



Welfare Reform

December 2010

Introduction

Intense concerns about Welfare reform are coming from church agencies, church and other Social Services, Benefit Advocacy groups and Government.

We have mentioned the Government Welfare Working Group Issues and Options papers. The large Options Paper was released in November. Laura Black, Methodist Mission Dunedin has been sending comments, including a letter to the Listener on the feature article on Paula Rebstock who is chairing the government Welfare Working Group.

A very significant intervention has taken place through the Alternative Welfare Working Group. This was commissioned by Caritas, the Anglican Social Justice Commission and the Benefit Advisory and Advocacy Federation to address shortfalls in the Government consultations, advice and terms of reference for Welfare Reform. These eminent commissioners are Mike O'Brien, Paul Dalziel, Pihopa Muru Walters, Susan St John, Māmari Stephens, Sue Bradford and Wendi Wicks.

The documents published by the Welfare Justice Commission are available on line. The Report 'Welfare Justice for All' is a marvelous story of New Zealand's welfare with attention given to the role of Māori in that system. In very readable form it goes through the real issues of change, the challenges to be met and gives ideas for long term reform.

Links for these important documents

<http://www.alternativewelfareworkinggroup.org.nz>>

The week before Christmas is not the time of a full review of the proposed changes – hence these are some indicative notes.

Submissions to the Government Welfare Working Group are due 24th December.

By way of a submission you could simply VOICE YOUR SUPPORT for the 'Welfare Justice for All' paper by emailing your support with, or without comment and any other points, to Paula Rebstock at welfareworkinggroup@vuw.ac.nz

Methodist Missions Aotearoa are sending submissions.

Methodist Mission Dunedin submission: <http://www.dmm.org.nz/publications.htm>

Notes on the Welfare Working Group (WWG) Options Paper and on 'Welfare Justice for All'

From a Public Questions point of view, 'wellbeing' is the lens through which an analysis of the reform debate can be made. Asking whether policies will lead to enhanced wellbeing through improved access to health, education, enhanced job opportunities is a way of assessing proposed change. Improved wellbeing is one of the goals identified by the Welfare Working Group, but does their discussion so far back up improvements to wellbeing?

Terms of the debate

The main contention about the Government's approach to reform is that they are framing the discussion about beneficiaries as 'dependents', that the onus of getting off benefits is the responsibility of individuals, and that reform is based on the view that the only means to a fulfilling and responsible life is through paid work. The Issues paper speaks about the 'large numbers' of people on benefits, and quotes 170,000 as being in 'long term reliance' on benefits – which has an effect of magnifying the burden of welfare provision.

The Options paper is framed with narrow economic interests. Commentators such as the NZ Council of Christian Social Services including Methodist Mission Dunedin, the Welfare Justice Group all identify social participation, social inclusion and wellbeing as the key frameworks for achieving social cohesion and an inclusive society. All these groups and agencies agree that major reform should be designed and built on these values and frameworks for long term sustainability.

The Treaty of Waitangi is given no significant place in the Options paper. This seems a remarkable omission given the major policy initiative of Whānau Ora. The 'Welfare Justice for All' paper provides an overview of the significance of welfare and for Māori; it includes analysis of the over-representation of Māori in social disadvantage. Any reform must prioritize whole of system multifaceted strategies for education, employment and welfare.

In the introduction to the Issues paper Paula Rebstock writes

Long term reliance on benefits has contributed to many adverse impacts such as poverty, poor physical and mental health and deep deprivation where intergenerational dependency has taken hold'.

In contrast, Paul Dalziel, member of the Alternative Welfare Justice Commission, and others have said – of course those who are on benefits are living in deprivation, because the benefit is paid at levels which are 30 - 80% below the average wage, and below the poverty line (see Welfare Justice For All p. 34). The failure of the welfare system is that with incomes below poverty levels, 30% of New Zealand children are growing up in deprivation –and likely to present the symptoms of poor

health, poor educational achievements, crime and addictions. The symptoms of deprivation are inter-related and need integrated, whole of system strategies to address them.

Options and Responses

The issues raised in the Options paper by the Government Welfare Working group are significant. Some of these are credible, but many betray the limited terms of reference of the review.

- the economic system, labour market, health and education systems need to be aligned with strategies to reduce long term benefit dependency support.
- the focus on paid work needs to be complemented with active support and clear obligations so as to enable people to take work opportunities when they emerge. (An example might be the availability of and access to child care if a part time job for a parent with child care responsibilities becomes available)
- Expectations to address barriers to paid work, backed up by sanctions and community expectations for participation in paid work.
- Benefit and tax systems need financial incentives for people to enter and remain in paid work.

Laura Black provides both big picture analysis of the government Issues and detailed commentary and critique of the Options paper. Some points in her submission include:

- The case made in the Options paper about welfare dependency is not credible .
- The WWG group has failed to provide any analysis of the contribution of underlying macro-economic conditions to the number of poor individuals and whānau, and no analysis of the low-skill nature of much of our economy and/or the long tail of educational failure and their impact on the macro-economic environment. These elements are the primary cause of poverty in Aotearoa/New Zealand and any solution that excludes answers to these contributing factors can only fail.

Some Suggestions (abbreviated):

- Provide wrap around support and advocacy services via NGO's for long-term beneficiaries toward the rebuilding of individual and whanu resilience so that education and employment opportunities are able to be embraced
- Support community employment projects
- Establish internship to provide positive incentives for beneficiaries to move into work experience.

The strong focus of this submission on creating educational and training pathways into employment, along with the need for policies for job creation are also features of the Welfare Justice proposals.

The Children's Commissioner John Angus has pointed to the risks to children that will be the outcome of the 'draconian measures' presented in the Welfare Working Group Options paper. Reduction in benefits and punitive measure against women who are not working will lead to further stress on families.

The Need for Reform

Many have suggested that government concerns about the monetary cost of the welfare system is the real issue. Bishop Muru Walters quoted the Prime Minister saying that welfare is unsustainable. Mike O'Brien makes the point that the cost of Welfare is not a blow out, and the government is using the cost of welfare to manipulate public opinion against welfare provision.

Even before legislated reform there are already stringency measures in place to deter people from accessing benefits, and for pressuring people into work when there are not the jobs to take up. Then sanctions can be applied in withholding benefit payments if it is deemed that insufficient effort has been made. The loss of motivation and depression from multiple rejections from job applications – sometimes hundreds, and the exhaustion from re-crafting CV's to no avail, have to be recognized in the challenges facing job seekers.

The Alternative Welfare Justice Group agrees that reform is needed, and also challenges the approach being taken. There seems to be little real engagement with the realities of people with disabilities in regards to work, the government is working with a narrow definition of work so that the caring work and voluntary work are disregarded as contributions, and there is no strategy for wider-government engagement to make child wellbeing a priority.

The higher numbers of people on benefits at present are because of the recession – the unemployment benefit fell to low levels during the recent period of economic prosperity.

For further information on poverty, wellbeing and justice see NZCCSS Vulnerability Report and Policy Watch www.justiceandcompassion.org.nz

The report of the Welfare Reform Group from submissions to the Options paper is due out at the end of February 2011.