



New Zealand Council Of
Christian Social Services

SUBMISSION ON THE SOCIAL SECURITY (YOUTH SUPPORT AND WORK FOCUS) AMENDMENT BILL 2012

Introduction

1. The New Zealand Council of Christian Social Services (NZCCSS) works for a just and compassionate society in Aotearoa/New Zealand. We also foster the development and maintenance of appropriate services for the relief of the vulnerable and poor members of our society.
2. NZCCSS thanks the Government for the opportunity to comment on the Social Security (Youth Support and Work Focus) Amendment Bill 2012. We request an opportunity to appear before the Social Services Committee to make further comment.
3. Our organisation has a strong interest in this area as we work alongside those of us who struggle. Many people we work with are young, and/or are single parents trying to make ends meet. Therefore, we are well acquainted with the groups being targeted in the Social Security (Youth Support and Work Focus) Amendment Bill.
4. Specifically, NZCCSS has six foundation members; the Anglican Care Network, Baptist Churches of New Zealand, Catholic Social Services, Presbyterian Support New Zealand Inc and the Methodist and Salvation Army Churches. Through their networks and approximately 639 social service organisations, NZCCSS members provide food banks, budget advice, emergency housing, employment assistance, addictions treatments, and other community services. Some of our members provide family support services such as social work, counselling and benefit advocacy services.
5. Contact details for this submission are: Trevor McGlinchey, NZCCSS Executive Officer, eo@nzccss.org.nz ph. 04 473 2627 and Philippa Fletcher philippa.fletcher@nzccss.org.nz ph. 04 473 2627.

Overall message

6. Our submission is based on the recognition that given the right approaches and support, people will engage to develop both their personal and children's wellbeing. The use of sanctions and force is unnecessary when enabling settings are in place. NZCCSS agrees "there are well established links between people receiving benefits and poverty, poor health, and many other poor social outcomes" (Bill explanatory note). While we support those aspects of this Bill that are conducive to the wellbeing of those on benefits, we oppose this Bill in its entirety as it is unlikely to effectively address the reasons people end up on

benefits in the first place. The sanctions or “stick” approach” tends to outweigh the positive, proactive aspects of this Bill.

Recommendations

NZCCSS recommends:

Keeping people out of the benefit system

- (1) **Working to keep people out of the benefit system** in the first place. This means promoting people’s wellbeing, i.e. enhancing control, increasing resilience and facilitating participation and promoting people’s inclusion.
- (2) **Early intervention** which requires stepping back from the benefit system per se and ensuring we foster wellbeing at the earliest opportunities. This is likely to mean:
 - a. Supporting parents and the early years – parenting skills training / pre-school education and quality home learning environments (including healthy pregnancies).
 - b. Support for lifelong learning
 - c. Improving the quality of work
 - d. Encouraging healthy populations
 - e. Ensuring quality living and working environments (Friedli L and Parsonage, 2009).

Fostering Māori wellbeing

- (3) **Government working with Māori to foster Māori wellbeing**, particularly since Māori are disproportionately represented among both young people not in education, employment or training receiving the Independent Youth Benefit; and DPB recipients.
- (4) **Ensuring services are able to effectively address Māori needs**, e.g. via encouraging Māori management of services; Māori and non-Māori service delivery professionals undertaking cultural supervision.
- (5) **Review the Work and Income policy of excluding people from accessing a benefit if they move to particular isolated, rural areas** as it results in people being unable to access their whānau support and in people unable to provide support to their whānau.

Effective services

- (6) **Quality training, proper funding, and appropriate levels of organisational accountability in relevant NGOs** is likely to result in less need to remove children, greater child wellbeing, and hence greater young adult wellbeing long term.
- (7) **Ensure benefit levels are sufficient** to promote inclusion and participation in mainstream society, when work is not appropriate.
- (8) **Support services will need to remain effective** for the 87-92% of beneficiaries who remain on benefits (Welfare Reform Cabinet Paper A, p.6).
- (9) **Ensure NGO and community based support systems are properly developed and supported**, enabling high quality service provision to the likely influx of service users resulting from this Bill.

- (10) **Foster effective services via incorporating mentor-like relationships** based on respect and trust; engagement with clients for as long as necessary, and ability to connect to a wide range of family support services. Services do better when they are culturally appropriate, and are integrated with other government and community agencies.
- (11) **Housing policies which promote community wellbeing**, i.e. housing policies which promote rather than undermine stable communities. For example the current Housing New Zealand reviewable rent policy is liable to result on households moving and increasing their vulnerability. Stable living environments are essential for children's wellbeing (Sherwin, M (Productivity Commission Chair), Dominion Post, 13/04/2012).

Work testing only if and when appropriate

- (12) **Government uses real incentives** rather than punitive measures to assist people to find and keep employment.
- (13) **Government fosters a workplace and employment environment** that includes workplace practices including flexible working hours, and recognition and amelioration of stressors that can affect single parents (see Friedli, L and Parsonage, M, 2009, p.47).
- (14) **Government needs to avoid work testing** resulting in people in informal, temporary casualised jobs, unable to arrange appropriate childcare, split shifts and other workplace factors detrimental to child and family wellbeing. (Commission on Social Determinants of Health, 2008, p. 73).

Ensuring parents are able to be good parents

- (15) **Government promotes family friendly workplaces** so parents can better combine their parenting role with their work role.
- (16) **Government ensures the availability of high quality childcare** and after school care in low decile neighbourhoods.
- (17) **Ensuring public transport infrastructure** pricing so that people living in low decile neighbourhoods can access public transport at times it is needed to get to and from work, while children are in school or care.
- (18) **Focusing on measures to help parents succeed as parents**, such as support to address difficulties early, e.g. effective, accessible and affordable PHOs.
- (19) **Removing the one year limit on non—work tested support** for beneficiaries who have more children.

Sanctions

- (20) **Sanctions have the ability to impact on vulnerable children** who have no control over their family's economic circumstances. The impact of this needs to be considered.

Main issues

Keeping people out of the benefit system

7. Government is concerned about the number of people receiving benefits and the detrimental effects of this on both New Zealand's balance of payments and the people involved (Explanatory Note p.1). The Bill is part of a wider welfare package to reduce the number of beneficiaries by "28,000-46,000 [8-13%] by 2015/16 depending on economic conditions" (Welfare Reform Cabinet Paper A, p.6).
8. NZCCSS considers it is better to keep people out of the welfare system in the first place, and advocates an early intervention focus based on promoting people's wellbeing, i.e. enhancing control, increasing resilience and facilitating participation and promoting people's inclusion. This means stepping back from the benefit system per se, examining what factors help our population (particularly our young people and sole parents) to do well, and ensuring we foster wellbeing at the earliest opportunities.
9. Factors which can help people to be independent of welfare include:
 - a. Supporting parents and the early years – parenting skills training / pre-school education and quality home learning environments (including healthy pregnancies).
 - b. Support for lifelong learning
 - c. Improving the quality of work
 - d. Encouraging healthy populations
 - e. Ensuring quality living and working environments (Friedli L and Parsonage, 2009).

Fostering Māori wellbeing

10. The background material for the Bill illustrates how there is particular concern about the number of Māori on benefits (e. g. Cabinet Paper C p.3). It identifies young people on the Independent Youth Benefit as some of 'New Zealand's most vulnerable citizens' (Explanatory note, p.2), yet does not recognise the large proportion who are Māori and the possibility there may be issues specific to Māori which need to be addressed. The same applies to sole parents. Māori comprise around 42% of DPB recipients (MSD), yet none of the provisions of the Bill seem to be addressing why this is the case, and how Māori could be better served by current policy provisions.
11. It does not address why Māori pass rates in NCEA are low; rather it obliges work leading to NCEA level 2 or its equivalent (170A). It does not address why Māori young people are not getting jobs, paying no attention to the history of how this has arisen. For example, Maori have a long history of being discriminated against in education, but during the 1950s and 60s period, a large amount of unskilled labour was required. Māori flocked to the cities providing the labour required in manufacturing and building industries. Those unskilled, manufacturing and primary sector jobs are no longer available. Māori are less likely to pass NCEA level 2 and so miss out on the passport to tertiary sector jobs, making unemployment more likely.
12. Māori are also more likely to face imprisoned fathers. Māori comprise just over half of the prison population (Gordon, L and MacGibbon, L, 2011). The level of imprisonment results in significant inter-generational impact amongst Māori families (Gordon, L and MacGibbon, L, 2011). An unsurprising result, is increased numbers of Māori sole parents.

13. In short, too many Māori face too much disadvantage long before reaching age 16-17 (see table below). Punishing Māori beneficiaries for then being in difficult situations exacerbates treatment which is already unjust.

Table 1: Education pathways, per 100 Māori 5 year olds, Pasifika 5 year olds and other 5 year olds Involvement indicator (in 2011)	% Māori	% Pasifika	% Non Māori + Non Pasifika*
Will have participated in early childhood education prior to school	90	86	98
Will go to school in the North Island	88	94	71
Will attend a decile 1 - 4 school	57	70	17
Will not have achieved basic literacy & numeracy skills by age 10	18	16	4
Will be frequent truants by Years 9 and 10	3	2	1
Will be stood-down from school	5	3	2
Will leave secondary school without a qualification	34	24	13
Will become disengaged from education, employment or training by age 17	16	10	5
Will leave school with NCEA Level 2 or better	48	59	75
Will leave school with a university entrance standard	20	26	50
Will attain a bachelor level degree by age 25	11	12	28

Ministry of Education, *Briefing to Incoming Minister of Education*, p.9

14. NZCCSS recommends Government work with Māori to foster Māori wellbeing, particularly since Māori are disproportionately represented among both young unemployed and DPB recipients. This requires addressing the issues about keeping people out of the benefit system mentioned earlier, as well as ensuring services are able to effectively address Māori needs, e.g. via encouraging Māori management of services; Māori and non-Māori service delivery professionals undertaking cultural supervision etc.
15. We know that if Māori children end up living in alienated whānau their wellbeing profile is seriously compromised. The lack of both connectivity and cultural identity results in whānau becoming gang members, addicted to alcohol and illegal drugs, and with high levels of debt. They are both the victims and perpetrators of crimes, with extremely high imprisonment rates. They suffer from debilitating disease, experience mental illness, die early, and have low skill levels in parenting and home-keeping. Children living in these families risk repeating the life choices of their *matua* and in many cases their *tūpuna* as intergenerational unemployment, poverty and addictions are part of alienated whānau experience. For this reason NZCCSS suggests reviewing the Work and Income policy of excluding people from accessing a benefit if they move to particular isolated, rural areas as it results in people being unable to both access and contribute to their whānau's support. The policy also affects the ability to maintain marae, and customary practices therefore alienating people from their turangawaewae and further undermining cultural identity.

Work testing

16. Work testing is tantamount to an admission of failure by Work and Income. If work testing is required, then this suggests Work and Income have not been able to engage with the client sufficiently well earlier on. NZCCSS suggests improved engagement rather than

sanctions is required here. Real incentives rather than punitive measures are required to assist people to find and keep employment.

17. The Bill seeks to reduce numbers of young and single parent beneficiaries via increasing their involvement in paid work (Explanatory Note pp 5-6). The Council has noted that when jobs are available, New Zealanders tend to go out and get them. We have very little evidence of people not wanting to work when appropriate work is available.
18. When unemployment dropped between 1999 to 2008, numbers of people on unemployment benefits fell markedly. Numbers on DPBs fell less markedly, but this is hardly surprising, as DPB recipients have a job – raising the next generation.
19. We agree good jobs with workplace practices including flexible working hours, and recognition and amelioration of stressors that can affect single parents are beneficial. However, Government needs to avoid work testing for jobs involving people in informal, temporary, casualised jobs, unable to arrange appropriate childcare, split shifts and other workplace factors detrimental to child and family wellbeing (Commission on Social Determinants of Health, 2008, p. 73), (Friedli, L and Parsonage, M, 2009, p.47).

Work availability

20. Effective work testing presupposes the existence of jobs. The NZIER currently describes the economy as flat (New Zealand Institute of Economic Research, 2012) and that the unemployment rate is back to where it was 12 years ago (New Zealand Institute of Economic Reserach, 20112).
21. Instead, there currently appear to be too many people chasing too few jobs. This is called demand deficient unemployment and it tends to be associated with recessions. In such instances, work testing can be very expensive as jobs are not available for beneficiaries to undertake. The current unemployment statistics show unemployment is fairly static (hovering around 6.3%). Young people aged 15-19 have one of the highest age-specific rates of unemployment (around 25%).

Young people and jobs

22. The Bill seeks to get more young people into education, training or work. Official statistics measuring youth disengagement (NEET), show 13.1% of people aged 15-24 are not in education, employment or training (Statistics New Zealand, *Household Labour Force Survey, December 2011*). *Among 15-24 year olds, in the year to December 2011, 18.5% of Māori males and 14.2% of Māori females were NEET, compared with 11.1% of all males and 8.4% of females in this age group* (Department of Labour, *Employment and Unemployment, (December 2011 Quarter)*).
23. If we look at straight unemployment, around 25% of 15-19 year olds are unemployed. Age specific ethnicity unemployment rates are not available, however we can make some estimates based on total all-age unemployment rates. Pākeha tend to have around 2/3 of the total rate and Māori tend to have over twice the total rate. If these ratios apply to the 15-19 age group, then approaching 20% of Pākehā 15-19 year olds are unemployed, and Māori unemployment for 15-19 year olds is likely to be around 40%.

	Unemployment rate Dec 2010 %	Unemployment rate Dec 2011 %
Total	6.2	6.4
15-19 year olds	25.5	24.2
European (all ages)	4.7	5.1
Māori (all ages)	13.4	13.4
Pasifika (all ages)	13.6	13.8
European 15-19	19.1	18.2
<i>NZCCSS estimate</i>		
Māori 15-19 <i>NZCCSS estimate</i>	≈40?	≈40?
Pasifika 15-19 <i>NZCCSS estimate</i>	≈40?	≈40?

Source: Statistics New Zealand *Household Labour Force Survey*

Policy induced disadvantage

24. Today's 15-24 year olds were born between 1988 and 1997. Many of them would have grown up during the period when their own parents were struggling, and, for those young people, struggling on a benefit is normal. If we are not careful, we end up blaming today's young people for the misfortunes of their parents associated with the policy measures of the late 1980s and early 1990s.

Young parents on benefits

25. NZCCSS is supportive of improved learning and training opportunities for young parents on benefits. However, engagement in these programmes needs to be voluntary rather than forced. If force is required, this indicates the programmes are not being designed and implemented in an appropriate way.

What our young people need to flourish

26. Young people are more likely to flourish if they have had their needs met earlier on. These are summarised in the table below:

Take the Treaty of Waitangi seriously:	A real partnership between Māori and the Crown could result in improved Māori whānau wellbeing.
Reduce both poverty and excessive inequality	These are immoral, interfere with children's cognitive and behavioural development, are socially disruptive, disproportionately affect Māori, Pasifika, refugee and particular geographic communities; and are contrary to our international obligations.
Address our housing problems	Poor housing has a negative impact on family / whānau physical, mental and social health and wellbeing.
Value children as human	Fostering their sense of identity, belonging, purpose, meaning, culture,

beings	control over life, and moral and spiritual wellbeing.
Work to encourage quality relationships	Family change is associated with low child wellbeing. Living in violent households predicts abuse, abuse of others, playground bullying, juvenile crime, and intimate partner violence (The Children's Society, 2012).
Assist children / families / whānau to have access to their culture	Children grow up at cross purposes with themselves when deprived of their culture.
Work to develop strong communities	Children are less likely to become vulnerable when they have neighbourhood links, and links with wider whānau.
Help children to be born healthy	Ensure access to quality pre and post natal care; good maternity services, good maternal nutrition, reduced drug and alcohol exposure.
Help ensure improved early attachment	Assisted via encouraging breastfeeding, avoiding / reducing post-natal depression, access to parental leave in the first year of life with a minimum income for healthy living.
Improve access to equitable early childhood education	Assists cognitive and social development.
Improve educational success chances	Lack of educational success is associated with a host of problems, e.g. poor job prospects, poor mental health, adverse life events etc.
Enable parents to address difficulties early	Social and /or emotional problems are associated with poorer school achievement, increased conduct problems, anti-social behaviour, delinquency and serious mental health problems. Physical and /or intellectual disabilities in children are associated with compromised development, caregiver stress and depression.
Apply consistent policies	Policies mindful of our children's needs are more likely to foster our children's wellbeing. It makes no sense help children on the one hand e.g. via anti-violence services, and work to reduce it on the other, e.g. via alcohol policies encouraging increased consumption
Ensuring quality services	Well-connected rather than fragmented services, which are combined with other measures will probably work better e.g. improving mental wellbeing, community support, and reducing drug and alcohol abuse. Families do better when services are staffed by skilled, reliable workers who provide excellent support and are knowledgeable about services and resources.

Source: (New Zealand Council of Christian Social Services, 2012)

Ensuring parents are able to be good parents

27. Single parents are not a homogenous group. Some lone parents are strong capable, focused and able to manage the twin roles of parenting and undertaking paid employment. We support Work and Income's ability to engage with this group when childcare, transport and family friendly workplace environments are in place. Our members deal with many lone parents who are impacted by a variety of life's stressors and life's shocks. Sanctioning this group when they are struggling to engage with employment is likely to make things worse for them and their children than they already are. We recommend a more balanced approach in this area.
28. Children and their requirements need to be at the centre of any policies around DPB recipients. We know the most effective way of ensuring our children flourish as adults is to give them a good start in life. This means being able to bond effectively with their parents. Children do better when parents are able to parent. The chart above illustrating what is required for youth to flourish also applies to what is required for parents to be effective parents. In addition, lone parents are more likely to be successful in employment when:
 - a. They have access to family friendly workplaces so can better combine their parenting role with their work role.
 - b. They have access to high quality childcare and after school care in low decile neighbourhoods.
 - c. They have access to affordable public transport so that if they live in low decile neighbourhoods they can access public transport at times it is needed to get to and from work, while children are in school or care.
 - d. There are measures to help them succeed as parents, such as support to address difficulties early, e.g. effective, accessible and affordable PHOs.
29. Finally, NZCCSS recommends removing the one year limit on non-work tested support for beneficiaries who have more children (60GAE). Fewer than 50% of children aged 1 spend any time in any formal childcare setting (Statistics New Zealand, *New Zealand Childcare Survey* (revised 2010)).

Select Bibliography

New Zealand Institute of Economic Research. (2012). *Quarterly Survey of Business Opinion*. Wellington: New Zealand Institute of Economic Research.

Commission on Social Determinants of Health. (2008). *Closing the Gap in a Generation*. Geneva: World Health Organization.

Friedli L and Parsonage, M. (2009). *Promoting Mental Health and Preventing Mental Illness: the economic case for investment in Wales*. Wales: Mental Health Promotion Network.

Gordon, L and MacGibbon, L. (2011). *A study of the children of prisoners*. Wellington: Te Puni Kōkiri. Retrieved from <http://www.tpk.govt.nz/en/in-print/our-publications/publications/a-study-of-the-children-of-prisoners-findings-from-maori-data/download/tpk-childrenofprisonersdata-2011.pdf>

New Zealand Council of Christian Social Services. (2012). *The Green Paper for Vulnerable Children: NZCCSS Submission*. Wellington: New Zealand Council of Social Services. Retrieved from <http://www.nzccss.org.nz/uploads/publications/Green%20paper%20submission%20NZCCSS.pdf>

New Zealand Institute of Economic Reserach. (2011). *Seven Years Lost; Insight 33*. Wellington: New Zealand Institute of Economic Reserach.

The Children's Society. (2012). *The Good Childhood Report 2012*. York: The Children's Society. Retrieved February 15, 2012, from http://www.childrensociety.org.uk/sites/default/files/tcs/good_childhood_report_2012_final_0.pdf