Group acknowledges that there will need to be significant further investment in Early Childhood Centres and out of school care centres to enable parents to work.

The focus on children’s health is to be given effect by requiring beneficiary parents to ensure their children go to school when they are supposed to, go to approved early childhood education when they are 3 years old and have their free Plunket/Tamariki Ora checks and get immunised. Failure to do this would result in the parents having their benefit income managed by a third party, or receiving payment cards rather than cash. NZCCSS acknowledges that we need to provide greater care and support for our children. Our research, along with other national and international studies, shows that the best, most long lasting and effective change occurs when parents work with trusted skilled workers in their communities. This trust is not generated through punitive measures, rather through effective interventions that help people see themselves in a new light and to develop the desire for change. Ensuring there are well resourced, capable providers of social services and support available in every community will be a prerequisite to introducing any of these types of interventions.

A huge driver of behaviours that are harmful to children is the stress brought about by living in a situation where the family income through the benefit system is too low to provide an adequate standard of living. This lack of adequacy of benefit levels leads to social isolation, hopelessness and for some into drug and alcohol dependency as a release from this environment. The fact that the Welfare Working Group did not address the adequacy of benefits in their report seriously undermines their recommendations.



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For Unemployed People

For those who become unemployed and become job seekers there are 2 streams of services suggested. People in the first stream are "...unlikely to need intensive support to find a job and would be focussed on self-directed job search". Those in the second stream will have been "...assessed as needing more support and a plan to get into employment". A range of finding and keeping work services would be provided from "...a 'light touch' to intensive".

A range of punitive measures would be put in place to keep people focussed on finding work. For example, if a person is on a benefit for over six months it is recommended their access to an accommodation allowance be reduced so that they get less income. A range of work-tests will be put in place and failure to meet these requirements will result in sanctions of 25% of the benefit for a first "offence", 50% for a second "offence" and 100% for a third "offence".

For beneficiaries who only have a few hours of part-time work they will be "incentivised" to get more work by reducing the amount of money they can earn before money gets taken out of their benefit. Currently they can earn \$80 gross per week, it is recommended that this gets reduced to \$25 per week (before tax) the thinking is that if people get less money they will want to work more. This may be correct but will be very difficult to achieve in an environment of increasing unemployment, and thus is only likely to result in decreased income and greater levels of hardship.

Public Pressure

The Welfare working Group is proposing that there be a publicity campaign aimed at "reducing public tolerance of fraud and abuse" including a dob in your neighbour hotline and more publically available information on the work testing requirements of beneficiaries. Being a beneficiary means you are labelled and seen as being a 'non-contributing' member of society. These types of approaches will tend to exacerbate the isolation and exclusion of people and families on benefits from the mainstream, compounding a blaming culture against those on benefits.



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Table Introduction:

The following is a more detailed description and commentary on the recommendations of the Welfare Working Group. The actual recommendations paper and indeed the recommendations tend to be quite 'scatter-gunned' in their style. In the following table NZCCSS has identified the main recommendation, the sub-points for each of these and then a commentary providing some feedback and/or analysis of the proposals.

Brief Commentary on Welfare Working Group Recommendations			
#	Recommendation	Sub-points	Commentary
1	<p>Key principles underpinning the provision of welfare:</p> <p>Recommends that the design and provision of welfare for people of working age to be guided by the principles set out in the sub-points column –</p>	<p>Value and importance of paid work to social and economic wellbeing</p> <p>Financial support to people not in paid work when no other income available</p> <p>Fostering strong social outcomes</p> <ul style="list-style-type: none"> • Physical and mental health • Positive outcomes for children <p>Respect for the dignity of people</p> <p>Reciprocal obligations and accountability</p> <p>Promotion of personal responsibility</p> <p>Efficiency and freedom from misuse</p> <p>Affordability and sustainability</p> <p>Practicality – able to be implemented low risk of unintended consequences</p>	<p>- NZCCSS is concerned that unlike the previous Royal Commissions and other Welfare reforms there is no underpinning principles of belonging and participating in society.</p> <p>- The absolute focus on work without any consideration of the quality of that work may actually undermine peoples' wellbeing. There is strong evidence of insecure low paid work undermining family health and wellbeing</p> <p>- Agree that physical and mental health and children's wellbeing are important principles of a welfare system</p> <p>- Reciprocal obligations and accountability means that the system and those implementing it must also be responsible for high quality support for the recipients</p> <p>- Many of the underpinning recommendations appear to be based on an assumption that people don't want to work and will rip-off the system if they have the opportunity</p>
2	A work-focused welfare system	<p>Prevention through use of cross sector services like health and education so that fewer people need to use welfare</p> <p>Change benefits to a single 'Jobseeker Support'</p> <p>Reform or remove 2nd and 3rd tier assistance that discourage people getting into work</p> <p>Increase expectations on beneficiaries to get into work</p>	<p>- Concerned with the "work-only focus"</p> <p>- Early intervention and the use of cross sector services is sensible and could make a significant difference to people's lives – noting that the cost of doing this properly will be huge.</p> <p>- Changes to benefits are proposed without any consideration of whether a benefit is enough to live on</p>



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		<p>Low cost assistance and clear expectations on work ready beneficiaries</p> <p>More and earlier provision of support to those who are at risk of becoming long term beneficiaries</p> <p>Better support for people with no ability to work</p> <p>Focus on improved outcome for children</p> <p>Expanded use of private and community agencies to deliver employment services</p>	<p>- Increasing expectations can result in unfairness and warped public perceptions of beneficiaries – these expectations can be particularly undermining in times of low employment when there are few jobs to be had</p> <p>- Agree with improved support for people who cannot do paid work</p> <p>- Agree with children’s and families’ health and wellbeing focus</p> <p>- Unsure on private provision, will the driver be to get people into a job - any job rather than examine the wellbeing of the people forced into inappropriate, insecure paid work?</p>
3	Targets for welfare reform	<p>Reducing the number of people applying for welfare</p> <p>Reduce by 28% the long term ‘forward liability cost’ of welfare</p>	<p>- If we can successfully educate and train people to be valued, adequately paid members of the workforce this would be a good thing. – This is different from forcing people into low-paid insecure work.</p> <p>- A goal of improving the overall wellbeing of all New Zealanders would be a better target</p>
4	A shared commitment between Māori and Government	<p>Government initiate a formal partnership with Māori leaders, with associated goals and strategies, designed to result in an enduring increases ion Māori employment</p>	<p>- No wider Māori engagement with the development of the recommendations for the changes to the Welfare System mean that Māori must ‘fit in’ with the new system as an add-on rather than help designing the system to more appropriately meet Māori needs.</p>
5	Work expectations for the carers of Children	<ul style="list-style-type: none"> • More focus on non-custodial parents supporting their children • Any changes in child support should not diminish the financial returns of paid work <p>Sole parents must;</p> <ul style="list-style-type: none"> • Seek part-time work – 20hrs/ week once youngest child 3yo • Seek 30hrs/week when youngest child is 6yo 	<p>- We agree that parents who can access supportive work environments that results (after costs of travel, childcare, time off for looking after sick children etc.) in them receiving more income than they received on a benefit is a good thing. We are concerned that the single focus of “a job - any job” may result in children in substandard childcare, sole parents work being put at risk as they spend too much time at home looking after sick children, more family pressures from insecure work, childcare costs and travel all result in low and variable incomes.</p>



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		<p>When youngest child is under 3</p> <ul style="list-style-type: none"> • Prepare for employment by doing courses etc. • Be paid transition to work allowances if they get a job <p>Be exempt from looking for work when looking after a disabled child or adult</p>	<p>- Non-custodial parents providing support is appropriate – but difficult to achieve consistently.</p> <p>- Requirements for paid work hinge on the availability of appropriate work, transportation, ECE and out of school care</p>
		<p>Couples with children on welfare have the same expectations as sole parents – e.g. partners must be job seekers as well</p>	<p>- NZCCSS is concerned such work test expectations would be made prior to all of the above being in place</p>
		<p>Regular reviews of work expectations of carers of children who receive a benefit be undertaken to ensure they reflect wider community expectations of working parents</p>	<p>- Work preparation is dependent on access to appropriate ECE, transport and education and training opportunities</p> <p>- Two parent families have each other’s support, 2 wages and 2 lots of annual leave and sick leave to cater for child care, school holidays, time off for children’s illnesses – sole parents do not.</p>
6	Work expectations for people who are sick or disabled	<p>People who are sick or disabled are capable of working unless proved otherwise</p> <p>Have an assessment of their current and future capabilities and have tailored work expectations to suit</p> <p>People with permanent disabilities or impairments should have their aspirations to work in the communities met</p> <p>People with terminal illnesses and their carers should be fast tracked onto the long-term support stream</p>	<p>- We agree that it is positive to focus on peoples’ abilities and strengths.</p> <p>- Where there is agreement about these and processes can be put in place to help people gain employment is supportive workplaces this is positive. Where there is no agreement about abilities, where people are forced into inappropriate or unsupportive jobs there could be bad outcomes – care must be taken and strong appeal mechanisms put in place.</p>
7	Assessing what people can do Medical certificates be replaced with ‘fit notes’ that focus	<p>Guidance be provided to GPs regarding criteria for certification</p> <p>GPs records are examined to ensure that the information on the ‘fit notes’ is accurate and has integrity</p> <p>Electronic health records systems are put in place so that issues that might impact on employability can be focussed</p>	<p>- The line between those who should be expected to work and those who should not is always difficult, when this leads to a reduction in income and support because a person is ‘1% too able or too healthy’ to qualify real tension and possible injustice arises</p> <p>- GPs have the in-depth relationship with their patients and are</p>



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	on what work a person can do	on – once confidentiality requirements met	focussed on their patients' welfare – will second guessing GPs result in better health outcomes for their patients?
8	Conditions for young people receiving assistance	16 and 17yo young people be required to be in education, training or paid work	- Strong support for all young people to be in education training or work
		Sufficient number of teen parent units to ensure teen mums can continue with their education	- Very strong support for sufficient numbers of high quality teen parent units to be established
		That young people who get a benefit: - <ul style="list-style-type: none"> • Be required to live with a responsible adult or in an adult supervised setting • Young sole parents be required to do parenting and budgeting courses and have their welfare payment managed by another person or org until they prove they can manage • If not sole parents have their payments paid to a responsible adult or agent 	- Supporting young people into a good start in life is very important. Where family relationships have broken down, often because of domestic violence or sexual abuse a strong and supportive environment is needed. Without establishing accredited care organisations that have appropriately skilled staff we may end up with inappropriate adults or family situations where young people are further victimised - Developing effective skills happens best when effective, interesting and engaging programmes are delivered by trusted and skilled people – forcing people to comply usually results in inconsistent and ineffective outcomes.
9	Signals, expectations and consequences of not meeting expectations	Clear, publically available information about expectations on beneficiaries about job search expectations	- Publically available information has the ability to be misconstrued and can lead to a blaming culture as a beneficiary has obviously not tried 'hard enough' to get a job.
		Clear information to recipient about job search and work expectations	- Clarity of information is very important for welfare recipients and should extend to clarity about what their welfare entitlements are – with consequences for the worker who calculated these incorrectly (Mutual obligations)
		Clear information about the consequences of non-compliance with work expectations	- The deductions are harsh and have the ability to impact heavily on families – with the potential to break up a family resulting in sole parents seeking longer term benefits.
		Recipients who don't meet obligations get: <ul style="list-style-type: none"> • 25% deducted after 1st failure • 50% after 2nd failure • 100% after 3rd failure; and • A 13 week stand-down after any subsequent failures • Minimum of 2 week stand-down after each failure before payment restored (after achieving compliance) 	- It is unclear what the 2 week stand-down means –if this is a further 2 weeks on reduced income after complying with requirements this is incredibly hard – if it is a full stand-down



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			<p>this is draconian</p> <ul style="list-style-type: none"> - How is a person who has received a 100% deduction and a 13 week stand-down expected to live? The potential for increased homelessness and desperation crimes is huge.
10	Substance Abuse	Failing a pre-employment drug test will be regarded as a failure to comply with work test	<ul style="list-style-type: none"> - The failure of a pre-employment drug test as a failure to work-test is only reasonable if sufficient notice of intention to test is provided. - How is being told you will lose your benefit if you do not attend a drug programme a voluntary referral? Only appropriate after a massive increase in the provision of well-resourced and appropriately accredited drug re-hab programmes - Who deems it, and how? What are the incentives for the 3rd party to 1) take this on and 2) to ensure that it lasts for short a time as possible rather than become permanent?
		Person failing drug test offered a 'voluntary' opportunity to attend a drug rehab course – not accepting will be a failure to comply with work test	
		Where a person is deemed to be putting their children's health at risk their benefit is paid to another party to manage	
11	Addressing incentives for parents to have additional children while on welfare	Provide free long-acting contraception to parents receiving welfare (all parents)	<ul style="list-style-type: none"> - This process seems to be advocating for parents who are unable to get a job not to have children. In the current longer term low job environment this could mean an expectation that couples don't have children for extended periods of time. This could mean we do not have young people in future populations with all of the issues that has. - The patent ridiculousness of sole parents working when their youngest child is 14 weeks old demonstrates the amount of these recommendations that are ideological driven rather than a meaningful attempt to address the welfare of New Zealanders
		Work expectations from when youngest child, born while parent is on benefit, reaches 14 weeks of age	
		Monitor policy and if people are still having babies when on a benefit put in place financial disincentives	
12	Encouragement to maintain or locate paid work rather than receive a welfare payment	Tell GPs about the benefits of work when recuperating	<ul style="list-style-type: none"> - Meaningful work in supportive work environments is extremely positive and we are supportive of this. Being forced to work in an unsupportive environment is very bad for wellbeing – getting the balance right is important. Appropriate employer support and education will be critical to this occurring - Currently about 30% of those who go into a Work and Income
		Adopt ACC's Better@Work scheme for people in paid work who become sick	
		Don't give people a benefit just because they don't have any work – help them focus on getting paid work instead	



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			<p>offices get turned away without any support provided. This is seen by W&I as being very positive. What happens to these people? W&I don't know. Many end up at foodbanks and night shelters others are left couch surfing and depending on friends and family – often at a real cost to the wellbeing of all.</p> <p>- All applicants for a benefit should be properly assessed and supported not just turned away.</p>
13	Assessing ability to work and accessing necessary supports	<p>A new assessment process that uses a simple tool to assess people into streams based on immediate work expectations and guides investment in supporting people into work. The streams are</p> <ul style="list-style-type: none"> • Job ready and self-directed (most people) • Needing a extra support from light touch to intensive (small number) • Permanently not having work expectations needing long term support (very few) <p>If people haven't found work after 6 months do in-depth assessment to see if they need extra support</p> <p>Provide appropriate support for people with disabilities and illnesses to find work – unless permanently not able to work</p> <p>The assessment process be “responsive to Māori”</p> <p>The assessment process be sensitive to the cultures of other New Zealanders including Pacific people</p>	<p>- While a standardised tool is useful it is the skills of the people engaging with unemployed people that count. Well skilled and compassionate people who respond to individual situations appropriately will make the biggest difference.</p> <p>- The concepts of “extra support” and “appropriate support” are important. If this support is effective, engaging and culturally integrated for the clients it will produce good results. If it's not engaging and only used because of the threat of benefit cutting sanctions then it will be ineffective.</p> <p>- Responsive to Māori systems are important due to the huge imbalance between Māori and non-Maori in employment and health indices.</p> <p>- The situation for other cultures – particularly Pacific peoples is similar to Māori.</p>
14	Public and private sector employment support	<p>Employment support programmes be selected on the basis that they achieve employment results for participants</p> <p>Partnerships between employers and employment programme providers should be encouraged including:</p> <ul style="list-style-type: none"> • Financial incentives employers to offer on-the-job training – and tiered wages for people in training • Short term subsidies to take on beneficiaries 	<p>- The drive to achieve employment outcomes can mean ‘for-profit’ private businesses driving people in to insecure low wage work that undermines their wellbeing.</p> <p>- Employment subsidies for good employers to make meaningful jobs available are positive.</p> <p>- Tiered wage structures have the ability to distort the fair day's pay for a fair day's work and the same pay for the same work</p>



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		<ul style="list-style-type: none"> • “Facilitating” employers to work with training providers to combine classroom time with on the job training 	principles.
15	Area where there are few jobs	<p>The limited Employment Locations Policy be maintained to stop people moving to areas with few jobs</p> <p>Positive incentives be implemented to help move people from low job placed to high employment areas</p> <p>If positive methods don’t work then revisit policy</p>	<p>- The Limited Employment Area Policies have depopulated some areas – further reducing their ability to keep young people and families resident. This undermines communities including marae based communities.</p> <p>- Support for these communities to create sustainable employment is preferable to depopulating them</p>
16	Support to undertake tertiary study	The current disincentives for sole parents to undertake tertiary study created by differences between accommodation assistance for students and sole parents be addressed.	- Every assistance to help sole parents study and develop skills should be given. Through quality tertiary education parents can find secure, meaningful and properly paid employment that leads to well-being.
17	More targeted approach to early childhood education (ECE) and childcare funding	<p>The Taskforce on ECE improve the affordability of ECE for poor people, including beneficiaries by close targeting of available funds</p> <p>Enough free hours of ECE to cover 20hrs work plus travel for beneficiary parents whose youngest is 3yo.</p> <p>Consider encouraging childcare centres to work flexible hours so that parents can go to work at unusual times</p>	<p>- Effective ECE and childcare services must be established and available with appropriate subsidies in place to ensure the children sole parents who are supported into appropriate employment are properly cared for. This must be done <u>before</u> policies requiring sole parents to work are implemented.</p> <p>- Effective targeting of subsidies to ensure that quality childcare is affordable must be put in place <u>before</u> policies requiring sole parents to work are implemented.</p>
18	Expansion of out-of-school childcare services	<p>MoE puts in place out of school and holiday programmes on school properties</p> <p>Use programmes that have educational value and that help underachieving kids improve their education</p> <p>Subsidies be lifted for poor parents to access out of school programmes</p>	- As above
19	Transitional Support for Childcare	<p>Child care costs are subsidised for sole parents for the first 6 months of work or first 2 years of study or training that leads to work for;</p> <ul style="list-style-type: none"> • Sole parents of children under 3 that choose to work or 	<p>- What happens after 6 months of employment or 2 years of tertiary study?</p> <p>- If the sole parent is on a low wage then the removal of the transitional arrangements may make it uneconomic to work. If</p>



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		<p>study</p> <ul style="list-style-type: none"> • Sole parents with a child over 3 who have a high risk of becoming long term beneficiaries 	<p>this additional payment was used as part of calculation as to whether it was achievable to travel, pay childcare etc. and survive it could 'tip people over the edge'.</p>
20	Jobseeker support	<p>Replacing all current benefits categories with a single Jobseeker Support payment</p> <p>That anybody receiving Jobseeker Support be actively seeking work – with more tailored expectations for very sick or very disabled people</p> <p>The Jobseeker Support be paid at</p> <ul style="list-style-type: none"> • The current UE benefit rate depending on age and whether in a couple. Extra payments for invalids, DPB, widows etc. be added on as a supplementary payment • Not be available to 16 and 17yr olds. Payments to these people be to their parents or responsible adult unless they are a solo parent who has proved to be responsible <p>The Jobseeker Support be reduced as more income is earned (abated) consideration should be given to</p> <ul style="list-style-type: none"> • As small as possible abatement free zone (e.g. max \$20) for those with work expectations • That there be a single abatement rate (perhaps 55c in the \$) that cuts out at 30hrs/wk. at the minimum pay rate • There be jobseeker incentives such as tax credits and other in-work incentives for people who are temporarily exempted from work expectations that do have part time work • To make this work with Working for Families so that people are incentivised to work for more than 20hrs per week • A larger abatement free zone (\$150/wk.) for those with 	<p>- NZCCSS has real problems with the concept of making major changes to benefit payment regimes without any consideration as to the liveability of the actual benefit payment.</p> <p>- Not paying 16 and 17 year olds that currently qualify as a result of the real breakdown of their family relationships and placing control of their income in another person's or organisation's control could lead to abusive/unhealthily controlling situations.</p> <p>- The small abatement zone is greatly problematic. The current \$80 gross level has been in place for over 20 years and is restrictive in reducing the amount of employment engagement people can have before losing a significant amount of their benefit.</p> <p>- Reducing this abatement level to \$25 will mean people who are able to access part-time employment will get little or (after travel and other additional costs) no benefit from undertaking part-time work – reducing motivation to work part-time- something that has shown to be an effective bridge to more work</p> <p>- The best incentive to part time work is good pay and additional income. The abatement levels will wipe out the additional income.</p> <p>- Incentivise people to work some of hours 9rather than just over 20 hrs/wk) this will then lead, for many, to a greater involvement in work as their personal situation changes and their ability to engage in the workforce increases</p>



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		permanent and server disabilities with no work expectations	
21	Supplements	<p>The components of the current benefits that reflect the additional costs of parenthood, disability etc. be made into second tier payments and added to the Jobseeker payment until more work has been done to “simplify these rates”</p> <p>Disability payments be developed that combine invalids benefit costs with disability costs at 2 levels.</p> <ul style="list-style-type: none"> • A lower rate for people with disabilities who have work expectations and • A higher rate for people without work expectations <p>The Care of Sick and Infirm and Child Disability benefits be replaced by a Carers for the Disabled payment</p> <p>The accommodation supplement for beneficiaries gets replaced by a regional supplement, which</p> <ul style="list-style-type: none"> • Has a higher rate for the 1st 6 months a person is on a benefit • Is paid at a rate that is higher in areas where there is more jobs and the housing costs are higher <p>All 3rd tier emergency and hardship payments be replaced with regional capped discretionary fund</p>	<p>- The real risk of the changes proposed is that at the end of the process parents, disabled or ill people end up having less benefit income than they do currently. The current levels, particularly for those who do not have the benefit of a Housing Corporation home, is not enough to survive on. Any reduction will impact heavily on individuals and even more heavily on children in families of beneficiaries.</p> <p>- The difference in income for those with disabilities for those with or those without work expectations is not because it costs less for those with work expectations to live but due to some ideological expectation that by forcing people to live in abject poverty they will be incentivised to take up work – even in an environment where work is unavailable and employers are unsympathetic to disabled people.</p> <p>- It is nonsensical in an environment where work is hard to find a person, even when they have had a long history of being in work and have demonstrated excellent job search application, should have their benefit reduced because no work was available to them over a 6month period.</p> <p>- A more responsive and generous third tier system of helping people in hardship has been needed for a long time. Unfortunately in the context of this document what will emerge is unlikely to reflect this requirement.</p>
22	Social Housing	Look at the recommendations from the 2010 Housing Stakeholders Advisory Group report and think about how that impacts on housing assistance provided through the welfare system	<p>- This is a very limited piece of thinking and is reflective of the rushed job this report is. A proper, consultative report with quality analysis and thinking would have drawn the real parallels between housing, welfare and wellbeing in a much more meaningful way</p>



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23	Implementing Jobseeker Support	<p>The new system needs to consider</p> <ul style="list-style-type: none"> • How existing beneficiaries are transitioned onto the new scheme • Simplifying payments so they are more transparent and encourage people to work 	<p>- Yes, the transition for existing beneficiaries into a more punitive scheme will need to be carefully worked through. Many beneficiaries have extremely carefully constructed family budgets that can be thrown out of balance by minor changes and completely disrupted by the major changes proposed.</p>
24	Reducing fraud and abuse	<ul style="list-style-type: none"> • A publicity campaign aimed at “reducing public tolerance of fraud and abuse” including a dob in your neighbour hotline • Using more electronic methods of verifying information • Regular reassessments of beneficiaries • Clarifying rules about partners status • Reviewing penalties for fraud and abuse 	<p>- Deliberately framing beneficiaries as potential fraudsters who need to be closely observed for transgressions by their communities will further isolate and stigmatise these vulnerable people and families</p> <p>- The potential for ‘benefit bashing’ to emerge as a favourite politicians and talk back radio past-time is horrific and there should be recommendations to avoid this rather than promote it</p>
25	Support for sick or disabled people with permanent exemptions from work expectations	<ul style="list-style-type: none"> • Individualised support plans • More choices about what services and who provides them • Greater control by the person over the services they receive • Reported outcomes of paid work, participation and well-being • Opportunities to opt into mainstream service provision if that is most appropriate • Further develop the model with disabled peoples’ groups • Reallocate the current funding to support the new proposal 	<p>- Greater support for sick and disabled people is welcomed.</p> <p>- Where a person is identified as being 1% too able to receive such additional support and is penalised because he/she should be working is always a point of real tension</p> <p>- Working with disabled peoples’ groups is sensible, why not use this approach and work with single parent’s groups and beneficiaries groups when considering the design and implementation of the wider social welfare systems?</p>
26	Identifying the likely impact of welfare reform on the well-being of children	<p>There be ongoing assessment of the impact of the welfare system, including any changes from these recommendations, on the well-being of children</p>	<p>- Fully supportive of constantly reviewing whether our welfare systems meet the needs of our children and produces greater or lesser wellbeing.</p> <p>- A starting point would be reviewing whether the benefit levels were enough to sustain children’s wellbeing and if not setting</p>



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			these levels at an appropriate rate.
27	Parenting Obligations	<p>All parents who are on a benefit must;</p> <ul style="list-style-type: none"> • Ensure their children go to school when they are supposed to • Ensure their child goes to approved ECE when 3yo • Completes 12 free Wellchild/Tamariki Ora checks <p>If they don't their payments will be made to 3rd party or use vouchers or a payment card</p> <p>Systems be put in place to monitor parents to comply with the above</p>	<ul style="list-style-type: none"> - NZCCSS are supportive of work to ensure an improvement in the wellbeing of our children. - Our research and practical experience demonstrates this works best when people can build real relationships based on trust and from this foundation long-lasting change occurs. - Properly funded community organisations contracted on the basis of the results they achieve – using evidence of effectiveness rather than ideological positions and force are most likely to achieve the healthy children we all want to support
28	Support for at risk families	<ul style="list-style-type: none"> • All teenage parents and other parents at-risk go to free budgeting and parenting courses • Assessing families for at-risk children should be part of the at-risk assessment for long-term benefit dependency and all families on benefits should be assessed • Wrap around, responsive to Māori, culturally sensitive services be provided to all families assessed as being at risk • At-risk families participating in parenting programmes have access to free ECE from their child being 18 months 	<ul style="list-style-type: none"> - Our response to this recommendation is the same as the above.
29	Mandatory reporting of child abuse	Support for the concept of making reporting of child abuse mandatory	<ul style="list-style-type: none"> - Will this really make the neighbours report on their big, scary neighbours or will it just make them less likely to see? - The “It’s Not OK” campaign and community initiatives have been making a difference – should we be increasing this work?
30	Income management and budgeting support	<p>Where a parent has requested additional financial support on a number of occasions then</p> <ul style="list-style-type: none"> • They get access to budgeting support services • That a third party manages their income until they can demonstrate they can manage their own money 	<ul style="list-style-type: none"> - First check that the amount of income is actually sufficient to survive. - If it isn't ensure the proposed regional fund for paying for hardship is actually used to ensure this occurs - Then provide the additional support that may be needed to



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		<ul style="list-style-type: none"> • Payment cards that programmed to allow purchase of essential items are provided so that children's needs are met 	<p>help people budget – but also recognising that many beneficiaries are the world's best budgeters!</p> <p>- The focus on punitive measures to enforce compliance continues to undermine much of the good in this report</p>
31	Actuarial assessment of the future costs of welfare receipt	<ul style="list-style-type: none"> • The performance of the welfare system be measured against the "forward liability" – i.e. how much a person will be likely to be paid in welfare over their working life • Set up a 'welfare fund' and look at ways of partially funding this cost • Manage the Crown's contribution to such a fund on a contractual basis that specifies the outcomes expected from any investment 	<p>- The expenditure of money upfront to stop someone with a readily treatable illness from becoming a long-term beneficiary is full supported. It will decrease the potential welfare cost of paying benefits over a lifetime.</p> <p>- Projection models and achievement of fiscal outcomes should not however drive the system to making decisions at the cost of family and child welfare – we need to see greater commitment to this as the underpinning driver of these reforms.</p>
32	The establishment of Employment and Support New Zealand	<p>Establish a new Crown Agency to:</p> <ul style="list-style-type: none"> • Be accountable for improving work outcomes and measure this by the forward fiscal liability • Reduce the welfare by at least 100,000 people by 2021 • Contract private and not for profit organisations to deliver employment support services • Develop contracting arrangements that work and get results • Provide effective systems to assess people's needs • Provide a respectful approach to their clients and put in place a strong external dispute procedure resolution process 	<p>- The current Work and Income department of MSD managed the unemployment statistic down to 2.75% in 2007 – the lowest in the OECD. However the sole parent, sickness and invalid benefits rates did not change greatly.</p> <p>- The focus on the latter areas may require a different approach and the establishment of a new entity may help that. Although the effort involved if applied to W&I instead of creating a new entity would be likely to make the changes there as well.</p> <p>- Respectful approaches and strong external complaints procedures are always welcomed, although it is noted that the tone set in the WWG report is very much less than respectful and is indeed quite blaming and punitive.</p>
33	The Role of the Ministry of Social Development	<ul style="list-style-type: none"> • Oversight of the assessment of forward liability • Monitoring the performance of the Employment and Support NZ agency against the forward liability • Evaluating the effectiveness of the welfare policy and settings 	<p>- It would be good if there were better goals for this proposed reform than just "forward liability".</p> <p>- Monitoring the wellbeing of New Zealanders, especially children and young people, who are forced to live on benefits would be a better measure.</p>



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		<ul style="list-style-type: none"> • Leveraging cross-government initiatives to reduce the need for people to access welfare • Provide policy advice to Government 	
34	Employment services	<ul style="list-style-type: none"> • Be based on competitive outcome based contracts • Use the forward liability approach to share the risk between government, employers and local organisations 	- There is some concern that contracts based on outcomes could undermine a welfare based approach to a “get them a job, any job” approach – whether this was positive or not for the family.
35	Developing risk sharing approaches	<ul style="list-style-type: none"> • Employment and Support NZ contracts with iwi, voluntary and private sector organisations to provide payment and employment services • Use the forward liability approach to share the risk between government, employers and local organisations 	- The potential for additional costs as iwi, voluntary and private sector organisations take over benefit payments, employment advice and support services etc. could actually outweigh the forward liability benefits proposed.
36	Implementation	<ul style="list-style-type: none"> • Overseen by a group of Senior Ministers supported by an advisory group and an Advisory Board • Using a staged approach – initially focussing on young people • Commence implementation this year 	- No comment
37	A government wide plan	A government wide plan using the resources of ECE, health, education and training, housing, justice etc. be developed and implemented	- Across government approaches are always welcomed
38	Youth should be a major focus of the Government wide plan to reduce long-term welfare dependence	<p>The government should give high priority to;</p> <ul style="list-style-type: none"> • Early intervention programmes for young people • Reduce the high levels of educational underachievement in schools • Put at risk 12 to 18 year olds on a data base to monitor them properly • Put increased emphasis on trade training for young people at risk of ‘benefit dependency’ • Rationalising and reviewing all youth programmes 	<ul style="list-style-type: none"> - Prevention and early intervention is an effect and preferred way of operating - Processes to reduce educational underachievement are welcomed – smaller class sizes, greater school community engagements, better teacher training and retraining, hugely increased funding to lower decile schools etc. etc. - The thought of having a national database of 12 to 18 year olds and labelling them sounds like a “big brother” initiative. There would be many fishhooks to work through - There is no rational provided for the process of rationalising



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			and no criteria for review.
39	Reduce teen pregnancy	The government should give high priority to reducing teen pregnancy	<ul style="list-style-type: none"> - The moves to support teen parents be good parents are welcomed. - Punitive approaches will impact most heavily on Māori parents – such moves should not be put in place until earlier recommendations to work with Māori to develop their own approaches are implemented.
40	Offenders and ex-prisoners	The Dept. of Corrections and Employment and Support NZ buy programmes together to get recently released prisoners paid work	- Appropriate support for prisoners pre and post release that gives them a real chance of successful reintegration into their families and communities will be welcomed.
41	Health systems to support the new Welfare system	The WWG notes that the health system doesn't have enough capacity to meet peoples' needs it recommends:	<ul style="list-style-type: none"> - Agree with all the points made - The perceived 'leapfrogging' of people receiving benefits over other people on elective surgery waiting lists could be seen as contentious and result in people on benefits being accused of receiving an easy ride – living the dream etc.
		Employment and Support NZ and the relevant health agencies work together to make sure that if a health issue is affecting someone's ability to work it is quickly addressed	
		More mental healthcare is provided so that unmet demand is met	
		Sexual and mental health of young people be given priority	
		More drug and alcohol rehab facilities be developed	
42	Policies to support employment growth	<p>The WWG recommends that</p> <ul style="list-style-type: none"> • Macro-economic policy that has employment focussed labour market regulation that fosters job creation and reduces skill mismatches be implemented to help reduce benefit dependency • Look at labour market barriers to employment to reduce benefit dependency 	- Given the tone of this document it is unlikely things like increasing the minimum wage, encouraging unionisation of the workforce and ensuring high quality wages and conditions will be seen as policies that 'foster job creation'! It is these sorts of approaches that NZCCSS believes will result in a fairer and more equal New Zealand where all New Zealanders will be better off
43	Promoting responsive workplaces	Develop a an information package to 'showcase best practice' for employers	- The promoting responsive workplaces section is undercooked and appears to be under-resourced. Employers want subsidised support for creating workplaces that cater for sole parents and for disable people.
		Develop and early intervention approach linking the worker, the workers employer and the workers doctor together like	



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		they do in the ACC Better@Work programme	- Until an effective and comprehensive support package for employers is in place then the implementation of reforms that force sole parents, sick and disabled people into unsympathetic and indeed sometimes hostile workplaces is unlikely to provide for any substantial increase in wellbeing and is likely to contribute to New Zealand's already high levels of family stress and mental ill-health
		Provide in work support to people who are going into work from a benefit to help trouble shoot any issues that may arise	
		Expand the Employers Disability Network to help support employers be good employers	