



Submission to the Welfare Expert Advisory Group

By Auckland Action Against Poverty

Demand 1: End to all sanctions.....	2
60RA Social Obligations of certain beneficiaries with dependent children.	2
60GAE Beneficiaries having additional dependent child: general.....	4
60H Voluntary unemployment or loss of employment through misconduct, etc	5
75B Effect on benefit of warrant to arrest beneficiary	6
102 A Work Test Obligations.....	8
102 B Drug Testing Obligations:	9
Demand 2: Treating adults as individuals on the benefit rather than penalizing them for being in a partnership.....	11
Demand 3: Increasing benefit levels to a liveable income.....	12
Demand 4: Housing people in permanent, safe, healthy public housing.....	13
Demand 5: Ensuring that applicants receive all the assistance to which they are entitled.	14

In order to build a welfare system that enables people to live dignified lives, the minimum changes the Government needs to implement include:

- **Removing all sanctions from the Social Security Act.**
- **Substantially increasing benefit levels to a liveable income.**
- **Treating adults in the benefit system as individuals without penalising them for being in a partnership.**
- **Housing people in permanent, safe, healthy public housing.**
- **Ensuring that applicants receive all the assistance to which they are entitled.**

Our submission to the Welfare Expert Advisory Group details these five demands, which are based on interviews with people who have experienced the welfare system. These interviews have been carried over a period of time and helped create another set of demands last year titled "[Not Enough](#)"

[Left](#)”, which touched on a broader range of issues. We see these change as the absolute barest minimum changes that need to happen if the Government is serious about building a welfare system based on fairness.

Demand 1: End to all sanctions

A welfare system based on support would not have benefit sanctions that punish people for being in poverty. Auckland Action Against Poverty has long called for benefit sanctions to be removed. Successive Government has so far failed to provide any evidence that benefit sanctions work as intended, and instead all they do is entrench poverty. Below is a selection of benefit sanctions, which include obligations, and why they don’t work. We have purposely left out Section 70A as this is a sanction that the Government has already committed to removing. The implementation of this change should be immediate and the Government should not wait for the advisory group recommendations to implement this change.

60RA Social Obligations of certain beneficiaries with dependent children.

- This obligation and sanction is applicable to a person with one or more dependent children

Obligations:

- Every dependent child between the age of 3 and 16 years must be enrolled in a childhood education program that corresponds with their age and is designated by the Education Act of 1989 as a corresponding school.
- Every dependent child is enrolled with a primary health care provider, and a dependent child under the age of 5 years is up to date with healthcare.
- The beneficiary must report to any interview regarding the person’s compliance with their social obligations as often as the chief executive requires.

Sanctions:

- For a first failure, the person’s benefit must be reduced by 50% until the person complies;

if the person has not completed their obligation within 4 weeks after the date on which the reduction took effect, the person's benefit must be reduced by a further 50% (so that the total reduction is 100%) until the person complies.

- For a second failure (being a failure that occurs after the person has complied following a first failure), there is a suspension of the person's benefit until the person complies.
- For a third failure (being a failure that occurs after the person has complied following a second failure), there will be a cancellation of the person's benefit.

The History of the Sanction:

- 60RA-60RC social obligations were inserted on July 15th, 2013 under the National Government.

The assumptions the sanction makes (what it is trying to achieve):

- The government establishes this obligation based on the assumption that unlike all other parents, those that rely on the Social Security payments are seen as lacking responsibility as a citizen and consequently a parent. And thus they must be told, motivated, and even required to be a good parent and care for their child in order to raise children that won't follow in the footsteps of their caregivers and require financial assistance in the future.

The end result of the obligation (why the sanction doesn't work):

- This obligation perpetuates the stereotype of beneficiaries being seen as sub-par parents that don't know how to raise their children. There has never been evidence of this obligation increasing the childhood education of beneficiary dependents yet it still continues to punish the child and family by withdrawing benefit payments.
- This sanction also often targets women and individuals of color as case managers use of discretion allows for biases and stereotyping to occur.

What would happen if we remove the sanction (why the sanction should be removed):

- Removing this sanction would lessen the negative stigma attached to beneficiaries and their ability to parent and instead would restore a sense of pride in their ability to be competent and capable parents. Equally important, removing a sanction that has no evidence of successfully fulfilling its purpose would get rid of unnecessary financial punishments on the parents and children.

60GAE Beneficiaries having additional dependent child: general

- This sanction is applicable to a beneficiary parent who has another child or becomes a caregiver of another child while already having a dependent child and is receiving a sole parent support, supported living payment, jobseeker support, or an emergency benefit.
- An additional dependent child can not be included in determining the eligibility of the part-time work-tested beneficiary, work-tested sole, parent support beneficiary, or work-tested spouse or partner benefits.
- With another dependent, when determining sole parent benefits, the additional dependent child aged 1 or over must be read as “An additional dependent child at all times after that child is born”.
- When you have another child (biological or not) you are subjected to early work test obligations that you wouldn’t be if you only had one child.

History of the Sanction:

- Inserted on 15 October 2012, by the National Government under John Key.
- The government’s purpose of this section is to improve the financial and social outcomes for families by providing earlier access to employment services and workplace expectations, while also recognising the care and development needs of their children.

The assumptions the sanction makes (what it is trying to achieve):

- This sanction assumes the worst of women, mothers, and caregiver beneficiaries in that they would rather have another child and remain on welfare rather than join the workforce. It insinuates that women on welfare see having and raising another child as easier than putting in the work to find a job.
- Further it assumes that caregiving isn’t productive work that contributes positively to society like having a wage-earning job does.

The end result of the sanction (why the sanction doesn’t work):

- This sanction applies more work-test obligations to those that have additional children once on the sole parent support benefit. It forces caregivers to take time away from raising their children in order to oblige to a series of obligations or be forced to lose 50% of their benefit.
- Further it reinforces racist values and punishes cultures that practice familial relationships outside of what the government sees as a “traditional family”. In a lot of Pasifika families, grandparents and extended family members often raise their family members and this sanction in practice punishes this kind of family structure.

What would happen if we remove the sanction:

- If we were to remove this benefit it would allow caregivers to not have to worry about work test obligations and would give them more time to raise a young child rather than feeling forced to accept work regardless if it conflicts with their ability to raise a child.
- It would be more inclusive to different cultures and family structures, and allow caregiving to be seen as work and a valuable use of time.

60H Voluntary unemployment or loss of employment through misconduct, etc

- This sanction is applicable to those that the chief executive determines have voluntarily quit without good and sufficient reason or have lost his or her employment due to being fired for misconduct.

Sanctions:

- The chief executive may in his or her discretion decide to cancel the benefit for 13 weeks, reduce it, or require that the person repay the amount to which he or she is no longer entitled to.

History of the Sanctions:

- Established on April 1st, 1997 by the National Party led by Jim Bolger, and was last amended on October 1st, 1998.
- Purpose: The purposes of 60H written by the government have been repealed.

The assumptions the sanction makes (what it is trying to achieve):

- With a sanction that simply takes the word of the employer, it assumes that the employer is always right when it comes to beneficiaries as they can't be trusted or given the benefit of the doubt.
- A sanction must be in place in order to continually motivate beneficiaries to continue working and follow the rules of a workplace environment. Beneficiaries naturally won't be inclined to do so due to the assumption of the "lazy welfare individual" relying on free money.
- The government assumes that beneficiaries aren't motivated to keep their job and are likely to voluntarily leave.

The end result of the sanction (why the sanction doesn't work):

- The result of this sanction is violating the ideals of natural justice in that because these individuals are beneficiaries, the government doesn't consider them innocent until proven guilty, a right they give to every other citizen.
- When a sector of the community is marginalized and stereotyped, the government automatically takes the word of their employer and assumes the worst of beneficiaries. Further, even if they do hear the other side to the story, the decision is often predetermined and biased.
- The result of this workplace sanction is that it reduces one's benefits for an extended amount of time without any substantial evidence of its success in decreasing the amount of "walk-offs" or "misconducts". Rather it allows the government to ignore one's circumstances or situation and use one's ability to hold down a wage-paying job as a determiner of their quality of life.
- Further it creates unequal power dynamics in the workplace and subjects beneficiaries to exploitation and maltreatment.

What would happen if we remove the sanction (why the sanction should be removed):

- If we were to remove this sanction, beneficiaries would not be punished for situations that are often out of their control, and they would be able to choose to work that they believe would be beneficial to them and their family.

75B Effect on benefit of warrant to arrest beneficiary

- This is applicable to a beneficiary whom criminal proceedings have commenced against the beneficiary in a New Zealand court for an offence.
- Or anyone whom the New Zealand court has issued a warrant for the beneficiary's arrest; and at least 28 days have elapsed since the date on which the warrant was issued.
- The chief executive must as soon as possible give the beneficiary a notice that:
 - 1. Allows a period of 10 working days within which the beneficiary may dispute that he or she is the person to whom the warrant to arrest applies or take steps to resolve the warrant.
 - 2. Specifies the steps that the beneficiary may take to dispute that he or she is the person to whom the warrant to arrest applies, or to resolve the warrant or...

- 3. Specifies the consequences of the beneficiary's not resolving the warrant within that 10-working-day period.
- The sanctions will incur until the chief executive determines that the beneficiary is
 - 1. not the person to whom the warrant applies; or
 - 2. that the beneficiary has taken all reasonable steps to resolve the warrant, but the warrant has for reasons beyond the beneficiary's control not been resolved; or
 - 3. the warrant has been resolved.
- The chief executive may suspend immediately the benefit of a beneficiary if he/she has received from the New Zealand Police a written request to suspend the beneficiary's benefit on the ground that the Commissioner of Police on reasonable grounds considers the beneficiary to be a risk to public safety.

History of the sanction

- Established in July 13, 2013 under the National Government led by John Key.
- Purpose stated by the government: "taxpayers shouldn't be paying the wanted by the police to evade the law." They believe it will motivate beneficiaries to clear their warrants to arrest.

The assumptions the sanction makes (what it is trying to achieve):

- The government is making the assumption that beneficiaries that are criminals on the run will be able to be brought to justice if their benefits are cut off.
- Taxpayers are paying criminals to continue breaking the law rather than paying for their quality of life.

The end result of the sanction (why the sanction doesn't work):

- This sanction often causes increased crime for those that are already being accused of committing a crime by completely suspending their benefits in attempt to "flush them out". When the welfare system cuts an individual's resources, often this causes desperation and a need to commit more crimes to simply be able to survive.

What would happen if we remove the sanction (why the sanction should be removed):

- The sanction would give the natural rights of justice to beneficiaries that every other citizen receives. Beneficiaries with warrants aren't officially arrested, yet the welfare system already treats them as being convicted felons by punishing them through taking away their benefit.

102 A Work Test Obligations

- This obligation is applicable to a person while he or she is a work-tested beneficiary, granted jobseeker support, or any other case after a person receives their first work-tested benefit payment.
- To be available for, and take the steps required to obtain suitable employment as well as accepting the first offer of employment even if it is temporary, seasonal, or subsidized.
- Also to attend and participate in an interview for any opportunity of employment referred by the chief executive or undertake any activity the chief executive believes will improve the beneficiary's work readiness, motivation, or future employment prospects.

The History of the Sanctions:

- Section 102A (work test obligations) was introduced on September 27th, 2010 under the National Government led by Bill English.
- The purpose of section 102A-E is to make sure that beneficiaries maintain an “unrelenting focus” on entering or returning to the wage-labor workforce. As well as to continue to reinforce the purpose of supporting themselves and their families, and taking all necessary steps in being a responsible citizen by joining the workforce.
- These two clauses are based on 1A and 1B of Social Security Act of 1964. In 2007 the Labour-Progressive coalition government added the “purposes and principles” to the Act focusing on job employment as the goal and establishing it has the solution to decreasing the need of welfare.

The assumptions the sanction makes (what it is trying to achieve):

- Behind this obligation, the government assumes that beneficiaries will just rely on free government handouts and thus they must enforce an obligation that requires beneficiaries to actively seek employment in order to become a self-reliant, responsible citizen capable of holding a job and supporting themselves and family.
- Paid employment is the ultimate goal and solution to all financial and social hardship and it is the only way to positively contribute to society. If individuals are just willing to put in the effort to find a job they will be able to become self-reliant responsible citizens.

The end result of the sanction (why the sanction doesn't work):

- The work obligations have taken away benefits and further contributed to impoverishing those that need the benefits the most. It has required individuals to take on jobs that are

either physically, mentally, or even logistically unsuitable for them creating a cycle of failure that further damages their self-esteem and morale.

- These jobs often pay less than the benefits themselves and have inconsistent hours that are incompatible to raising a child. With this obligation, regardless of the reasoning, if the individual can't uphold the job their already minimal benefits are significantly reduced furthering their suffering, rather than alleviating it.
- The obligation instills the idea that wage paying labor is the only way to productively contribute to society and neglects the roles of being a parent or caregiver completely.
- Based on a report released by MSD it was shown that almost half the people going off the benefit returned to Work and Income within 18 months. A large portion of these beneficiaries that do return to the benefit are being forced into low-wage unsuitable employment.
- The work-test obligations are shown to have no evidence of success in the MSD report because people on the job-seeker benefit with work obligations were just as likely to return to a benefit over an 18-month period of time as those on the same benefit with no obligations.

What would happen if we remove the sanction (why the sanction should be removed):

- Individuals would be given time to find meaningful jobs that are suitable for the individual and can be sustained over time rather than having their benefits further decreased and being forced into jobs that end up doing more harm than benefiting them.

102 B Drug Testing Obligations:

- Take and pass a drug test that a potential employer or training provider requests at any time. A drug test failure is defined by refusing to take one or failing a prior screening drug test required by an employer. Further, the chief executive may act on any information given by an employer that states the beneficiary has failed a screening drug test, even in the absence of any actual evidence.

Drug Testing Sanctions:

- You'll have to repay Work and Income for the cost of the failed drug test. This cost will be taken out of your benefit in weekly payments. The first time you fail, you'll have to agree to stop using drugs so you can pass a drug test in the future (the cost is between \$30-\$70).

- The second time you fail, you must pass another drug test within 25 working days irrespective of whether you pass or fail the drug test, you'll need to meet the cost of the test.
- If you fail a third time, or if you don't take and pass a drug test within 25 working days, for 13 weeks your benefit will be reduced up to half if you have dependent children, or be cancelled if you don't have dependent children.

The History of the Sanctions:

- Section 102 (drug testing obligations) was introduced on July 15th, 2013 under the National Government led by John Key.
- The purpose of section 102A-E is to make sure that beneficiaries maintain an “unrelenting focus” on entering or returning to the wage-labor workforce. As well as to continue to reinforce the purpose of supporting themselves and their families, and taking all necessary steps in being a responsible citizen by joining the workforce.
- These two clauses are based on 1A and 1B of Social Security Act of 1964. In 2007 the Labour-Progressive coalition government added the “purposes and principles” to the Act focusing on job employment as the goal and establishing it has the solution to decreasing the need of welfare.

The assumptions the sanction makes (what it is trying to achieve):

- The government assumes that beneficiaries are misusing drugs by choice and thus requiring drug testing and establishing a sanction will finally push them to quit the detrimental habit and allow them to be a productive part of the labor force. Further, drug testing will prevent the idea that money from responsible tax paying citizens is feeding someone's drug habit rather than actually feeding them.

The end result of the sanction (why the sanction doesn't work):

- In three years since the drug testing scheme has been enacted “95,000 beneficiaries have been tested but only 450 failed the drug test (Federal Budget 2017).” This obligation is relevant to only a small minority of individuals and thus is a waste of time and money by generalizing a large population.
- The drug testing obligation results in spreading the idea that drug addiction is a choice and if individuals had sufficient motivation they can stop it which rather than fulfilling its purpose. This appeals and contributes to the prejudices of the public and government in that welfare

payments are a waste of money given to feed drug habits and lazy individuals that don't want to change their circumstances.

What would happen if we remove the sanction (why the sanction should be removed):

- Money used towards drug testing and sanctions given to those with drug addictions can be used towards treatment rather than taking benefits away and continuing the cycle abuse as well as the misguided view of drug addiction.

Demand 2: Treating adults as individuals on the benefit rather than penalizing them for being in a partnership.

The Social Security Act under Section 63 determines that the chief executive may refuse to grant a benefit, terminate, or reduce an already existing benefit based on their discretionary decision of the beneficiary having entered into a relationship “in the nature of marriage”. The welfare system assumes that those in a relationship are financially better off than those that are single, and thus deserve less or if any benefit at all. In penalizing beneficiaries for being in a partnership rather than treating them as individuals, the welfare system reflects the archaic notion of women having to depend on their partner. Further, not only is the nature of a “partnership or relationship” complex and hard to define, but the policies that penalize beneficiaries for joining a partnership can contribute to the already high levels of domestic violence that continue to exist in New Zealand today.

The nature of a partnership is often complex and isn't always easily defined with a formal marriage. Modern day society has become more open to relationships with different living arrangements, financial and emotional commitments, and the many other nuances that make up what can be considered a partnership. The stipulation of determining a relationship based on “nature of marriage” often creates subjective and inconsistent decisions handed down to beneficiaries simply based on tips received by social workers. This allows for personal bias and stereotyping to occur which often victimizes women and people of color.

More importantly, beyond the vague definition used by the welfare system to define a partnership, are the detrimental consequences of determining one's benefit level due to one's relationship status. The assumption that those in a partnership will have a higher quality of life than those that are single negatively targets women by establishing dependency on their partner. The

welfare system reflects the idea that once a beneficiary is in a partnership they will be financially supported enough to need less or forgo their benefit all together. Further, since one's benefit is tied to their partner, if one partner is investigated for fraud, the other partner is subsequently punished as well. Not only does the welfare system erase one's individuality and dignity once they enter into a partnership, but it also hands out punishments based on another person's actions. This system as a whole puts unnecessary strain on new relationships, and discourages relationships in general because the benefit level for an individual is twice as high as the benefit level for those in a relationship. Further, this creates a culture of dependency that is a large contributor to domestic violence. This forces individuals, often women, to financially depend on their partner for survival as well as any financial decisions and thus many accept the emotional, physical, or verbal abuse that comes with it.

Rather, the welfare system in New Zealand should aim to treat beneficiaries as individuals and separate one's relationship status from determining their benefit level. Giving individuals their own income and financial means allows beneficiaries to live in dignity and have an active role in their own self-determination. Linking one's income to their partner's demeans their competency as citizens and as individuals and limits their sense of individual freedom.

Demand 3: Increasing benefit levels to a liveable income.

The current welfare system does not give enough help to those that need it the most. Those on the benefit are forced to live on the minimum wage with barely enough to support themselves and their family. The current minimum wage in New Zealand is \$16.50, however, according to the liveable wage movement, the liveable wage is \$20.55. This amount, while still being the bare minimum, takes into account other important factors that go into one's quality of life such as energy bills, health, communication, education costs etc. Anything less than this calculation is essentially forcing individuals to live in poverty. Yet, in 2018 it was calculated that "nearly 683,000 workers earn less than a living wage and there is a 24.5 percent difference between the minimum wage and the living wage". Thus, there are vast groups struggling to make ends meet, and many happen to be those in the welfare system due to the limited benefit levels.

While some may argue that the benefit level has risen, such as in 2017, it did not rise nearly enough in proportion to the increasing costs of living. For example, the adult minimum wage rose by 50 cents an hour from \$15.25 to \$15.75 on April 1, 2017, yet benefits rates only increased by 1.1%. With the drastic increases in the cost of rent, everyday items, and the minimum wage, the stagnant benefit levels only serve to keep down those in poverty, rather than raise them to a standard quality

of life everyone deserves. Benefit levels need to be increased so that beneficiaries that are subject to unfair obligations, such as visiting private rental properties, don't feel further demeaned by having to see housing that they know they can never afford. For example, with the current median rent in Auckland at \$530, the benefit only provides \$107 to a sole parent with children. The benefit doesn't even cover the bare minimum and is hardly enough to let one live with dignity. The living wage calculate the basic necessities while also factoring the bare extra in order to live a dignified life. The welfare system assumes that the only meaningful work an individual can contribute to society is wage paying labor, however giving individuals enough to live with dignity would promote volunteerism, care-taking, and other meaningful contributions to society that the government often fails to acknowledge.

With sanctions and obligations attached to the welfare system, the benefit alone fails to meet the amount individuals receive with minimum wage. Moverover, the minimum wage in New Zealand is currently far below what is considered the liveable wage. It should be a priority to raise benefit levels up to a liveable wage in order to bring up an already marginalized section of society and give beneficiaries a certain standard of living with the basic comforts and opportunity everyone deserves.

Demand 4: Housing people in permanent, safe, healthy public housing.

There is currently a shortage of public housing in Aotearoa, with the waiting list of people wanting to enter a state home almost reaching 10,000. People on the benefit make up the majority of people on the waiting list, and many don't currently have fixed abode, relying on emergency accommodation for shelter.

The current use of motels and boarding homes for temporary accommodation is not meeting the needs of our homeless population. It does not provide any wrap-around services, a safe environment, and it's driven by moteliers who are more interested in profit than the well-being of people.

Currently, people are expected to be looking for alternative accommodation while they are residing in emergency housing. This puts people on the benefit in an impossible situation, by being pressured to go into private rentals they can't afford because of low benefit levels and high rents or face a recoverable grant for their next week of emergency accommodation. People on the benefit have to go to house viewings, knowing well in advance they won't be able to afford the weekly rent,

just to be turned down. This puts an added financial and psychological pressure on people that are already stigmatised and struggling to make ends meet.

The Government needs to massively increase the state housing stock, and while it does so it needs to remove the obligation for people to look for alternative accommodation. This would recognise that the current housing market is simply out of reach for people on the benefit. Additionally, the use of motels and boarding homes for temporary accommodation should be scrapped, and instead the Government should invest in building publicly owned accommodation that genuinely meets the need of people on the benefit. No one should be put in thousands of dollars worth of debt because they are homeless through a recoverable grant. The current criteria for recoverable grants, which includes arbitrary reasons such as engaging in anti-social behaviour or drug use, does not acknowledge the intense pressure the environment of motels and boarding homes can cause on people who may be already facing substance consumption challenges or mental health issues. People engaging in harmful drug use need access to addiction support services, not a recoverable grant as punishment.

Demand 5: Ensuring that applicants receive all the assistance to which they are entitled.

The whole reason why Auckland Action Against Poverty needs to continue its advocacy work is because people are currently not receiving the assistance to which they are entitled per the legislation. The use of discretion by case managers at Work and Income is often used to punish, as opposed to assist people. The ability for case managers to use discretion as punitive tools is what entrenches the toxic culture at Work and Income. There are operative changes that could immediately be implemented and change the interface between Work and Income staff and people on the benefit, helping applicants receive the assistance to which they are entitled. Some of these changes include:

- Make discretionary decisions an automatic assumption of 'yes'. Applications for any form of assistance should only be declined in absolutely extraordinary circumstances.
- Allowing people to apply for hardship grants through the call centre, no matter the number of hardship grants that have been granted over a period of time.

- Remove the arbitrary and unlawful limits on hardship grants, and negative accounting. The current 'entitlement' system, which is used to prevent people from accessing hardship grants unless there's an exceptional circumstance ignores the reality that poverty and deprivation is an ongoing circumstance for people on the benefit.

- Improve training and ensure consistency of case managers, so that they say 'yes' to people even when an advocate isn't sitting beside them. If people knew they would receive their entitlements and their needs would be met, they would feel able to attend appointments:

1. on other days of the week
2. and at other (local offices)