

Foundations for Change

Amending NZ's Social Security Act 2018 | 2022



New Zealand Council Of
Christian Social Services

Contact Name:	Nikki Hurst
Organisation Name:	New Zealand Council of Christian Social Services (NZCCSS)
Ko wai au Who we are:	<p>The New Zealand Council of Christian Social Services (NZCCSS) welcomes the opportunity to provide feedback on The Foundation for Change: Amending New Zealand's Social Security Act 2018.</p> <p>NZCCSS has six foundation members; the Anglican Care Network, Baptist Churches of New Zealand, Catholic Social Services, Presbyterian Support and the Methodist and Salvation Army Churches.</p> <p>Through this membership, NZCCSS represents over 250 organisations providing a range of social support services across Aotearoa. We believe in working to achieve a just and compassionate society for all, through our commitment to our faith and Te Tiriti o Waitangi. Further details on NZCCSS can be found on our website www.nzccss.org.nz.</p>

Tirohanga Whānui | Overview

We support the kaupapa to amend the Purpose/Principles and embed Te Tiriti into New Zealand's Social Security Act, for which MSD is currently seeking feedback. It has been evident for some time that a major overhaul of our Social Security Act is needed, recognising that it currently fails to deliver support in an adequate and mana-enhancing manner. NZCCSS acknowledges that the Purpose & Principles of the Act will guide any further amendments to the Act and getting this right is critical to ensuring that the Social Security Act and subsequent service provision is fit for purpose.

We welcome the intention underpinning this mahi to *"rebalance the social contract that the Social Security Act is based upon"* and *"restore dignity to people so they can participate meaningfully with their families and communities"* (Ministry of Social Development, 2022, pp. 5,11). But believe the proposed amendments needs a degree of clarification and strengthening. This area of the Act must be both aspirational and focused on human dignity. Most importantly the Purpose & Principles must give us confidence that sufficient support will be provided to those in need, to counter growing poverty and inequality within Aotearoa.

Our main points are:

1. Clear aspirations and values-base for social security needed

The Purpose & Principles must be aspirational and provide a clear values basis for administration of the Act.

2. **Greater focus on human dignity needed**
The Purpose & Principles must recognise the inherent value of every individual in New Zealand.
3. **Recognition of the right to social security needed**
The Purpose & Principles must recognise the human right to social security.
4. **Te Tiriti should feature in the Purpose & Principles of the Act**
As Aotearoa's foundational document, Te Tiriti should be acknowledged in the Purpose & Principles.
5. **Greater focus on adequate support needed**
The Purpose & Principles must require the provision of adequate income for welfare recipients.
6. **Greater focus on unpaid work needed**
The Purpose & Principles must place greater value on unpaid labour in our communities.
7. **Focus on need rather than employment**
The Purpose & Principles continue to focus heavily on work-capacity rather than need.
8. **Who determines the suitability of employment?**
The Purpose & Principles must allow for client aspirations regarding suitable employment.
9. **Te Tiriti must be enacted**
Additional clauses relating to Te Tiriti must enable true partnership with Māori.
10. **Protection of children must be explicit in the legislation**
A reference to the protection of children is required within the Purpose & Principles.

Taunakitanga | Recommendations

We raise the following points and recommendations for consideration:

1. **Clear aspirations and values base for social security needed**
The Purpose & Principles of the Social Security Act must contain greater recognition of the original aspirations for this Act, and convey values that will guide the implementation of this legislation.

The Social Security Act was originally enacted with the intention of establishing a system of protection for *all* New Zealanders from cradle to grave. It was intended to unify, recognising our common vulnerability and responsibility to each other, to care for and protect each other from circumstances outside of one's control. It was intended to provide hope in times of despair, loss, and illness.

The proposed purpose of this Act, to '*promote the general wellbeing of the community*' appears a diluted and subjective interpretation of the original aspirations for this legislation. Likewise, the final clause which states '*the Crown's resources should be used efficiently and*

effectively. What is needed is a return to the foundations of this legislation and a statement that reminds us of our humanity and responsibility to each other and the Crown's obligations to protect its citizens from situations beyond their control.

We also find the revised Purpose & Principles to be inconsistent with the values-based approach which has been promoted heavily in the WEAG report '*Whakamana Tangata*' and which The Foundation for Change report states that the Government has endorsed (Ministry of Social Development, 2022, pp. 5,9). Values such as manākitanga, kaitiakitanga, and kotahitanga are among those that WEAG recommends underpin the Purpose of the Act and therefore should be evident if we are committed to whakamana tangata.

Recommendation 1: NZCCSS recommends the Purpose & Principles more clearly articulate shared responsibility and aspirational values.

2. Greater focus on human dignity needed

First and foremost, the Purpose & Principles must recognise the inherent value of every individual in New Zealand regardless of the factors that determine them eligible or ineligible of social security support. As noted by the Welfare Expert Advisory Group, "Anyone can need to rely on the social security system at some point in their lives" (The Welfare Expert Advisory Group, 2019).

Sadly, our refusal to recognise our own personal vulnerability renders social security a marker of division in our communities. In a society that measures worth in wealth, today's welfare system perpetuates a loss of dignity for clients.

The Purpose & Principles as drafted do little to reframe how we think about those who need welfare or our collective responsibility to care for them. Reframing the purpose of social security within the context of a society which values each of its members would assist in restoring dignity to those who receive these services.

Recommendation 2: NZCCSS urges MSD to recognise human dignity in the Purpose & Principles of the Act.

3. Recognition of the right to social security needed

The right to social security when needed is universal to all and must be recognised in the Purpose & Principles of the Act. Articles 22 and 25 of the Universal Declaration of Human Rights speak to the rights of all people to social security when their livelihood is threatened through a range of circumstances (United Nations, 1948). As a signatory to the Declaration, New Zealand is committed to seeing these rights upheld through legislation and as such NZCCSS would expect to see this recognised in the Purpose & Principles of the Act.

Recommendation 3: NZCCSS recommends that the purpose of the Social Security Act recognises the universal right to social security (per the Declaration of Human Rights).

4. Te Tiriti must feature in the Purpose & Principles of the Act

NZCCSSS believes an acknowledgement of Te Tiriti must be included in the Purpose & Principles of the Social Security Act to ensure true partnership between the Crown and Māori in the delivery of welfare. We support the inclusion of additional Treaty-specific clauses but believe that as Aotearoa's foundational document, acknowledgement of Te Tiriti is also relevant in the Purpose & Principles of the Act.

Acknowledgement of Te Tiriti is crucial when we consider the values we hope will underpin the Social Security Act, such as manaakitanga, kaitiakitanga, whanaungatanga and kotahitanga.

Recommendation 4: NZCCSS urges MSD to acknowledge Te Tiriti in the Purpose & Principles of the Act.

5. Greater focus on adequate support needed

The proposed Purpose & Principles fail to place any emphasis on ensuring that the support provided via social security is adequate or sufficient, enabling welfare recipients to live with dignity. This is despite Government's vision of a Social Security system that ensures "*people have an adequate income and standard of living....can live in dignity, and are able to participate meaningfully in their communities*" (Ministry of Social Development, 2022, p. 3).

Whilst there is a requirement for clients to be treated with dignity and respect, the proposed wording of the Purpose & Principles is functional, outlining the types of support that may be provided under the Act. As written, it fails to require - or at the very least aspire - that those utilising the social security system be empowered to live with dignity and fully participate in society.

The lack of reference to adequate income conflicts with Article 25 of the Universal Declaration of Human Rights and with WEAG findings which identify the provision of adequate welfare as a critical aspect of whakamana tangata (The Welfare Expert Advisory Group, 2019, p. 192).

NZCCSS fails to see how the Purpose & Principles as drafted would fundamentally shift practice from *some* income provision to *adequate* income provision to enable full participation in society.

Our rates of homelessness and poverty demonstrate that the range of benefits and add-on supports currently available do not result in clients receiving sufficient income to meet even the minimum standard of living considered to be a human right.

When two percent or more of our population is living in '*severe housing deprivation*' (NZ Government, 2020, p. 6) and 18% of our children live in low-income households, we must question how valuable new words on a page will be unless they guide how we define and deliver an adequate and measurable standard of living to those in need (Child Poverty Monitor, 2022).

Unfortunately, the impact of a global pandemic has done little to ease pressure on beneficiaries. Recent increases in the cost of housing and food are placing huge strain on individual and family budgets. Our members report immense and urgent need with little sign of it abating. Fairer Future's recent benefit analysis (which brings WEAG's 2019 findings up to date) confirms this, noting that even after the April 2022 benefit increases, income

shortfalls will be widespread with many lacking a quarter of the income needed to meet core costs and participate in their communities.

We have an opportunity with the review of this Act to shape legislation that is intentional about addressing growing poverty and inequality in Aotearoa. We must ask to what extent we will tolerate increasingly extreme need within our society and continue to deliver the same insufficient response, expecting a better outcome.

One could argue that if we adjusted our main benefit to allow for a realistic cost of living, we would not require the array of additional payments that are timely and costly to administer. Taking this a step further, we question whether the proposed Universal Income Insurance scheme would be required if our benefit system was adequate.

If we are truly serious about overhauling the Social Security System, the Purpose & Principles of the Act must identify an appropriate measure of adequate income and demonstrate intent to *sufficiently* support welfare recipients.

Recommendation 5: NZCCSS recommends that the Purpose & Principles clarify how adequate income will be defined and require that service provision is aligned.

6. Greater recognition of unpaid work needed

The Purpose & Principles as drafted continue to focus heavily on paid employment, leaving little recognition for the validity of caring or voluntary work. This focus on paid employment conveys an underlying message that work of other kinds is of lesser value.

It ignores our society's reliance on an ageing and decreasing volunteer workforce for the provision of many community and social services. Parents of young children are incentivised back to work at the expense of the unpaid labour they are carrying out in their homes and communities, yet we know that the availability of volunteer-run services such as playcentre and playgroups are hugely important to community wellbeing.

With an ageing population and the increasing unaffordability of supporting a household on one income, we would be wise to look ahead to the relevance of these principles in relation to the need for people to take on caring and voluntary roles in the future.

Recommendation 6: NZCCSS recommends that the Purpose & Principles place greater emphasis on the value of unpaid labour to our society.

7. Focus on need rather than employment

NZCCSS believes the proposed Purpose & Principles continue to focus heavily on employment as the antidote to welfare. In tying the provision of benefits so closely to employability and employment status, we perpetuate a welfare service that is more focused on work-capacity than on actual need.

By doing so, the statements fail to adequately recognise the various life events and structural trends outside of one's employment status that contribute to being in need and impact on one's ability to retain or return to work. This approach pressures recipients to

engage in paid work and then penalises them through benefit abatements when they do attempt to enter paid employment. It encourages recipients to take on unsuitable employment, setting them up to fail and eroding their confidence in the process. It has proven to be an inflexible model for the nature of relationships and family/whanau situations common today.

The result is a continued cycle of poverty and fragile, often inappropriate employment. We must ensure that the overhaul of our Social Security Act does not continue to subscribe to an individualistic approach to poverty, implying that being in receipt of welfare is due to a failure on the part of the individual to get their act together and get a job.

Recommendation 7: NZCCSS recommends that the Purpose & Principles of the Act must focus less on work-capacity and more on the Crown's responsibility to ensure all New Zealanders are adequately supported.

8. Who determines the suitability of employment?

The Purpose & Principles of the Act must guide how the suitability of work is determined to improve the experiences of recipients and employers. NZCCSS questions the likely effectiveness of shifting the language from '*paid employment*' to '*suitable employment*'.

The issue of identifying and securing suitable employment is multi-faceted and influenced by a whole raft of factors which include the role itself, workplace culture, the client's motivations, skills, qualifications, housing, transport, childcare situations, cultural considerations, and health. We note that MSD continues to hold the power in assessing whether work is or isn't '*suitable*' for a client or whether a candidate is suitable for an employer.

We question to what extent a change in terminology will lead to a more mana-enhancing practice. Efforts to support clients in securing suitable work need to empower clients to take a leading role in both determining their suitability for a role and addressing the barriers to employment they may face. Further to this, it should allow space for client's employment aspirations.

The wording as proposed does not adequately recognise the needs and aspirations of clients within the employment process. Yet it is these aspirations that are ultimately likely to lead to long-term employment outcomes that are beneficial for the client, the employer, and our society.

Recommendation 8: The Purpose & Principles must place greater emphasis on employment services that are mana-enhancing.

9. Te Tiriti must be enacted

NZCCSS supports the addition of specific clauses relating to Te Tiriti within the legislation but believes these clauses must more clearly and strongly require enactment of MSD's responsibilities to Māori.

As drafted these clauses propose that Tiriti-related objectives will be sought by MSD from Māori and will sit outside of legislation, with MSD holding some responsibility to report to Māori on the agreed objectives. NZCCSS is interested to better understand how these responsibilities will be carried out in practice and believe that stronger and clearer language is needed that makes MSD accountable to partner effectively with Māori.

The use of gentle wording such as “**Provide opportunities** for Māori to have a role in” “**Enable Māori to participate** in decision-making” and “**Seek** to incorporate a te ao Māori world view” maintain MSD’s position of authority and could very well lead to box-ticking and token efforts to engage with Māori. We are interested to understand who has represented Māori in the development of these clauses to date and how Māori will be empowered to lead in this space.

We also note the reference in *Foundations of Change* to the *Puao-te-Ata-tu* report recommendations which encompassed the potential devolution of service provision to Māori and does not appear to be allowed for within the proposed Treaty clauses (Ministry of Social Development, 2022, p. 6).

Recommendation Proposal 9: NZCCSS recommends Treaty clauses place greater accountability on MSD to genuinely partner with Maori.

10. Protection of children must be explicit in the legislation

NZCCSS was disappointed to observe the removal of any specific references to children in the proposed Purpose & Principles. We note the loss of specific references to ‘dependants’ and obligations on clients relating to education and health care for their dependants.

The removal of any specific reference to children is surprising given the clear advice of WEAG to ‘*keep children paramount*’ (The Welfare Expert Advisory Group, 2019, p. 19)’ and the claim within the document that there will be ‘*a strong focus on improving the overall wellbeing of children*’. (Ministry of Social Development, 2022, p. 9). Living in poverty has a widespread impact on a child’s development and benefit dependency during childhood is a key indicator of children being at risk of poor outcomes later in life (Treasury NZ, 2016, p. 1).

Children are our most vulnerable population in relation to Social Security – they are unable to change the circumstances they find themselves in and therefore require special attention in this legislation. We note that the clauses relating specifically to children have been replaced with the broader reference to families and whānau. While we believe this shift is helpful in recognising that the current legislation has proved inflexible in terms of modern or cultural understandings of family or whānau. We would also expect to see a specific reference to the responsibility to provide for and protect tamariki stated in the Purpose & Principles.

Recommendation Proposal 10: NZCCSS urges government to retain a specific reference to the protection of children in the Purpose & Principles of the Act.