



Women's Health Action Trust

Submission to the Welfare Expert Advisory Group

Due date: 9th November 2018

To: The Welfare Expert Advisory Group

info@weag.govt.nz

Submitted by: Cleopatra Maru Matthews

Policy Analyst and Health Promotor

On behalf of Women's Health Action Trust

13 Coyle Street, Sandringham, Auckland, New Zealand

This submission is made on behalf of Women's Health Action Trust. Women's Health Action (WHA) is a women's health promotion, information and consumer advisory service. We are a non-government organisation that works with health professionals, policymakers and other not for profit organisations to inform government policy and service delivery for women. Women's Health Action is in its 34th year of operation and remains at the forefront of women's health in Aotearoa New Zealand.

We provide evidence-based analysis and advice to health providers, NGOs and DHBs, the Ministry of Health, and other public agencies on women's health (including screening), public health and gender and consumer issues with a focus on reducing inequalities. We have a special focus on breastfeeding promotion and support, women's sexual and reproductive health and rights.

Women's Health Action holds a strong interest in social welfare as a fundamental part of state service provision to ensure people's health and wellbeing when they cannot participate in paid work due to caring responsibilities, being unable to find appropriate work, and for those who are unable work due to sickness and disability.

We welcome the opportunity to give feedback on the New Zealand welfare system to ensure that it is accessible and fair for all New Zealanders.

Please note that in addition to the views of Women's Health Action, aspects of this submission represent the views of wider networks with whom we are involved including:

List:

- Welfare service users;
- Whānau of Welfare service users;
- Other community service providers.

1. General Comments:

We recognise the complexity of issues both economically and socially and we understand that it is, at times, hard to strike a balance. We acknowledge that there are people in government and on the ground, that are doing their best to provide support to New Zealanders and we thank them for their hard work and dedication to our community. We note that the issues explored within this submission are intersectional and many aspects crossover.

New Zealand's welfare system was formed in 1938 and marks an important and fundamental milestone in New Zealand history. More than 80 years later, we are faced with a complicated and inequitable welfare system that fails to meet the needs of many New Zealanders, as evidenced by the monumental and growing number of homeless and beneficiaries (Cheng, 2018). Our society is now more diverse, with an increased and ageing population, wage disparities, a widening wealth gap and persistent gender inequalities (Cornwall & Davey, 2004). There are 284,315 working age people who receive a main benefit in New Zealand, as of September 2018 (New Zealand Government, 2018) with 344,731 hardship grants made in the September quarter alone, these monumental numbers demonstrate the challenges faced by many New Zealanders living in the current economic climate.

Child poverty and economic disadvantage have increased significantly in the past three decades with 27% of dependent 0-17-year olds living in households that have incomes below 60% of the median income, in 2016 (Duncanson et al., 2017). With the increase in the cost of living and the stagnant and slow increase in minimum-wage, social welfare is vital to the health and wellbeing of New Zealand. Put simply, the current welfare system does not work well, and significant changes need to be made to make New Zealand a safe, equitable and healthy place for all.

WHA will be applying our unique lenses in this submission, focusing particularly on women and children.

2. What do you think is not working well with the system?

3.1. **Sanctions.** Currently, financial sanctions are used as a tool to enforce the paternalistic approach to welfare, particularly regarding beneficiary parents. Sanctions are a punitive measure that reduces or stops a beneficiary's main benefit income and can even impact supplementary assistance, in some instances. These sanctions show little evidence of effectiveness but have hugely detrimental effects on individuals, whanau and families (Wynd, 2013). Sanctions for non-compliance, particularly on women with children who find themselves unable to find suitable work, compound this cycle of poverty and ill-health.

3.2. **The focus on work.** The unrelenting focus on work and the penalties that arise from this violates several principles from the United Nations Convention on the Rights of the Child, including the right to social security, the right to life, upholding the best interests of the child, non-discrimination, the right to survival and development.

The welfare system in New Zealand creates a disadvantage for children that will have ongoing negative effects on their future, opportunities and creates an unequal divide (Kristie Carter, 2013). Children who experience poverty are at a higher risk of "poor health outcomes as children and adults and lower socioeconomic status as adults" (Kristie Carter, 2013, p. 24). The focus on work fails to consider the fact that the health of lone mothers receiving social welfare is already compromised by extreme poverty and social marginalisation as a consequence of inadequate benefit levels. This undermines their ability to engage in paid-work and is compounded by other structural barriers including the availability of affordable childcare, lack of availability of sufficiently flexible part-time family-friendly work, low self-esteem, and little opportunity to up-skill.

The current focus of getting people off benefits and into work does not consider a full understanding of what life is like for those on benefits. Caring for children and/or for sick family members constitutes some of the most important 'work' to be done in any society however the policy position of the day infers that caring for children does not constitute as work. A narrow focus on movement from welfare to paid employment ignores fundamental questions about the availability of paid work, the quality of paid work, and the extent to which paid work is either possible or manageable, and the demands of unpaid work e.g. caring for dependants. An Australian based research project 'Making Work Pay' found that for many women parenting alone, returning to work or increasing hours of paid work not only reduced their income support payments but increased other costs including childcare, transport and petrol in travelling to and from work, and costs related to increased use of convenience foods. The sole parents in the study reasonably felt

that the financial rewards from working ought to meet these additional costs and provide for tangible extra benefits for the family (Bodsworth, 2010). In general, the research shows us a system in which punitive benefit cuts; sanctions; greater administrative surveillance interacts to create perverse outcomes, making paid work not only unattractive but simply not an option for many income support recipients (Bodsworth, 2010). Returning to paid employment has also been identified as a significant barrier to breastfeeding for many women. Research shows this is particularly the case for low-income families (Thornley et al., 2007).

3.3. Communication. Many of our stakeholders have found WINZ communication with clients inadequate. Often, changes occur to beneficiaries' benefits before the beneficiary has been informed or given an opportunity to amend their situation to avoid sanctions. This has resulted in anxiety, stress, extreme financial hardship, and has taken at times weeks or months to rectify, regardless if the error was made by WINZ.

3.4. Lack of Support. Community service providers have expressed their experiences in aiding beneficiaries with their applications to get disability support, describing this experience as "confusing with a lot of paperwork and doctors" visits. This is overwhelming for vulnerable people, and without someone helping them prepare all the paperwork and giving them clear and simple information, many people give up. The application and review process can be difficult and disadvantage people experiencing mental health challenges. There exists a lack of support for people in explanation of the services they might be entitled to and during the application process. Often people are told conflicting information which results in people missing out on support.

Further, often beneficiaries are entitled to more support and services but are not informed of this either by omission or lack of knowledge from the service providers. For example, our Northland based Health Promoter has experienced people undertaking study out of town at WINZ request, without being told that they are entitled to a travel allowance. To ensure people in need receive the help they are entitled to, WHA recommends more training to staff and more support people to help beneficiaries access services.

A community service provider from a teen parenting unit who has had direct experience in navigating her students through the welfare system stated:

"Our students are aged between 15 and 20 years of age. We find the system is based on a model of deficit theorising, all the students are bad unless they can prove otherwise. The advisers can be difficult and several of our students have been sanctioned without warning or follow up. We have even had to give out food parcels. The forms that they have to fill in are long and difficult to understand. They are not informed of their rights and are expected to know. This can be really difficult for a 16-year-old to do. We now have to accompany our students to their appointments with youth services so that they feel understood. Some of our students are with partners who are young Men not equipped to be Fathers. Because these young Men do not work the Mums can't get the childcare to study. This is not the Young Mums fault, but they are being punished".

The current welfare system is not working to support those in real need of support and punitive measures, barriers to access and being made to 'jump through hoops' to get support is harming our communities' wellbeing.

- 3.5. **Lack of compassion.** Many of our stakeholders have experienced a lack of respect, care and compassion from service providers, and have explained how this treatment adds pressure and undue pain in what is already a challenging time for beneficiaries. WHA implores the Government to create incentives for staff to provide quality service as opposed to targets about reducing the number of beneficiaries.
- 3.6. **Lack of dignity and respect.** The government continues to enforce obligations on beneficiaries such as work test obligations and drug testing. Our stakeholders have expressed finding these tests embarrassing and dehumanising. Beneficiaries have expressed the degrading treatment they have experienced in seeking support and identified this as a barrier to getting their needs met.
- 3.7. **Pay disparities.** The welfare system operates unjustly in relation to spouses. Currently, the welfare system favours single beneficiaries, who receive twice as much than those determined to be in a relationship "in the nature of marriage". Assuming that beneficiaries in a relationship are in a better financial situation because they are expected to be "taken care of" perpetuates a sexist and archaic system, creating a culture of dependency. This penalty impacts beneficiaries right to independence and puts undue pressure on relationships. The pay disparity and resulting penalties based on marriage have a great number of negative impacts, contributing to the high rates of domestic violence in New Zealand (Beddoe, 2015).

Stakeholders who receive the student loan and allowance have expressed frustration with their parent income being a determinant of the sum they are entitled to receive. Many student's parents earn over the threshold but do not help their children financially. WHA recommends this change so that students are assessed on their own income and be given the opportunity to demonstrate lack of financial support to obtain the financial support they need to study.

- 3.8. **The sum.** The poverty resulting from inadequate benefits is a significant barrier to employment for people on a benefit because of the health effects of poverty, particularly for sole parents who must contend with their own ill-health and that of their children. The relationship between people living in impoverished circumstances and ill-health has been comprehensively demonstrated worldwide. Wealthier people can afford to purchase more nutritious food, drier and warmer homes, better hygiene, warmer clothes, preventative and primary health care services. In addition, those living in poverty are more likely to work in dangerous or physically demanding jobs, live in high crime areas and engage in risky lifestyles. Evidence has shown us that poverty is a vicious cycle, it is bad for your health, and the resulting ill-health consolidates impoverishment (Baker, 2002; Facts About Poverty 2009; WHO, 2008).

According to the Human Rights Commission 2010 draft document 'Human Rights and Women', women carry a disproportionate burden of poverty in New Zealand. Women are more than one and a half times more likely than men to live in a household with a total annual income of \$30, 000 or less. On the other hand, three-quarters of people whose personal income is over \$75 000 a year

are men. The median annual income on census night (2006) from all sources for people aged over 15 was \$31000 for men and \$19000 for women, a gap of 39%. This is because men are more likely than women to have the capacity to work full time and to work longer hours.

Research has demonstrated that mother led families have a much higher poverty rate than coupled or lone-father families. Lone-mothers tend to have lower education and job skills than partnered mothers or fathers, and many lone-mothers cannot find jobs with adequate wages to support their families, especially if they pay for childcare services (Baker, 2002). When gender and poverty collide, there can be a disproportionately negative effect on health.

Research with lone mother's receiving the DPB in New Zealand found that an accumulation of factors associated with their social and economic status contributes to the incidence of poor physical and mental health. Lone mothers on the DPB in Baker's (2002) study were reluctant to attend primary health care services because of the cost; they experienced emotional problems arising from relationship breakdown, abuse, and continuing conflict around care and access arrangements; high rates of stress related to their financial situation; high rates of depression; and poor nutrition including frequently skipping meals to ensure their children were fed. The children of parents receiving the DPB also experienced poorer health, resulting in a greater demand in caring duties of these women which conflicted with their engagement with part-time paid work. WHA believes benefit levels should be liveable and suggests the Government look at the living wage as a measurement of the minimum amount people need to live with dignity.

3.9. **S70A Penalty.** The welfare system currently penalises mothers for not naming their children's father on their birth certificate. These deductions can amount to \$28 per child, per week which represents a substantial sum. This penalty is an additional example of how the Welfare System in New Zealand does not uphold children's best interest and does not support health and happy homes. Furthermore, s70A does not consider the mothers right to privacy, the circumstances in which mothers may not wish to name the father of their child or circumstances in which the mother may not know the father's identity.

3.10. There exists a toxic culture surrounding welfare and the welfare system, largely due to the paternalistic nature of the system and punitive measures put in place. There exists inconsistent decision-making, often based on discriminatory, and negative assumptions by Work and Income. Rather, the welfare system should end all sanctions, treat beneficiaries as individuals rather than punishing them for being in a partnership and raise the benefit to a liveable wage to ensure the opportunity to live a dignified life. Despite this, WHA must acknowledge the wonderful work that some WINZ employees offer their clients, their kind words and helpful nature is greatly appreciated by our stakeholders and make a real difference to their experience and wellbeing.

4. Concluding comments

4.1. To build a welfare system that enables people to live dignified lives, WHA asks the Welfare Expert Advisory Group to consider the following:

- remove all sanctions from the Social Security Act;
- Substantially increase benefit levels to a liveable income;

- Treat adults in the benefit system as individuals without penalising them for being in a partnership;
- House people in permanent, safe, healthy public housing;
- Ensure that applicants receive all the assistance to which they are entitled;
- Ensure staff are adequately informed and trained to treat people with dignity and respect and to aid them in their applications for support.

We understand and acknowledge the financial burden of the suggested changes to our social welfare system, but we believe that effecting these changes will ultimately be less costly and more effective in meeting the needs of New Zealanders, breaking the poverty cycle and leading to a better tomorrow.

Thank you again for the opportunity to share our views to the Welfare Expert Advisory Group. We trust our comments will be useful in the development of New Zealand's welfare system.

Works Cited

- Beddoe, L. (2015). Making a moral panic: 'feral families', family violence and welfare reforms in New Zealand. Doing the work of the state? *Gender and Family*, 31-42.
- Bodsworth, E. (2010). *Making work pay and making income support work*. Fitzroy: Brotherhood of St Laurence.
- Cheng, D. (2018, February 12). *Homeless crisis: 80 per cent to 90 per cent of homeless people turned away from emergency housing*. Retrieved from nzherald.co.nz: https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11992371
- Cornwall, J., & Davey, J. (2004). *Impact of population ageing in New Zealand on the demand for health and disability support services, and workforce implications*. Wellington: Ministry of Health.
- Duncanson M, O. G. (2017). *Child Poverty Monitor Technical Report*. Dunedin: New Zealand Child and Youth Epidemiology Service, University of Otago.
- Kristie Carter, F. I. (2013). The relationship between trends in income inequalities and poverty in New Zealand. *Policy Quarterly*, 24-29.
- Living Wage. (2018, September). *What is the Living Wage?* Retrieved from Living Wage Aotearoa New Zealand: https://www.livingwage.org.nz/what_is_the_living_wage
- New Zealand Government. (2018). *Benefit Fact Sheets: September 2018 Quarter*. Wellington: Ministry of Social Development.
- Thornley, L., Waa, A., & Ball, J. (2007). *Comprehensive plan to inform the design of a national breastfeeding promotion campaign*. Ministry of Health.
- Wynd, D. (2013). *Benefit Sanctions: Creating an invisible underclass of children?* Auckland: Child Poverty Action Group.