

2019
SUMMIT

**Whakamana
Tāngata:
Where to
from here?**

18 November



CHILD
POVERTY
ACTION
GROUP

Proceedings Summit 2019: Whakamana Tāngata: Where to from here?

**18 November, 2019,
University of Otago, Wellington**

This Summit was proudly supported by Child Poverty Action Group, and the University of Otago, Wellington.

Summit proceedings compiled and edited by Georgie Craw.

Video and audio files of the summit speakers can be found on the CPAG website [here](#).

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Proceedings Summit 2020: Whakamana Tāngata: Where to from here?

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2019 Summit theme

Child poverty, and the need to substantially reduce it, has been at the forefront of public policy since the election in 2017.

The Families Package was a beginning. Valuable recent developments include a newly minted Child Poverty Reduction Act, an in-depth report on welfare reform from the Welfare Expert Advisory Group (WEAG), the first official Government child poverty reduction targets, and a fresh range of statistics.

Although measures and benchmarks are important priorities, progress on reducing poverty for the worst-off children is yet to be seen. The need for charity assistance is at an all-time high, and while there is increased Government spending on special needs grants and emergency housing needs these interventions are far from adequate.

Late into 2019, 174,000 children living in the most impoverished, desperate situations had yet to see any real gain. Thus far, uptake of the extensive WEAG recommendations had been disappointing, with Government announcements providing little relief for the children living in the deepest poverty. The limited government response to the WEAG's Whakamana Tāngata is frustrating, and the lack of public focus is perplexing.

CPAG's 2019 social welfare summit, held in Wellington on 18 November, offered the Government and stakeholders some answers to the question: when it comes to reducing child poverty, where to from here?

The following pages contain the written versions of speakers' presentations, as supplied or transcribed from audio recordings. Transcriptions are provided to the best of our abilities using software and manual editing. Any errors in editing are the responsibility of Child Poverty Action Group's editors.

Summit 2019 Programme of speakers

8:30am - 9:00am	Registration		
Time		Speaker	Chair
9:00 - 9:05	Mihi Whakatau, event opening	Trevor McGlinchey	Tony Dowell
9:05 - 9:20	Opening address/The task ahead	Judge Andrew Becroft	
9:20 - 9:35	Recommendations of Whakamana Tāngata, and Child & Youth Wellbeing Strategy.	Professor Innes Asher	
9:35 - 9:50	Upholding the mana of children.	Khylee Quince (AUT)	
9:50 - 10:15	Q&A/Discussion	Andrew Becroft, Khylee Quince and Innes Asher	
10:15am - 11:00am	Morning tea break		
11:00 - 11:10	Minister's Address	Hon. Carmel Sepuloni	Nikki Turner
11:10am - 11:40am	Theme: Interaction of Work and Welfare 1: How to increase low incomes in welfare and work		
11:10 - 11:25	The Accommodation Supplement	Janet McAllister	
11:25 - 11:40	Fair pay agreements.	Bill Rosenberg (NZCTU)	
11:40am - 12:10pm	Theme: Interaction of Work and Welfare 2: How to overcome poverty traps and create work incentives		
11:40 - 11:55	Combining earner tax credit and Working for Families	Susan St John	Mike O'Brien
11:55 - 12:10	Benefit abatements: "Stuck in the 80s"	Moira Lawler and John Zois (Lifewise)	
12:10 - 12:40	Q&A/Discussion 30 minutes	Susan, Janet, Bill, Moira and John	
12:40am - 12:50pm	Special performance: Newtown School Kapa Haka group		
12:50am - 13:40pm	Lunch (served in foyer)		
13:40pm - 14:00pm	Theme: People with disabilities		
13:40 - 13:50	What are the additional key changes that will help?	Sam Murray (CCS Disability Action)	Nikki Turner
13:50 - 14:00	What are the additional key changes that will help?	Kay Brereton	
14:00pm - 14:30pm	Theme: Pushing the State out of the bedroom		

14:00 - 14:15	Why we need individual entitlement.	Ricardo Menendez March (AAP)	Mike O'Brien
14:15 - 14:30	How we change the system to reach individual entitlement.	Michael Fletcher (VUW)	
14:30 - 15:00	Q&A/Discussion 30 minutes	Ricardo, Michael, Kay and Sam	
15:00pm - 15:20pm	Theme: Action for effective change		
15:00 - 15:20	Taking action for effective change: the tools and the successes	Laura O'Connell Rapira (Action Station)	Janfrie Wakim
15:20 - 15:30	Q&A/Discussion 10 minutes	Laura	
15:30pm - 16:00pm	Open discussion		
15:30 - 16:00	Next steps, where to from here? Galvanising action points and priorities.	Khylee Quince	
15:30pm - 16:00pm	Closing		
16:00 - 16:10	Closing remarks	Len Cook, CBE	
16:10 - 16:15	Closing mihi		
16:15pm - 18:00pm	Refreshments		

Summit 2019 Speaker bios



Children's Commissioner Judge Andrew Becroft

Judge Andrew Becroft was appointed the Children's Commissioner for New Zealand for an initial two-year period from June 2016. Prior to that he was the Principal Youth Court Judge of New Zealand from 2001 to 2016; and was appointed a District Court Judge in 1996.

After graduating from Auckland University in 1981 with a BA/LLB (Honours) degree, he practised in Auckland until 1986 when he then assisted with the establishment of the Mangere Community Law Centre and worked there until 1993. He then worked as a criminal barrister in South Auckland until his appointment to the District Court in Whanganui, from 1996. In 2009, Judge Becroft received an award from the Public Relations Institute of New Zealand as Communicator of the Year. In 2010 Judge Becroft was the recipient of a Distinguished Alumni Award from the University of Auckland. In 2018 he was the winner of the Public Service Wellingtonian of the Year Award.

Judge Becroft is a former council member of the Auckland District Law Society and the New Zealand Law Society. He is the Patron of the New Zealand Speak Easy Association Inc., which assists those with various forms of speech impediment, and is the Chairperson of the Board of the Tertiary Students Christian Fellowship (NZ) Inc. Judge Becroft is married with three children, aged 23, 21 and 18.



Bill Rosenberg (NZCTU)

Dr Bill Rosenberg is Economist and Director of Policy at the New Zealand Council of Trade Unions Te Kauae Kaimahi. Bill Rosenberg is widely published on labour issues, social welfare policy, globalisation and trade, and has been an active trade unionist for 40 years.



Professor Innes Asher

Innes is Professor of Paediatrics in the University of Auckland's Department of Paediatrics: Child and Youth Health, and Respiratory Paediatrician, Starship Children's Health, Auckland. She was awarded the Health Research Council Liley Medal for her research leadership, and the NZ Medical Association Chairs award for her advocacy work. She serves on the Steering Group of New Zealand's National Child and Youth Epidemiology Service. She is Chair of the Global Asthma Network and a WHO Expert on Chronic Respiratory Diseases. She was a member of the Government's Welfare Expert Advisory Group 2018-19. She has been on the Management Committee of CPAG and a CPAG Health Spokesperson since 2000.

Hon. Carmel Sepuloni

Hon Carmel Sepuloni is the Minister for Social Development and the Minister for Disability Issues, as well as Associate Minister for Arts, Culture and Heritage and Pacific Peoples. She is also the Member of Parliament for Kelston, West Auckland.

Carmel is of Samoan, Tongan and NZ European descent. She was born and raised in New Zealand. She and her husband have a blended family of four boys ranging from 6 to 21 years old. Outside of politics, Carmel has been a leader in the health and education sectors, including as CEO of New Zealand's only national Pacific disability, mental health and older persons service provider, Vaka Tautua.

As the Minister for Social Development and Disability Issues, Carmel is committed to improving the lives and long-term outcomes of New Zealanders and particularly people in our welfare system. Carmel is currently leading an overhaul of New Zealand's welfare system to ensure it is fair and accessible.



Janet McAllister

Janet McAllister is a researcher, policy advisor and social & cultural commentator. Supervised by Susan St John and Alan Johnson, she prepared the CPAG report 'The Accommodation Supplement: The wrong tool to fix the house' (May 2019). She volunteers as Auckland Action Against Poverty treasurer, and works as a Mental Health Foundation policy adviser, highlighting social determinants of mental wellbeing (including risk factors such as colonisation and racism). She is the proud editor of *Life on Volcanoes: Contemporary Essays*, which includes an excellent essay about poverty by Tulia Thompson. Janet likes graphs, maps, dancing, conversation, books, cycling, clashing colours and waiata.



Janfrie Wakim

Janfrie Wakim is a founding member of Child Poverty Action Group and currently a Deputy Co-Convenor.



Kay Brereton

Kay Brereton is an experienced advocate for people within the welfare system. Kay is currently employed as a senior advocate at the Beneficiaries and Unwaged Workers Trust. She is the Co-Convenor of the National Beneficiary Advocates Consultative Group, a group of experts on welfare issues which regularly consults with the Ministry of Social Development. Kay was a member of the Welfare Expert Advisory Group. She has extensive experience working directly with Work and Income clients, assisting them to access their full and correct benefit entitlement, and to access their statutory review and appeal rights.



Associate Professor Khylee Quince

Khylee is from the iwi of Te Roroa/Ngapuhi and Ngati Porou. She is Associate Professor, Director of Māori and Pacific Advancement at Auckland University of Technology, and a researcher for Ngā Pae o te Māramatanga.

She teaches Criminal Law, Advanced Criminal Law and Youth Justice. Khylee has particular research interests in Māori and the criminal justice system, tikanga Māori and the law, restorative justice and alternative dispute resolution, Māori women and the law, and indigenous peoples and the law.



Laura O'Connell Rapira (ActionStation)

Laura O'Connell Rapira (Te Ātiawa, Ngāpuhi, Te Rarawa, Ngāti Whakaue) is the Director of ActionStation, an independent, crowdfunded community campaigning organisation representing over 100,000 New Zealanders acting together to create what we cannot achieve on our own: a society, economy and democracy that serves everyday people and Papatuānuku. She is also the

Co-Founder and Board Chair of RockEnrol, a volunteer-powered organisation dedicated to activating the political power of young people.



Len Cook, CBE

Len Cook was New Zealand's Government Statistician from 1992 to 2000, and the UK's National Statistician from 2000 to 2005. He was a member of the Royal Commission on Social Policy in 1987-88, Chair of the board of Superu, and is a member of the Remuneration Authority. Len's prime interests include public

administration, population change and public policy, official statistics and the place of science in policy. He regularly works with official statisticians in the Pacific. He was Families Commissioner from 2015 until 2018. He is a long term supporter of CPAG.



Michael Fletcher (Victoria University of Wellington)

Dr Michael Fletcher is a Senior Research Fellow at Victoria University of Wellington's Institute for Governance and Policy Studies. He is an economist with extensive experience as a researcher, academic and policy advisor, specialising in welfare and social assistance policy, employment and employment relations and

child poverty. His recent research focus has been on child support and the financial consequences of marital separation. He has published numerous articles on these topics in New Zealand and internationally. Michael was appointed as Independent Specialist Advisor to the 2018/19 Welfare Experts Advisory Group.



Associate Professor Mike O'Brien

Mike O'Brien is an Honorary Academic in the School of Counselling, Human Services and Social Work at the University of Auckland. He is a member of the CPAG Management Committee and contributed to the two recent CPAG reports on children. He has written extensively in New Zealand and internationally on child poverty, social security and social service changes and social policy. He chaired the Alternative Welfare

Working Group in 2011 and is working on social investment and its implications for social services.



Moira Lawler and John Zois ([Lifewise](#))

Moira Lawler is the Chief Executive of Lifewise, a social innovator that provides a range of services in the community and works with people to create sustainable solutions to complex issues. Lifewise's current focus areas include alternatives to foster care, new pathways to permanent housing for youth and adults experiencing homelessness, and options to combat loneliness in older adults.

John Zois is a beneficiary advocate and peer support volunteer with Lifewise. He has lived experience of homelessness and surviving on a benefit.



Associate Professor Nikki Turner

Nikki is an academic General Practitioner and Director of the Immunisation Advisory Centre, University of Auckland. Nikki's interests are in immunisation and primary health care. She works part time as a General Practitioner at NUHS Broadway Clinic in Wellington. She is a member of the World Health Organization Strategic Advisory Group of Experts (SAGE) on Immunization and Chairs the SAGE Working Group on Measles and Rubella elimination. She represents the RNZCGP (College of General Practitioners) in child health interests, and is a health spokesperson for the Child Poverty Action Group.



Ricardo Menendez March

Ricardo Menendez March is the Coordinator of Auckland Action Against Poverty, a direct action, advocacy and education group mobilising against the neoliberal agenda on jobs, welfare and poverty. AAAP are currently campaigning to end all welfare sanctions, provide livable incomes for all, and build a culture of respect and redistribution at WINZ.



Samuel Murray

Sam Murray manages policy for CCS Disability Action, where he has focused a lot on poverty and income support policy. Sam has worked in the disability sector for 16 years, including 8 years at CCS Disability Action. He holds Master's degrees in Public Policy and International Studies, a Post-Graduate Diploma in Politics, and a Bachelor of Arts in Politics and Religious Studies. He lives in Dunedin with his partner, one son, three cats, and two rabbits.



Honorary Associate Professor Susan St John

Susan St John is a founding member of Child Poverty Action Group and serves as an economic adviser and spokesperson for the group. She is an Honorary Associate Professor in the Economics Department and the Co-Director of the Retirement Policy and Research Centre at the University of Auckland. Susan

has co-edited many of CPAG's flagship publications, the most recent being *The Accommodation Supplement: The wrong tool to fix the house* (2019). Susan has also written many articles on child poverty reduction including *Reflections on the Child Hardship Bill*, *Policy Quarterly* (2015), and *Does the living wage ensure an adequate income for families?* *Policy Quarterly* (2017). In 2019 Susan was appointed a Companion of the New Zealand Order of Merit for services to social policy.



Professor Tony Dowell

Tony Dowell is Professor of Primary Health Care and General Practice, and is also a General Practitioner in Wellington. He has previously worked in General Practice in the UK and Central Africa. Tony's current academic interests include research in mental health care, health services research and communication in health care

consultation settings.



Trevor McGlinchey (Ngāi Tahu)

Trevor is an active member of his marae at Moeraki. He is the long-serving Executive Officer of the New Zealand Council of Christian Social Services, an organisation dedicated to working for a just and compassionate society in Aotearoa New Zealand. Trevor was a member of the Welfare Expert Advisory Group, he was also

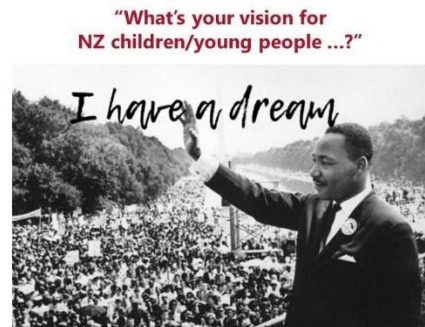
on the reference groups for the Green and White Papers for Vulnerable Children. His previous roles have included establishing a community-owned kaupapa Māori trust providing community initiatives and training and education in Oamaru, as well as a period in the Public Service.

Introductory sessions

1. Summit Opening Address: Children's Commissioner Judge Andrew Becroft

"The road ahead"

My topic today is the road ahead. Central to this topic has to be, "what is our vision?". It seems to me there's a challenge to form a New Zealand vision for our children, particularly those in disadvantage. We need new vision, and yet a New Zealand vision.



"Take care of our children. Take care of what they hear, take care of what they see, take care of what they feel."

- Dame Whina Cooper



This is the vision for New Zealand that I've fixed upon: "Take care of our children. Take care of what they hear, take care of what they see, take care of what they feel. For how the children grow, so will be the shape of Aotearoa."

And that's got to be our challenge. I've been in the role [of Children's Commissioner] now for about three years.

To set the scene, how many children (0-17 included) are there in New Zealand?
There are 1.123 million.

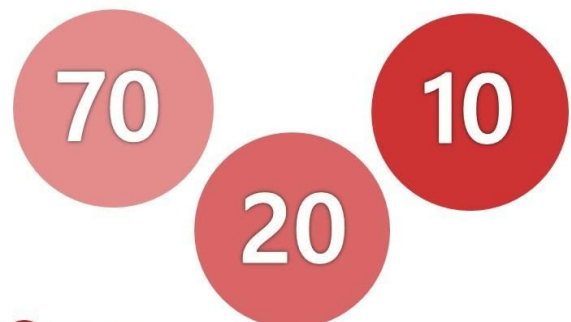
The best single simple analysis that I know, is this: How well are our children doing in New Zealand?

- 70 percent do pretty well. Some world-leadingly well - some win Athletics competitions in New York, dance competitions in San Fran.
- 20 percent struggle with adversity and are in and out of significant challenge, particularly economic.
- 10 percent experience chronic, sometimes inter-generational disadvantage. That is about two Eden Parks' worth of children.

If we're setting a vision for the road ahead, that 70/20/10 is a really helpful analysis that applies over health and education, life outcomes, well-being and child poverty.

We now have 11 percent of New Zealand children living in workless families. There's about 15 percent living in benefit families but

Aotearoa/NZ's children: an overview



11 percent in true workless families, that's just over 100,000.

And when we're talking about the road ahead, the reality is we don't have up-to-date stats. The most recent stats we had end June 2018, from the then-Household Economics Survey. We're talking statistically about stats that are 18 months old.

Stats NZ say February 2020 will be the release of the massive household income Survey of 20,000 households. Then we'll have a more accurate picture.

Even when the Government, with all respect, says we have taken 70-80,000 children out of child poverty, that is purely based on the modelling, predictions and the forecasts. We don't yet have the proof of that.

What we can say is, over the last three to five years, things haven't got significantly worse, but neither have they got significantly better. We're actually in a sort of a holding pattern, both with the stats, and the position as we know it. And those stats are based on households, so that's not even including those children who are living outside that 'household' situation.

Not only has the rise of children in workless families been significant, the other biggest issue I think is housing costs. In the late 90s, about 27 percent of a beneficiary's income was spent on housing. It's now 52 - 54 percent. That's a massive cost. And you could say this is an easy stat: half of the most disadvantaged quintile spend at least half of their income on housing costs. It's a bleak picture.

And I hadn't realised that KiwiBuild was for first-home buyers. Where we've really dropped the ball is in State Housing and Community Housing. That's got to be one of our number one priorities.

In my job, in three years so far, you could say "all roads lead back to" these three things:

1. Child Poverty and material disadvantage;
2. Early interventions/assistance; and
3. Enduring legacy of colonisation and modern-day systemic bias.



1. Child/youth poverty and material disadvantage (elevated risk factor for, not cause of...)

2. Early interventions/assistance. The challenge for Oranga Tamariki. Parenting assistance and the importance of retention in ECE and mainstream school. Joined up government responses.

3. Enduring legacy of colonisation and modern day systemic bias: addressing our enduring shame of indigenous over-representation. Partnership with, and devolution of resources to, iwi and Maori services

Each one of them could be a talk on their own. But top of that list is child poverty, income-related poverty, material disadvantage. Those three things together are a lethal cocktail, it seems to me, when we're talking about child poverty and disadvantage.



And we're here because part of our vision is to fix the "environment". And then - with great respect for my own

point of view - penalising beneficiaries, particularly parent beneficiaries might be an attempt to fix the flower, but it doesn't fix the environment for the child.

And if we are concerned about an increasingly marginalised group of children, to punish their parents consigns them to even more marginalisation and a greater chance of adverse life outcomes.

So, we as a group, when we are talking about the road ahead, have to be clear that penalizing and punishing beneficiaries is misguided and wrong in principle, and will only detrimentally affect children. And that's why we've got to think of better ways of incentivising beneficiary parents to do what the Government and the opposition parties want them to do. Whichever way you cut it, it's children who are most affected by poverty in New Zealand.

Who is most affected by poverty in NZ?

Age	% of individuals in low-income households* 2018
Children 0-17 years	21%
18-24 years	20%
25-44 years	14%
45-64 years	14%
65+ years	11%
Overall	16%

* Using the "CV-18" 50% of median "relative" (not anchored) threshold after housing costs.
 Source: Household incomes in New Zealand: Trends in indicators of inequality and hardship 1982 to 2018, MSD, 2019, p151



Child poverty is a good shorthand too, to refer to wider family poverty, of which children are a part. At its most wide measure of poverty (income-related measurement before housing costs 60% below the median or middle income) that cartoon is still sadly true, on the stats.

If we're talking about the road ahead, it seems to me one thing to bear in mind is this... This is the most complicated graph I've got for you, but it makes a really important point.

We do much better for seniors than children!
“Material Deprivation Rates by country and selected age groups”

Country	Overall	65+	<18	Ratio of <18 : 65
Belgium	11%	8%	15%	1.9
Denmark	5%	3%	5%	1.7
France	14%	11%	17%	1.5
Germany	16%	10%	21%	2.1
Ireland	12%	5%	17%	3.4
Netherlands	5%	4%	6%	1.5
New Zealand	11%	3%	18%	6.0
Spain	11%	9%	13%	1.4
Sweden	3%	2%	3%	1.5
United Kingdom	11%	6%	16%	2.7

Based on 2008 data. EU 13 scale; NZ Dep 5+ lacks
 B Perry, The Material Wellbeing of NZ Households. Ministry of Social Development, 2017 P18-20.

[The table] compares New Zealand with most EU countries (based on household door-knock surveying). For the overall disadvantage percentage in the population, New Zealand doesn't stand out. 65-plus: we have one of the most advantaged and well-looked after groups in the world and that's terrific. Early '90s, cross-party agreement on Superannuation linked to wages and prices means we do well by over-65s. Our under-18 percentage is troubling, but it's not the worst.

But where we do stand out is the ratio between how badly our under-18-year-olds do versus how well our 65-plus does. There is something wrong in the New Zealand economy, the structure is just flawed fundamentally. MSD confirmed that no other country that we know of has that degree of difference between how well we do for over-65s and how poorly we do for under-18s.

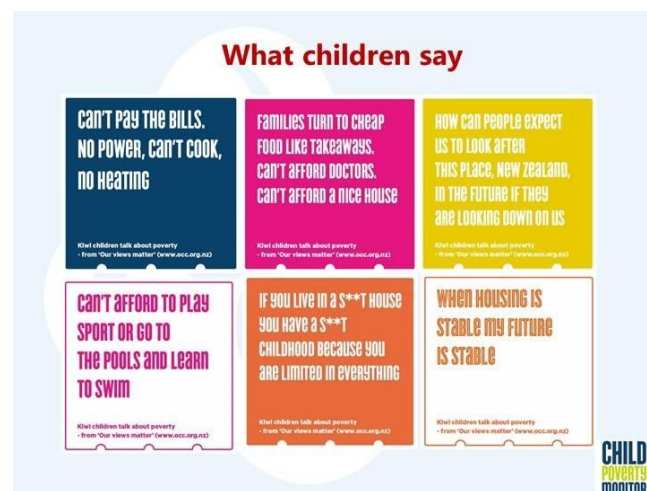
My point is not that we should do less for the over-65s. If we do it for over-65s, then part of our vision's got to be “we can do it for under-18s too”. New Zealand is better than that. We're capable of more.

We still bear the brunt of the global financial crisis, the slashing of budgets in 1991, with the "mother-of-all budgets", and the separation of benefits from wages. And there's much more that I could say, but in terms of the vision and the way forward, can I just conclude by saying what I think needs to change: We have to implement the Welfare Expert Advisory Group recommendations, and everyone I'm sure is here because that's what they believe.

It's good to know that benefits will be linked to wages, but that's only half of the problem, the first half is to make up for the deficit back in 1991 when benefits were slashed; they've got to be bought up to relative levels then kept linked to wages. If we just link them to wages we're only dealing with half the problem and we're not making up the loss historically. There will need to be some big increases in benefits that apply to children.

We have a surplus, a significant surplus. It's being kept for a so-called "rainy day". This is the rainy day. As far as children are concerned, it is raining outside. Listen to their quotes, listen to what they say about doing it tough.

I would like to see more in-kind assistance for children. I'd like to see free dental, and healthcare through to at least age 18. It would be great to dream of free transport for all under 18-year-olds in New Zealand. And there is much that we could do.



The good news is we know that if we increase benefit levels, almost invariably it will go to benefit children. There's a great study by the London School of Economics on the turn-of-the-century Blair Government increase to benefits. Almost all the additional benefit money showed up in supermarkets and household spending. Parents in need with children almost always spend the money on their children.

We also need a massive increase in social state community health, and it will be good to see the pass on provisions for child support implemented. And it would be good to see the punishment on mothers with children who won't disclose the father changed also.

So there is much ahead. Let's today formulate and agree on a particularly New Zealand vision. Because we live in a country where the gaps between the 10 percent most disadvantaged children and the 10 percent most advantaged have never been greater. That's not the kind of country that we want to be part of.

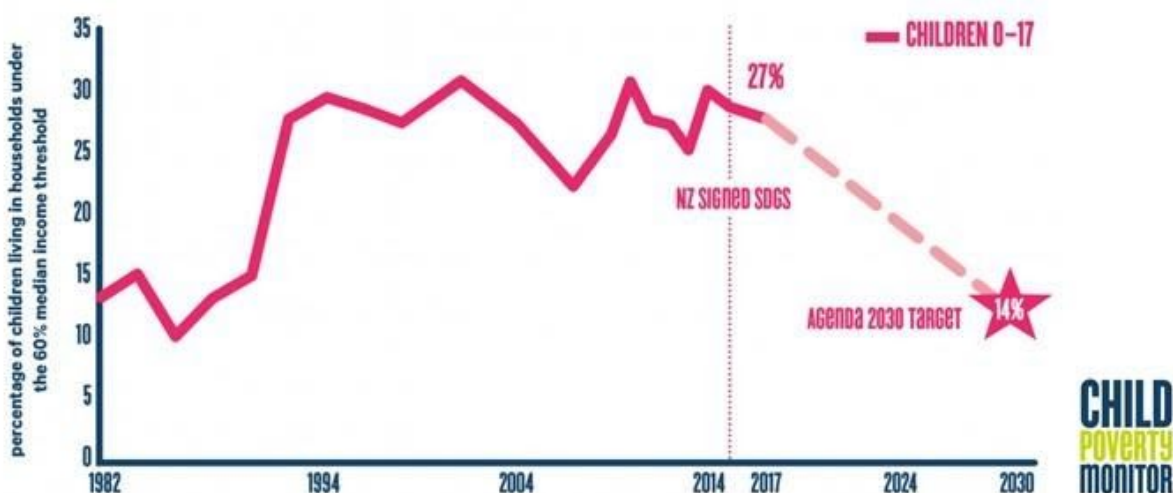
There's something sick, frankly, in the way the economy is structured. But if we have the will, if we have the commitment, we could turn that around in 10 years.

Where we're aiming

NEW ZEALAND SIGNED UP TO THE UN'S 'AGENDA 2030' SUSTAINABLE DEVELOPMENT GOALS. ONE OF THE GOALS IS:
 "By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions."

HALVING CHILD POVERTY WOULD SEE RATES RETURN TO LEVELS SEEN IN THE **1980S**

HALVING POVERTY BY 2030 – CHILDREN IN LOW INCOME HOUSEHOLDS



I congratulate, in a sense, both the government and the opposition for taking a cross-party agreed approach in the Child Poverty Reduction legislation. We're still to see the proof of the pudding - that it's going to work. But what we have seen is a joined-up approach and I think we should be cautiously optimistic about that and celebrate that every politician in New Zealand bar one agreed that passing Child Poverty Reduction legislation was a fundamental priority.

I hope today helps us unpack and fine-tune that vision because it's never been more needed - desperately needed - than it is today.

What's been done so far

- Minister for Child Poverty Reduction
- Child Poverty Unit in the Department of Prime Minister and Cabinet (DPMC)
- Acknowledgement for necessity for systemic change
- Package of targeted assistance for low-middle income families
- Free doctors visits for children under 14
- Mandatory insulation standards

BUT no significant improvement in child poverty rates

What needs to change

- Implement Welfare Expert Advisory Group (WEAG) recommendations
- Specifically, big increase in benefits that involve children
- Index benefit rates to wage growth
- More "in-kind" assistance for children eg. Free school lunches for all primary and secondary school students
- Massive increase in social and community housing
- Pass on child support payments to receiving parent

2. Professor Innes Asher - Recommendations of Whakamana Tāngata, and Child & Youth Wellbeing Strategy

The Social Security Act 1938 was the beginning of the NZ welfare state and I believe that the term 'social security' is something that we need to focus on.

That Act was to “safeguard the People of New Zealand from Disabilities arising from Age, Sickness, Widowhood, Orphanhood, Unemployment, or other Exceptional Conditions; to provide such other Benefits as may be necessary to maintain and promote the Health and General Welfare of the Community. “

The Social Security Act 1964 consolidated changes to the Social Security Scheme that had been made since 1938, but had no other changes.

In 2007 major amendments were made to the 1964 Act, with addition of Purposes and Principles which made paid-work the focus, rather than safeguarding people and promoting general welfare.

Purposes:

To enable the provision of financial and other support as appropriate;

- a) to help people to support themselves and their dependents while not in paid employment;
- b) to help people to find or retain paid employment; and
- c) to help people for whom work may not be currently appropriate because of sickness, injury, disability or caring responsibilities, to support themselves and their dependents.

General Principles:

- Paid work was prioritised;
- Planning for work in the future and developing employment focus skills; and
- People for whom work is not appropriate should be supported.

But then following the Welfare Working Group report in 2011, things became tougher with a range of amendments where paid work at all costs was prioritised (no matter the suitability), and sanctions bit hard - and harder and harder.

In 1991, benefits were cut and they haven't been restored relatively, and that's why we have deep poverty. In the last decade, attitudes became mean, to a large extent, led by the words of our political leaders at the time (as this cartoon by Chris Slane explains so well).

**Benefits cut 1991, not restored – deep poverty.
The last decade attitudes became mean.**

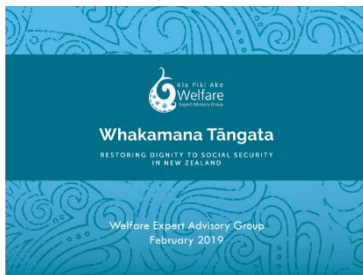


So, this [current] government set up the Welfare Expert Advisory Group in 2018, and we had terrific terms of reference:

“The Government’s vision is for a welfare system that ensures people have an adequate income and standard of living, are treated with and can live in dignity and are able to participate meaningfully in their communities...to achieve one of its main priorities of improving the wellbeing of children...and to reduce the rates of children experiencing poverty...”

A great vision. And a group of eleven of us were appointed along with our special external advisor Michael Fletcher. Four of us are here in front of you today. We were very conscientious, working hard with a secretariat for nine months to meet the challenge of our terms of reference, and we did. We produced this report: **Whakamana Tāngata: Restoring dignity to Social Security in New Zealand.**

Welfare Expert Advisory Group (WEAG) May 2018-Feb 2019

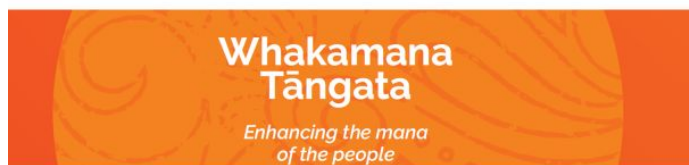


So many New Zealanders haven't read this report because it hasn't been publicised by the Government. I'm going take you through some key parts of the beginning of the report.

'Whakamana Tāngata' means 'enhancing the mana of the people'.

This report is evidence-based and consultative. It is very thorough and it was a consensus of all of us who are in the group. We found:

- the current system is not fit for purpose;
- the system does not meet the needs of those it's designed to serve; and
- too many people are leading desperate lives, with seriously inadequate support.



Evidence-based and consultative (3000 NZers)

Current system not fit for purpose.

The system does not meet the needs of those it is designed to serve.

Too many people are leading desperate lives with seriously inadequate support.



This family here [see slide] with the young children living in a stressed overcrowded vehicle exemplifies the situation. As a paediatrician I see young children like this in hospital with serious diseases. In fact, since 2000 the rate of admission to hospital for children under 15 with medical conditions and diseases is 50% higher now that it was in 2000. This barometer of children health and well-being is going in the wrong direction.

There are a few key quotes in our report to share with you. This is from past welfare recipients:

- "The current welfare system is inadequate and children and whānau are missing out on necessary things such as food and power. Sacrifices are being made and this is impacting on our children. Hungry children cannot learn at school, and these children at the most at risk of future negative outcomes, Whānau are stressed and becoming overwhelmed." NZ Herald 4 Oct 2014
- "A lot of things haven't worked for a very long time for our whānau. The system is currently broken. We have case managers who are absolutely judgemental as soon as whānau walk through the doors."
- "I think people that are on the benefit, should not look, experience or feel different to anyone else in our country. I think people receiving benefits or welfare support should be completely supported to thrive."

We produced our report in February 2019 and it was discussed by the cabinet on 8th of March. The Government launched it on the third of May on a Friday afternoon, and it received as little publicity as you would expect from that timing. Very few people in New Zealand have discussed it. There's been no government external groups to discuss how we should proceed. It seems to be something which hasn't been regarded as important by the Government.

What did we say?

Recommendation 1: Amend the Social Security Act 2018 to state that anyone exercising power under the Act have regard to the following purpose and values.

The purpose of the welfare system is to whakamana tāngata and ensure a dignified life by:

- providing financial security and social security sufficient for an adequate standard of living
- supporting people to achieve their potential for learning, caring or volunteering, and earning through good and appropriate work

Values

The welfare system is underpinned by Kia Piki Ake Te Mana Tāngata, including kaupapa Māori values of:

- **manaakitanga** – People are treated with, and able to live in, dignity
- **ōhanga** – Ensuring people have an adequate income and standard of living, including support to access long-term, healthy housing

- **whānaungatanga** – A system that values whānau, families, children and relationships
- **kotahitanga** – People able to participate meaningfully in communities
- **takatūtanga** – A system that is fit for the present and prepared for the future, can respond to future ways of working and can support participation in the economy
- **kaitiakitanga** – A system that is financially and politically sustainable across the medium to long term

Recommendation 2: Use the following principles to guide the design and operation of the welfare system:

- Be person-centred and wellbeing focused.
- Keep children paramount.
- Value whānau and families.
- Treat people with dignity, respect and compassion.
- Provide an income sufficient for an adequate standard of living.
- Provide full and correct entitlements.
- Deliver support that is easy to access, timely and appropriate.
- Provide an employment service that supports people into good and appropriate work.
- Support the provision of housing that is affordable, secure, of good quality and appropriate for the person (and their family or whānau).
- Promote mutual expectations.
- Aim for equitable outcomes.
- Build and maintain effective links with other parts of government.
- Be sustainable.

So, nine months later where are we? What has the Government delivered on our report?

Well, almost none of the main recommendations have been implemented.

In our report, we said immediate action was required to lift incomes, with main benefits being raised, and other important steps. We said that these had to be done urgently, but nothing's happened except the indexing of main benefits to wages from next year, which will just stop inadequate benefits from falling further behind - it is not a 'lift' at all.

Alleviating the housing conundrum, improving access to employment supports and work, and helping people with health conditions, disabilities and carers (who are



42 main recommendations Nine months later.....

Almost none of the main recommendations on these topics have been implemented:

- Purpose Values Principles
- Improving the social contract
- Rebalancing the social contract – improving the operation of the welfare system
- Income adequacy (indexing benefits only)
- Alleviating the housing conundrum
- Improving access to employment supports and work
- People with health conditions and disabilities and carers
- Community

about 50% of people receiving benefits through our welfare system). There are 120 detailed recommendations and nine months later, three are to be implemented.

The funding for 263 extra employed frontline MSD staff and from the first April [2020] a tiny increase in the abatement threshold - minuscule - and repeal of Section 192, formerly 70A [of the Social Security Act] sanction for not naming the other parent. Yes, it's in our document - but it's actually a pre-election promise of Labour, so almost nothing has happened, it seems. Nothing, that's actually happened to make a significant change in the welfare system for most people, in the nine months since our report came out.

We will know we have arrived in the right place when this sort of story won't be told. Here is a 19-year-old sole parent of a three-month-old boy in July [2019], she asked Work and Income for help, but it has been an uphill battle: "The lack of empathy I faced over the phone was the hardest."

19 yr old sole parent of 3 month son, July 2019



"She asked Work and Income for help, but it has been an uphill battle.....
The lack of empathy that I faced over the phone was the hardest....."

<https://www.msn.com/en-nz/news/national/homeless-young-mother-denied-help-from-work-and-income/ar-AADHDXI?ocid=sf>

Finally, I'm going to talk about the Child and Youth Wellbeing Strategy launched in September 2019. 6000 children contributed, and the vision of this is fantastic: "Aotearoa-New Zealand is the best place in the world for children and young people". This isn't just a slogan from our Prime Minister, it is in our Child and Youth Wellbeing Strategy.

The principles are completely synergistic with what is in Whakamana Tāngata in regard to children and young people:

- Children and young people are Taonga
- Māori are tangata whenua and the Māori-Crown Relationship is foundational
- Children and young peoples rights need to be respected and upheld
- All children and young people deserve to lead a good life
- Wellbeing needs holistic and comprehensive approaches
- Children and young peoples wellbeing is interwoven with family and whānau wellbeing
- Change requires action by all of us
- Actions must deliver better life outcomes
- Early support is needed

The next steps mentioned in the Child and Youth Wellbeing Strategy were prioritising the greatest needs first (which is exactly what Andrew Becroft said):

- reducing child poverty and mitigating the effects of poverty and socio-economic disadvantage,
- improving the wellbeing of children, and young people or interest to Oranga Tamariki,
- improving the wellbeing of children and young people with greater needs.

Of course we all agree with these things - they are fantastic.

Reducing child poverty - it was explicitly stated that: "...A social welfare 'safety net' that ensures people have an adequate income and, where appropriate, supports people into sustainable, adequately paid employment... changes to income support to ensure that the living standards for the lowest income households keep up with other New Zealanders..."

The implementation timetable for the Child and Youth Wellbeing Strategy for poverty has, in early 2020:

- the reporting on Child Poverty-related indicators (as Andrew his explained);
- alongside the Government Statistician's report on measures of child poverty.

We think measurement is important of course, but where are the actions to lift children out of poverty by raising incomes? That's what's missing here.

Tracey Martin [our Minister for Children] says in this report: "The way we treat children and young people, the way we look after their wellbeing and ensure their lives are full of opportunities says so much about what kind of country we are."



"The way we treat children and young people, the way we look after their wellbeing, and ensure their lives are full of opportunity says so much about what kind of country we are."

Tracey Martin, Minister for children

It is puzzling and disturbing how little has been implemented from the February 2019, Whakamana Tāngata report. It's also puzzling and disturbing, six months after this was published, the Child and Youth Wellbeing Strategy is saying the same thing. But we'll leave it to this final quote, which gives us hope, in the Child and Youth Wellbeing Strategy:

"Whakatōngia te kākano aroha i roto i ā tatou taitamariki kia puāwau i roto i tō rātou tupuranga aranui oranga" "Plant the seed of love in our children and they will blossom, grow and journey towards the greatest pathway of life."



WHAKATŌNGIA TE KĀKANO
AROKA I ROTO I Ā TĀTOU
TAITAMARIKI KIA PUĀWAI I
ROTO I TŌ RĀTOU TUPURANGA
ARANUI ORANGA

Plant the seed of love in our children and they will blossom, grow and journey towards the greatest pathway of life.

174,000 children live in the deepest poverty, with families short of \$100-300 per week for necessities depending on the size and type of family. We hope that the government will deliver urgently on these reports, focusing on lifting incomes of the families in the deepest poverty within the next year.

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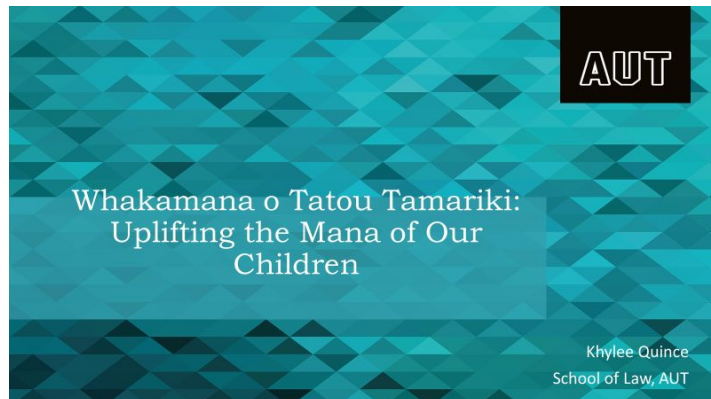
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3. Khylee Quince – Whakamana o Tatou Tamariki: Upholding the mana of children

[Greetings, acknowledgments and introductions].

I've got 15 minutes to talk about this kaupapa which is 'What do we mean exactly "Whakamana o Tatou Tamariki: Uplifting the Mana of Our Children"?'



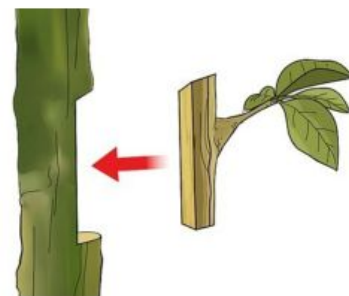
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I was on my way here this morning in a taxi and my taxi driver was a man from Afghanistan who'd been here for 12 years. He said, 'Why are you here?' And I said, 'I'm just off to give a korero about child poverty'. He looked at me and said, 'What do you mean "child poverty"? There's no such thing, you can't have child poverty without family poverty.' Which was Andrew [Becroft's] point about this being shorthand for the bigger picture. He got it. Hopefully others will get it also.



Overview

- Incorporation of kupu me nga tikanga Maori into law and policy as a double edged sword
- Definitions of "mana" in law and policy
- Definitions and expressions of "mana" in Te Ao Maori
- Shifting from words into actions

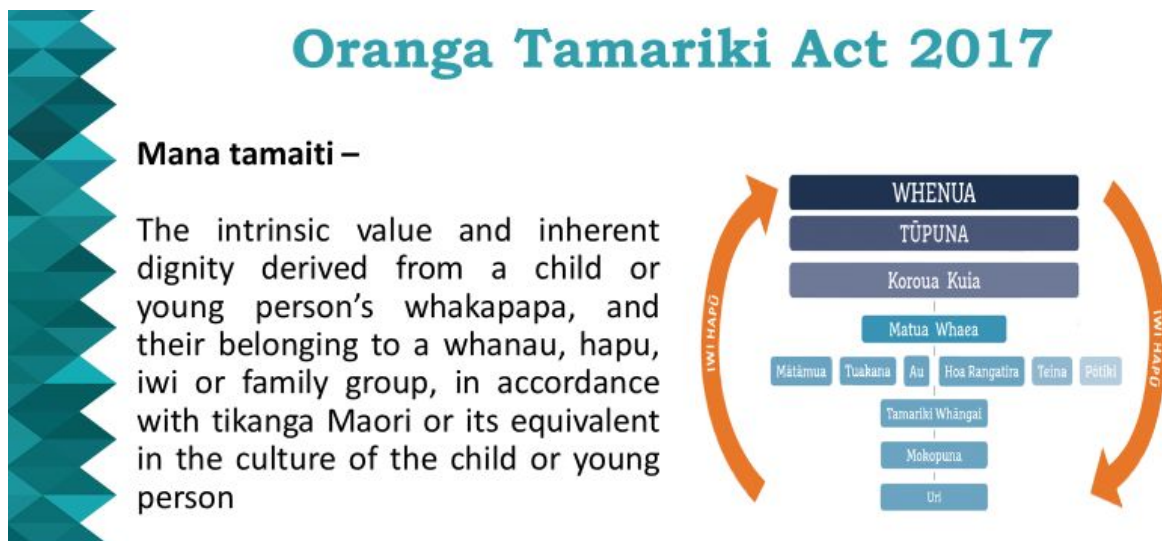


I want to talk briefly about what we mean by the affirmation of mana and the consequences of its diminishment. When we whakaiti mana, when we diminish it, we make it small, we don't recognise or uplift it. And that's obviously relevant within Te Ao Maori (the Maori world) but it's also increasingly relevant in our law and policy space in Aotearoa. It's increasingly creeping into law and policy obligations deriving from clear statutory recognition. This is obviously recognition, not only of our Treaty obligations, but also the demographic needs and realities that Andrew [Becroft] has fleshed out this morning: the realities largely of the lives of tangata whenua and Pasifika peoples in Aotearoa.

The incorporation of tikanga Maori in law and policy has become increasingly common over the past three decades. And the idea of incorporating or the grafting

Te Reo Maori into statute is a double sword for Maori. In the words of one of our greatest jurists, Justice Eddie Durie, 'As a Maori I love it, as a judge I don't'. He gave that quite paradoxical assessment because it's saying 'As a Maori this is recognition of our status as tangata whenua. It is recognition of Te Tiriti and the law and constitutional frameworks of New Zealand. But on the other hand, it's extremely challenging to take Te Reo Maori without tikanga Maori. To take words and concepts out of their natural context and place them into an unnatural context.' That's really challenging per-se, let alone within high-stakes contexts such as child protection and welfare systems. Hugely challenging. So, mana is one such kupu Maori that has gained increasing statutory and legal recognition.

Oranga Tamariki Act 2017



I'm going to talk briefly about its incorporation into the Oranga Tamariki Act and particularly the reforms that went live in July of this year. This saw the kaupapa of lifting the mana of children recognised in new definitions, and new requirements of decision-makers in Oranga Tamariki. The new requirements to make decisions that have regard to mana tamaiti.

Our first question is: "Do the meanings attributed to mana, whakapapa and whanaungatanga reflect the reality of how those concepts work within tikanga Maori?"

"Mana tamaiti" within the Oranga Tamariki Act is defined like this:

"The intrinsic value and inherent dignity derived from a child or young person's whakapapa, and their belonging to a whanau, hapu, iwi or family group in accordance with tikanga Maori or its equivalent in the culture of the child or young person."

That last phrase is really important, because this definition and those requirements apply to all children in New Zealand, not just to Maori children. So it inherently

understands that short form that Andrew referred to which is that all children belong within family contexts and different cultural contexts.

Similarly, there is a requirement of decision makers to consider whakapapa, multi-generational kinship obligations, and kinship obligations themselves. Whanaungatanga:

- the purposeful carrying out of responsibilities based on obligations to whakapapa;
- the kinship that provides the foundations for reciprocal obligations and responsibilities to be met; and
- the wider kinship ties that need to be protected and maintained to ensure the maintenance and protection of the sense of belonging, identity and connection.

Importantly, in terms of this being a model for other contexts in which child welfare and mana should be recognized, affirmed and upheld, there's a sharp end. The new section 7AA requires accountability by the chief executive of Oranga Tamariki to make sure that the policies, practices and services of the Ministry have regard to those things. So there are outcomes required (measurable reductions of disparities and outcomes).

Mana in Te Ao Maori



Mana in Te Ao Maori

Authority, dignity, power, self-esteem, reputation, derived from **mana atua** (birthright) and **mana tangata** (life achievements and actions)

Positive mana evidenced in the capacity to belong to the whanau and to practice whanaungatanga – “the glue that holds Maori society together”- Justice Joe Williams

Mana is the outcome of physical, spiritual and emotional care and the validation of identity/whakapapa



Do those statutory definitions map on to our understandings of mana within Te Ao Maori? I think so. They do relatively well.

If we think about mana within Tikanga Maori, historian Angela Ballara refers to the mana as the thing that makes the Maori world go around: having it, maintaining it,

enhancing it. Ballara and others view the pursuit of mana, the affirmation of mana as the most important thing within Te Ao Maori.

At the heart of mana we see reference to the ideas of dignity, authority, reputation, and self-esteem. You tie all of those things together and that's the goal of whakamana tangata, whakamana tamariki.

And where do we get those things from? There are two sources:

- Mana atua. You are born with mana. Mana atua is about whakapapa, your birth right, your DNA, the histories, the stories, and the connections you have with your tupuna/the people that have gone before you. That's what you were born with. You have it inherently.
- Mana tangata. The core goal of a healthy, thriving flourishing Maori life is not only the maintenance of mana, but the pursuit of more. That's the idea of mana tangata. During your lifetime are you given the conditions that might include income, love, welfare, support, protection, are you given those things from which you can build upon the mana you were born with? And that's really the goal of law and policy obligations in respect of mana.

So we see positive mana evidenced in the capacity to belong to your whanau and to practice kinship obligations of whanaungatanga. Whanaungatanga is defined by one of our most eminent contemporary jurists, Justice Joe Williams or Judge Joe, as the glue that holds Maori society together. So all together mana is the outcome of physical, spiritual, and emotional care and the validation of identity and whakapapa.

I know we spend quite a lot of time thinking about the idea of economic well-being. But of course, for us it's absolutely intrinsic that the spiritual and emotional (the non-economic and non-social aspects) are also cared for and accounted for.

The significance of those connected aspects of mana atua and mana tangata was stated by Tame Iti, a Tuhoe rangatira in his 2015 Ted Talk in this way: "mana is the power of knowing who you are, it grounds you, it makes you soft." I think there are two really important aspects to that really short definition. One is the idea of grounding. Whakapapa literally means to layer up from Papatuanuku, to layer up from the ground. That means that with a fundamentally good grounding or foundation in life you should do well.

The second thing has reference to softness. It's interesting because the antithesis of having healthy mana and mauri (life-force) within the individual or the whanau, is hardness. We see that a lot. Knowing who you are makes you soft (makes you ngawari or pliable). I was talking to my son about this last night. He is 17 and a very clever boy. He said, 'Oh that's interesting because ngawari means soft and hard is pakeke [adult]'. I thought that was fascinating: the idea that if you make a young person an adult before their time, by being hard they are not able to be a child and live within the space of being a child. For example, thinking about the economics of your family before you need to that is the antithesis of what Tame is talking about in terms of having mana.

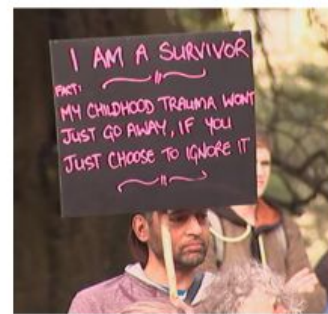
I'm also reminded of the korero or one of my late Mohawk friends Patricia Monture-Angus who said that in their language there is no term for offender or wrong-doer. A person that lives in that space, or has those kinds of behaviors or attitude, is just described as a person who acts as if they don't have any relatives. And we have the same idea: we live within concentric circles of whanau, hapu and iwi and the boundaries of appropriate behaviours are enforced by kin underpinned by the fact of relatedness.

Actions and Consequences of Takahi Mana



Actions and Consequences of Takahi Mana

- Takahi – to trample, abuse, disregard
- Manifested in disconnection and separation from whakapapa
- 1960s-90s 100,000+ children placed in State care – half of them Maori
- Formation of new whakapapa – gangs, abuse, harm



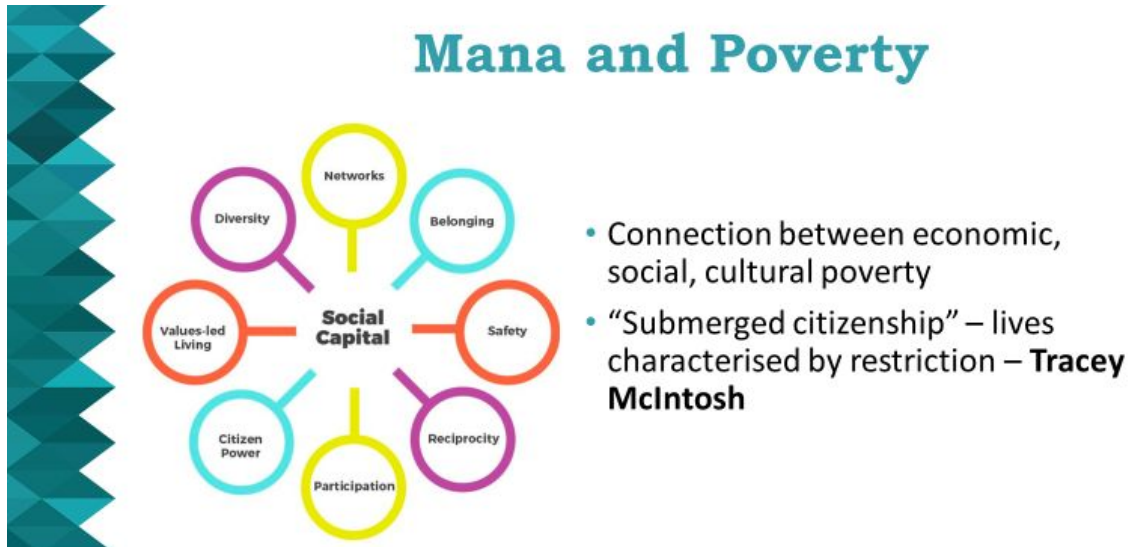
What happens when you don't affirm or recognise mana? I find it interesting linguistically that when we talk about the non-recognition of mana we describe it in terms of a physical assault. Tutakahi literally means to trample. It is the idea of physically assaulting or trampling on someone's inherent dignity, personhood and the people they are related to. So it's not surprising then, that if you fail to recognise the mana of people, it manifests in disconnection and separation from whakapapa.

We might think about that when we're thinking about some of the work of Oranga Tamaraki in child removals and the uplift of children. We might think about disconnection and separation by the actions of the State of more than a century of child removals, of processes of intervention, of adoptions, and policies of judgment, and the sanction of beneficiaries. We see that with the Royal Commission into Abuse in State Care. The thing I want to say about that is that, in the words of Kahangungu kaumatua Des Ratima: abuse has a whakapapa too. When you don't recognise and affirm a child or young person's positive whakapapa, they will replace it with negative whakapapa. For example a whakapapa of abuse or a whakapapa of connection with gangs.

I prepare cultural reports for sentencing for Maori offenders, all of them are people who've been through these pipelines from State care. They are intergenerational, they are collective. I interviewed a young man last week who talked to me about his "whanau whero" (his red family of the Mongrel Mob). He's from Flaxmere, second

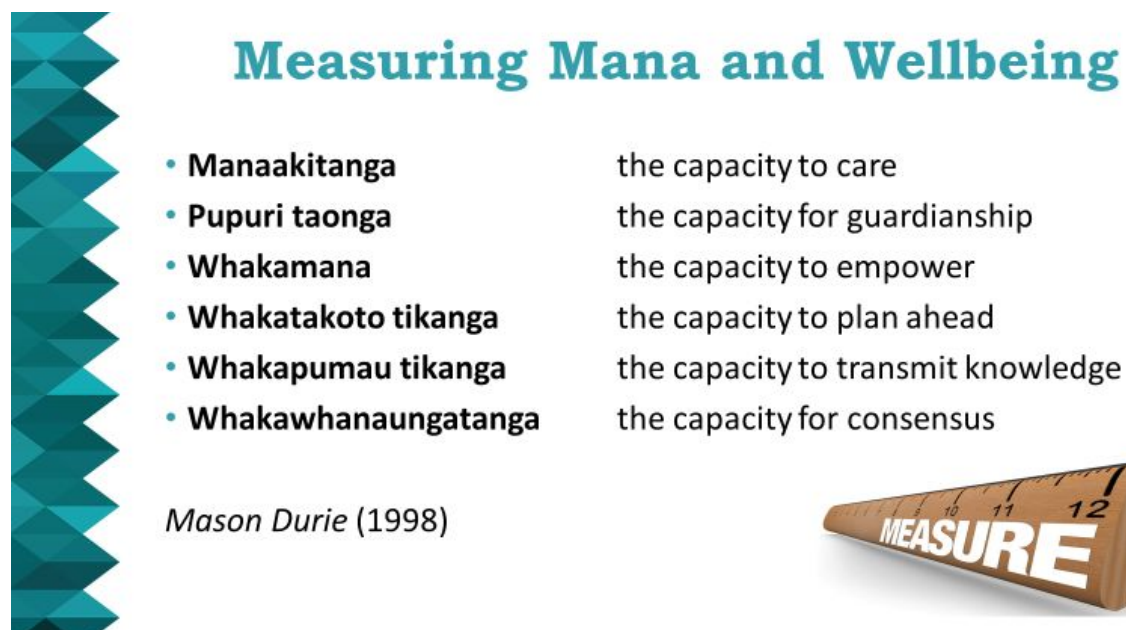
generation. He is a chapter president like his father was a chapter president, like his uncle is a chapter president. This was a new whakapapa that was formed and maintained by the takahi of their actual whakapapa and mana.

Mana and Poverty



What does that look like in terms of poverty? The big point that I want to reiterate is that poverty has many different iterations, it's not just economic but it's also social and cultural. My friend Tracy MacIntosh [who was supposed to be here today, but couldn't] refers to this concept of “submerged citizenship”. That means that people are living lives of restriction. It might be literal restriction like incarceration but the restriction of opportunity and engagement that comes from poverty.

Measuring Mana and Wellbeing



How do we measure that? What does a flourishing person and whanau look like?
These are taken from the guru in this sphere Ta Mason Durie:

- Manaakitanga/the capacity to care
- Pupuri taonga/the capacity for guardianship
- Whakamana/the capacity to empower
- Whakatakoto tikanga/the capacity to plan ahead
- Whakapumau tikanga/the capacity to transmit knowledge
- Whakawhanaungatanga/the capacity for consensus

All of them are based around the affirmation and the driving of capacities, to care for one another, and to plan for the future. I think that's particularly important, whakatakoto tikanga (the capacity to plan ahead) is really difficult for people who are living precarious lives, as part of the precariat. You're only thinking in the here and now.



***Timata te he
Ka haere tonu ki te tika***

***We can begin in error
And carry on towards what is correct***

To finish, I want to say that we can do this and we can do it even from a position of quite serious deficit. This is a whakatauki from Hokianga which is about aspiration. It says "Timata te he, Ka haere tonu ki te tika. We can begin in error and carry on towards what is correct". Even if you are starting from a deficit or place of error, you can carry on towards what is correct. It is always possible to do better than where you are now.

Kia ora tatou.

4. Minister's Address – Hon. Carmel Sepuloni

Thank you to the Child Poverty Action Group for asking me to be here today to provide an update on some of the things that have been happening across the social development portfolio.

Can I firstly acknowledge the vast experience and knowledge of your guest speakers today - many of whom were members of the Welfare Expert Advisory Group. It's great to see you all.

It was just over two years ago that, with our Confidence and Supply Agreement partner the Green Party of Aotearoa, our Government set ourselves the task to 'overhaul the welfare system'. I want to acknowledge the Green Party for this. Ensuring that this was a key part of our Confidence and Supply Agreement meant that we would collectively share the responsibility to deliver towards this lofty goal - because it does take all of us. I also want to acknowledge that across Government, including New Zealand First, we have broad support for the need for change within our welfare system.

As a government, we have a vision for a welfare system that ensures people have an adequate income and standard of living, are treated with respect, can live in dignity and are able to participate meaningfully in their communities. We are committed to upskilling and training people on benefit so they can access sustainable work and we want everyone that is able, to be earning, learning, caring or volunteering. We want a welfare system that is fairer and more accessible for all New Zealanders and we want New Zealand to be the best place in the world to be a child.

That's why we invested in the Families Package in our first 100 days. The Families Package included the Best Start payment for families with new babies; We introduced the winter energy payment; We made significant enhancements to the family tax credit and the foster care allowance, orphans benefit and unsupported child benefit; and the accommodation supplement; We also reinstated the independent earners tax credit and increased paid parental leave to 26 weeks.

I have seen the results of the first year of the Families Package and can tell you that the \$5.5 billion investment is lifting the incomes of New Zealanders and their families that need it the most. I will be making an announcement later this week about the impact of the Families Package in its first year.

You will have often heard me talk about culture change at Work and Income. We all know that treating people with dignity and respect and ensuring they are able to access their full and correct entitlements can have such an impact on people who come to Work and Income for support. In an organisation that employs over 7000 staff we are not perfect, but I am seeing some really positive changes and I'm pleased we are making progress in the right direction.

As part of the overhaul we established the Welfare Expert Advisory Group in May 2018 to provide advice to the Government on options that could best give effect to our vision for the future direction of the social welfare system. In February this year we received their report titled 'Whakamana Tāngata' and I want to once again acknowledge the passion, intellect and pragmatism that sat behind that report.

At the time of launching the report in May I noted that we would be taking action in areas where we believed immediate changes need to be made these were:

- Addressing financial support with a focus on child wellbeing;
- Supporting people who are able to be earning, learning, caring; and volunteering;
- Improving access to affordable housing.

In terms of progress against the immediate priorities you'll know well the changes we were able to commit to in the last budget, significantly for the first time in our history we will be indexing benefits to average wage increases. This is a very important change to the fundamental settings of our welfare system. It is a long-term and enduring change. We were also able to lift abatement thresholds, repeal section 192, invest more into frontline staff to support people into employment, deliver more public housing and expand Housing First.

As you may have already heard me say before there are around 20 WEAG recommendations where work is underway or they are being actively considered whilst the remainder will need to be phased in as part of the medium and longer term, work programme. Overhauling the welfare system is a large, expensive, complicated task with many moving parts and was always going to take more than one term of government.

As I'm sure you will appreciate many of the proposed changes for the welfare overhaul have fiscal implications and are therefore Budget sensitive so I am limited in what I can say today. But I can give you a guide to the government's longer-term intentions within the welfare space.

In the medium-term 2 – 4 years, we will be focused on:

- Re-setting the foundations of the welfare system
- Increasing income support and addressing debt
- Strengthening and expanding employment services
- Improving supports and services for disabled people, people with health conditions and disabilities and their carers
- Enhancing the community sector

In the longer term, 4 to 5 years and beyond, we will be focused on:

- Simplifying the income support system
- Aligning the welfare system with other support systems and Reviewing housing and childcare supports

I would like to talk to you now about the importance of taking an all of government approach to the overhaul of the welfare system. This is something that's highlighted in the WEAG report. The report says - improving outcomes for people on low incomes or those in the welfare system requires a cross-government response and cannot be changed by the welfare system alone.

What happens in other parts of the social sector influences who comes into the welfare system. For example, we know that people on jobseekers who have not attained NCEA level 1 are estimated to have more than twice the future years on benefit than those with NCEA level 3 or higher. The WEAG report also says that a significant group of people and families experience multiple and long-term disadvantage and need to interact with several government systems. This group requires a responsive, person-centred, joined up system of support if their outcomes are to improve. I wholeheartedly agree.

And that's why I would like to talk now about the issues that are having a huge impact for people and their families in the welfare system – housing and mental illness. Since being in government we have seen a rise in special needs grants and assistance being given out at MSD. This shows that people are coming forward because they know they won't be turned away. That's part of the culture change at the Ministry of Social Development to ensure that when people come in for help – that they get access to their full and legal entitlements in the welfare system.

But underpinning the drive for grants is the cost of housing. After years of underinvestment in our housing system and following the selloff of state houses – it has had a huge impact on New Zealanders but particularly those in the welfare system. The highest demand for Special Needs grants are in places where there is a severe shortage of affordable housing like in Auckland and the Bay of Plenty. MSD says housing need is the number one reason that people need assistance for other grants such as food.

In addition to the financial impacts of unaffordable housing, housing is a key determinant of a person's ability to engage with the labour market, their security, financial and social resilience and their stress and mental wellbeing. The government has provided more than 2300 public housing places since we came into office and we are on target to build 6400 over four years. But more needs to be done.

There are now over 1 million New Zealanders living in rental accommodation and 43% of these households contain children. The renting system is outdated and it negatively impacts people in the welfare system and working people on low incomes the most. That's why yesterday Associate Minister of Housing (Public Housing) Kris Faafoi announced the government would limit rent increases to once every 12 months and ban the solicitation of rental bids by landlords. This will improve tenant's security by removing a landlord's right to use no cause terminations to end a periodic tenancy agreement.

But most importantly the changes announced yesterday will ensure that there will be less regular rent increases. Renters will have the ability to make minor improvements

and make their house a home for their families and children. The bill to amend the Residential Tenancies Act 1986, will be introduced to Parliament in the first half of 2020.

In August, I announced along with Minister Faafoi \$54 million in Government funding for initiatives which will support at-risk individuals and whānau to stay in their existing tenancies. The Sustaining Tenancies programme ensures that tenants who may be at-risk of losing their tenancy receive practical support to help them get back on track.

We also invested in intensive case managers and social services to provide wrap around support for people with complex issues that are living in emergency accommodation. Many of them face barriers to finding and keeping a home because of their criminal history, mental health, addictions or family violence. We all know here in this room that the social and financial costs of homelessness are huge – from people not being able to work, kids not being able to attend school regularly and people becoming sick.

Over 50% of people on main benefits have some sort of disability or are caring for someone with a disability. Mental illness is a huge factor for people on benefit. I believe that we have only scratched the surface on how much mental illness impacts on New Zealand society but especially for those people in the welfare system. I have seen health and welfare data from the MedCentral region. The data shows us that many people on main benefits including the jobseekers benefit are accessing mental health medication or counselling for mental illness, yet they haven't disclosed this information to MSD, through the provision of a Doctor's certificate. Moreover, the data shows that these people were working and accessing mental health medications and support before they fell out of work and came into the welfare system.

We can do so much more in this space to intervene early to ensure working people get the help they need to stay in work and also give people in the welfare system better support to get better and to return to work. That's why the Government invested \$1.9 billion in improving mental health services at the budget. That includes a \$455 million package for frontline services for 325,000 people who need mental health support before they experience major problems. Trained mental health workers will be placed in doctors' clinics, iwi health providers and other health services so that when people seek help it is easy to access and immediately available for those suffering mental health issues.

Just last week I released the government's Disability Action Plan which has 25 work programs across government agencies that have an explicit focus on improving outcomes for disabled people, many of whom are in the welfare system. Improving access to housing and employment for disabled New Zealanders is a huge focus. 74% of working age disabled people who are not in paid employment, would like to work if a job was available. I will be releasing the draft disability employment action plan for consultation before the end of the month.

So we are starting to build a picture on what needs to be done. It confirms that the government's investments are in the right places. But after years of underinvestment it will take time to fix.

Across all of Government—we have an absolute focus on child wellbeing and child poverty reduction. Our aspiration is that all children can reach their potential and that they're supported to do so.

Finally, I want to close by saying that whilst it's me standing here today as the Minister of Social Development this is actually a government program of change. To get to this place where we can look towards a phased longer-term plan has really relied on cross Ministerial and Party agreement. We are committed to this work and we are looking to your necessary critique, advocacy and support to realise a fair, accessible and fit for purpose welfare system in Aotearoa New Zealand.

Once again thank you for the time to speak today please enjoy the rest of the conference.

The interaction of Work and Welfare: How to increase low incomes in welfare and work

1. Janet McAllister - The Accommodation Supplement: The Wrong Tool to Fix the House

Kia ora koutou, ngā mihi nui ki a koutou – I acknowledge mana whenua of Te Whanganui a Tara, and I acknowledge all those who have gone before us, working for respect, opportunity and adequate incomes for all.

Today I'm hoping to increase what you know and care about the Accommodation Supplement or (AS). If our welfare system was a thin blanket full of holes then the AS would be its biggest, ugliest, acid-dipped, raggedy-edged patch.

Earlier this year I was lucky enough to be commissioned by CPAG to draft *The Accommodation Supplement: The wrong tool to fix the house* under the wonderful supervision of Susan St John and Alan Johnson. I learned a huge amount from both of them, both in terms of their knowledge of the welfare and housing system, and in terms of research methodology and for this, and for their generosity, I am very, very grateful. Any mistakes are entirely my own.

Due to Susan and Alan's shaping of it, I genuinely recommend [this report](#) to you all – about a third of it is New Zealand housing policy history from the 1930s onwards, a third of it explains the AS and the final third talks about how we could get rid of it.

To start off with, let's look at the wider picture and remind ourselves why we're here. Let's start with the words of someone who has had to rely on the scant assistance of the State while parenting.

"You're constantly in a state of emergency, it's not like you're never not in an emergency... I really don't understand why the base amount of the benefit isn't enough to live on. They really should raise the base amount so it's enough to live on. And then all those extra bits can be there if you need them."

This is from the Welfare Fit for Families series produced by CPAG and We Are Beneficiaries last year, and illustrated, edited and researched by Sam Orchard. What he's saying is: there's not enough, and what there is, has to be pulled together piecemeal. There's not a core income you can rely on.



Tim Danko, single parent with lived experience of receiving a benefit

Image: Sam Orchard
From Welfare Fit for Families Episode 4: "Not Enough"
CPAG/ We Are Beneficiaries

Ok, so that's the point of view of someone receiving a benefit – we might expect them to say that they don't want to juggle tailored bits and pieces of income anymore. But what about the officials? Official advice to Bill English, then Minister of Finance, from Treasury in 2016:

“Officials consider that the existing housing subsidy structure [IRRS, AS, TAS] is not fit-for-purpose. AS does not adequately alleviate housing stress... We think that a more ambitious welfare package could include a significant review of the Accommodation Supplement, with a view to at least simplifying its structure and improving targeting of payments, or perhaps reconsidering it altogether.”

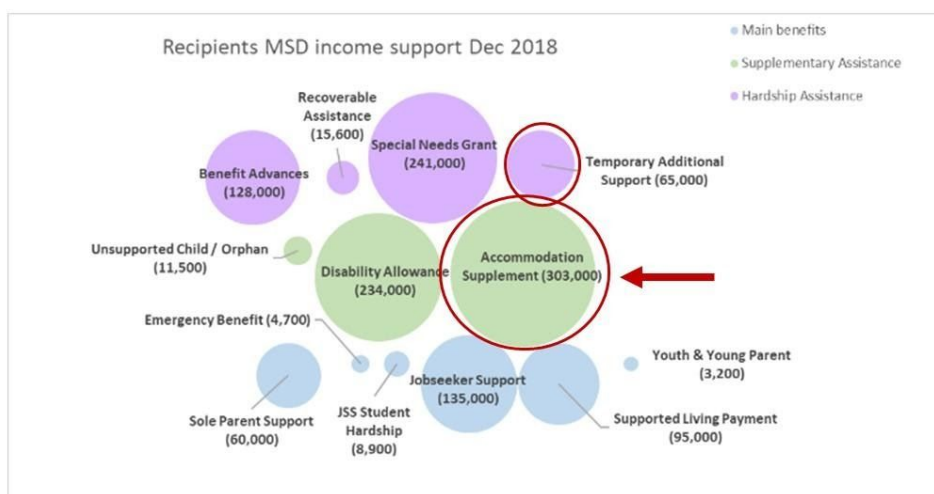
So what we're doing today is reconsidering it altogether.

Today we'll look at:

- What is the AS
- What's wrong with it
- What does CPAG want instead (with *one* option detailed)
- What's different between CPAG's proposal and WEAG's

What is the AS? It is a cash subsidy partially based on actual housing rents or home ownership costs. It has an extremely complex formula, which I'm not going into today because this is a 15 minute presentation and not a 15 hour one.

Who can get it? People with low incomes, whether or not they work and/or receive a benefit or NZ Super, as long as they have very low *cash* assets – but! You can have a house asset because the AS is available regardless of whether you are renting, owner-occupying or boarding. So ensure you have a house and aren't just saving for one when you need the AS.



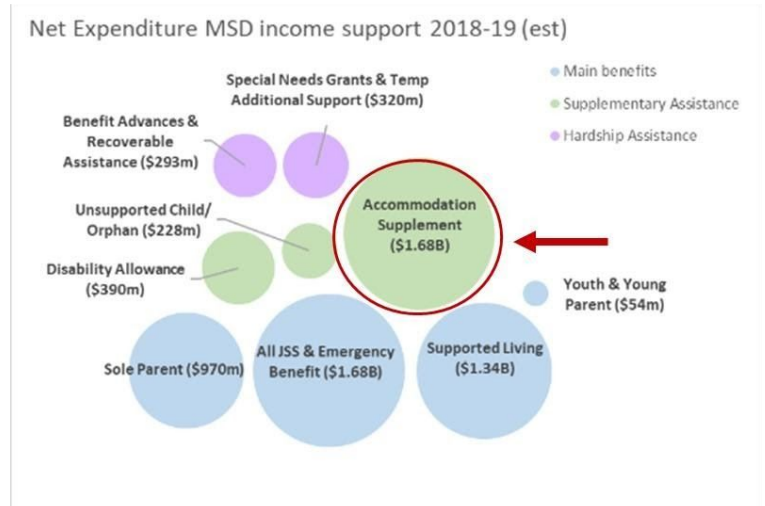
Source: *Whakamana Tāngata* (WEAG report) p17

As of September this year, 308,000 people received the AS – this slide is from December last year and says 303,000, so it's on the rise. As this slide shows – it's a lot, in terms of other welfare support. It's around the same as all the people on main

benefits put together – and they only make up around 80% of AS recipients – the others are working, and more working people are eligible for it than receive it – because who knows about it? And of those who do, who wants to go to Work & Income?

One of the problems with the AS is that it is so inadequate, that many recipients end up receiving “Temporary” Additional Support – that’s the second red circle there of 65,000. Most TAS recipients also receive the AS, and Treasury and policy makers see them as part of the same housing subsidy regime.

AS is the single biggest welfare spend by MSD after NZ Super – \$1.68 billion for 2018-19 (Working for Families, which is also higher as a package than AS, is funded by IRD). And 80% of it – and probably climbing – is earmarked to go to landlords. In some ways the AS works as housing vouchers. As in, recipients can’t spend this money on anything else. It must be spent on housing and, if the recipients don’t own their home, it therefore must go to a landlord.



There are many other problems with the AS including overlapping abatement rates with other subsidies creating poverty traps, complexity making it easy to get under- or over-paid resulting in debt, but the problem we’re going to concentrate on today is this: the AS lowers your control over how you spend your money and, as an aside, this helps keep the housing market unaffordable.

So, here’s an example: the yellow part is what the AS covers of your rent, the green part is the bit you have to pay out of other income. So if you are a single parent with one child paying \$350 for a two-bedroom unit in Auckland, and you decide to save money by going into a shared flat with a mate and hey, they have a kid too so the kids can share a room and you’ll only be paying \$225, well guess what – your rent may have gone down, but your AS goes down too. So your rent reduces by \$125 but you save only \$37.60.

Big AS Problem: It lowers your control over how to spend your money



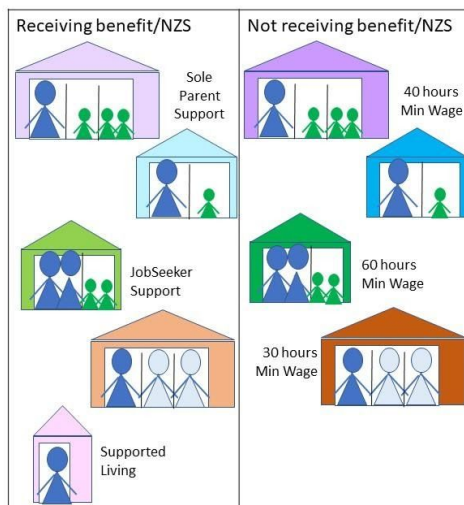
Sole Parent , 1 child, Area 1, no abatement

This is what we've currently got in terms of *sources* of income: typically if you're low income with kids and not in a state rental, you'll have three to five sources of income (Working for Families, benefit and/or wages, and the AS and possibly Temporary Additional Support on top of that). Piecemeal.



BHC income
Sole Parent Support
3 children, Area 1

On the right is CPAG's vision of where we want to get: an adequate amount of income, made from Working for Families, and benefit and/or wages. No AS and for all but those in emergency situations no Temporary Additional Support either. So this is less targeted, more universal support. It answers Tim's question [from above].



Example Low Income Families/ Households
Paying ~lower-quartile rent

So, we did some modelling. The modelling was of multiple different households, all paying lower quartile rent, some in expensive cities (e.g. low-income suburbs of Auckland), some in the least expensive parts – Ōpōtiki, Whakatāne, and Invercargill.

Our aims for our modelling were:

1. To remove the AS;
2. To have all example households containing children have at least 60% of the median equivalised after housing costs income
3. For all households with adults be at least at the 50% line; and
4. The minimum wage to cover all accommodation costs for

Aims:

AS	✘
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- Children: > 60% AHC
- Adults > 50% AHC
- Min wage covers current max AS rate for a person working 35 hours

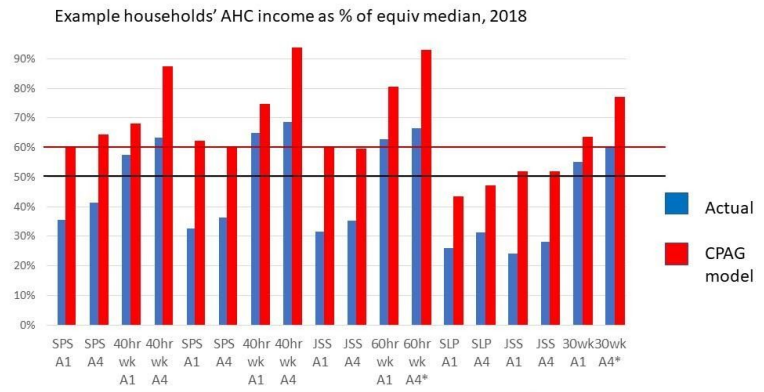
Method:

Net Benefits	\$70-\$300pw (two rates)	↑
Working for Families		↑
• IWTC for families receiving benefits	(\$72pw)	
• First child FTC	\$131pw	
• Second child FTC	\$72pw	
• Increased abatement threshold		
Minimum wage	To \$20.50 p/hr (2018)	↑

near fulltime workers without dependents to get rid of indirect government subsidies of employers.

This is one option – there are a few ways you could do this, which would cost a bit more or a bit less. The amount we put up benefits and working for families was iterative to meet these aims. We found that housing around the country is so different that having two benefit rates made sense for equity – so there’s still a differential there.

And this is what we found. This graph shows how things were for our example families in the second half of 2018 after the Families’ Package (all children are over 3 years old, so aren’t receiving Best Start).



- The only households getting anywhere near the 60% or even 50% line are working households.
- Households receiving benefits paying lower quartile rent but not receiving the temporary additional support have between 24% and 41% of the AHC equivalised median income.

With our model:

- All households with children reach the 60% line.
- Not all adults reach the 50% line – those on benefits living alone don’t get there – obviously WEAG is recommending a living alone payment, and we can see why. However, this might need to be targeted.
- And those working households on minimum wage in low-housing-cost areas, their income increases to over 90% of AHC median – which means the median might go up which would raise the bar of what’s required not to be in poverty. But maybe not. The consequences of this need to be thought through.

So do the Welfare Expert Advisory Group proposals for the AS get in the way of getting rid of the AS?

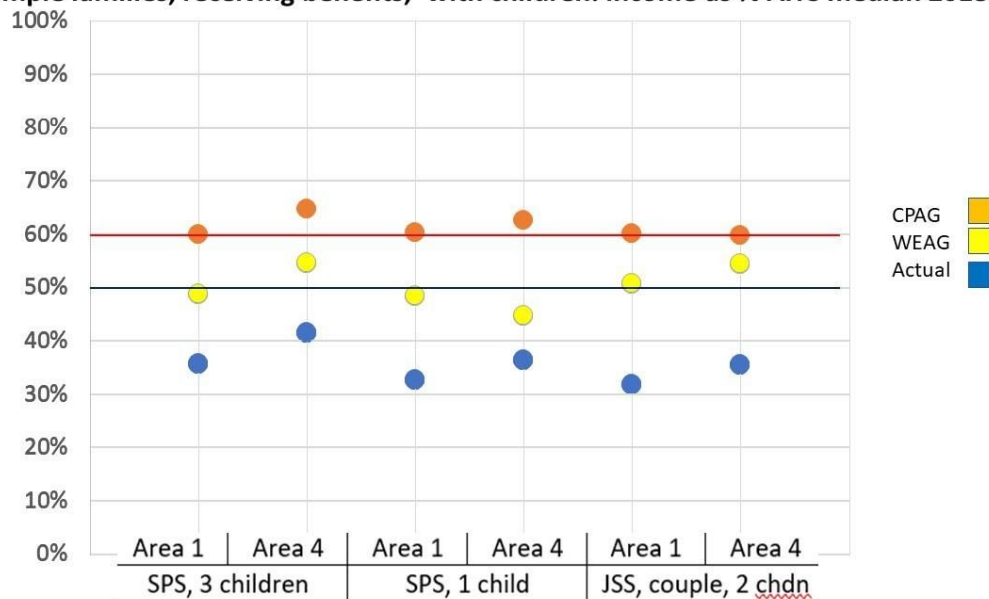
- You can increase the cash limit and still get rid of the AS.
- You can improve take up rates and still get rid of the AS.
- As a stop-gap measure, you can

WEAG proposals for AS	Compatible as “do now” within a plan to get rid of the AS?
AS cash limit: Increase, index and liberalise	✓
Be proactive to improve the take-up rate of AS and TAS for non-benefit recipients	✓
Acknowledge TAS isn’t temporary and make it more flexible (eg reviews every 3-12 months)	✓ (for now)
Index Accommodation Supplement rates to movements in housing costs	✗ Index benefits, WFF and wages instead
Increase the Government AS contribution (as % of rent)	✗ Increase benefits, WFF and wages instead
Decreasing the entry threshold for homeowners from 30% to 25% to align with renters	✓

make TAS easier for people to keep, but ideally incomes will increase so much in the short-term that not so many people need TAS.

- But please don't index AS to increases in housing costs – this is circular as AS helps keep housing costs up as AS can only be spent on housing. Instead, increase benefits, Working for Families and wages by the amounts you'd increase AS.
- And please don't tie AS even more to actual housing costs for the same reason – instead increase benefits, Working for Families and wages by the amounts you'd increase AS.
- But yes, make it easier for homeowners – the 30% entry threshold pertains to their income, not to their costs, and we want people to own their own home so the State doesn't have to pay for their rent when they're retired (we see a continued need for a housing supplement for NZ Super recipients).

Example families, receiving benefits, with children: income as % AHC median 2018



WEAG also had some suggestions for how to raise benefits and Working for Families – how do their suggestions compare to our model for our example households with children paying lower quartile rent?

- 2018 actual for these CPAG examples are between 32% and 41% of AHC median income.
- WEAG proposals goes up to bounce around the 50% line – but still some families are well under the 50% line (note that these are CPAG example families, not WEAG's).
- And CPAG's are higher, so that nobody is under the 60% line – although on other example families, it is possible that other household mixes would be under the 60% line, even paying lower quartile rent.

What's not shown here is the effect on working families, and in that one, WEAG give similar percentages of AHC income to all working families, because it still includes the AS; whereas CPAG's as seen in the earlier graph, gives working families living rurally, higher percentages of AHC income due to a minimum wage

designed to cover city accommodation costs – it makes it more attractive for working households to live rurally – which may or may not be a problem, depending on other government goals.

Take aways:

- People don't have enough money, evidenced by our example households paying lower quartile rent who are mostly well under the 40% AHC income line without TAS. They need more core income.
- By being linked to actual housing costs, the AS contributes to high rents and gives people lower control over their budgets.
- Ideally, it should be removed in favour of increased benefits, Working for Families and minimum wage. We offer one model as to how this could be done – but there are others.
- See the full report: [The Accommodation Supplement: The wrong tool to fix the house.](#)¹

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<https://www.cpag.org.nz/assets/190503%20AS%20report%20May%202%20final%20EMBARGO%20MAY%2019%202019.pdf>


2. Bill Rosenberg - Fair pay agreements

INTERACTION OF WORK AND WELFARE: HOW TO INCREASE LOW INCOMES IN WELFARE AND WORK

*Child Poverty Action Group Summit:
Whakamana Tāngata: Where to from here?*

18 November 2019

Bill Rosenberg (billr@nzctu.org.nz)
Economist/Director of Policy

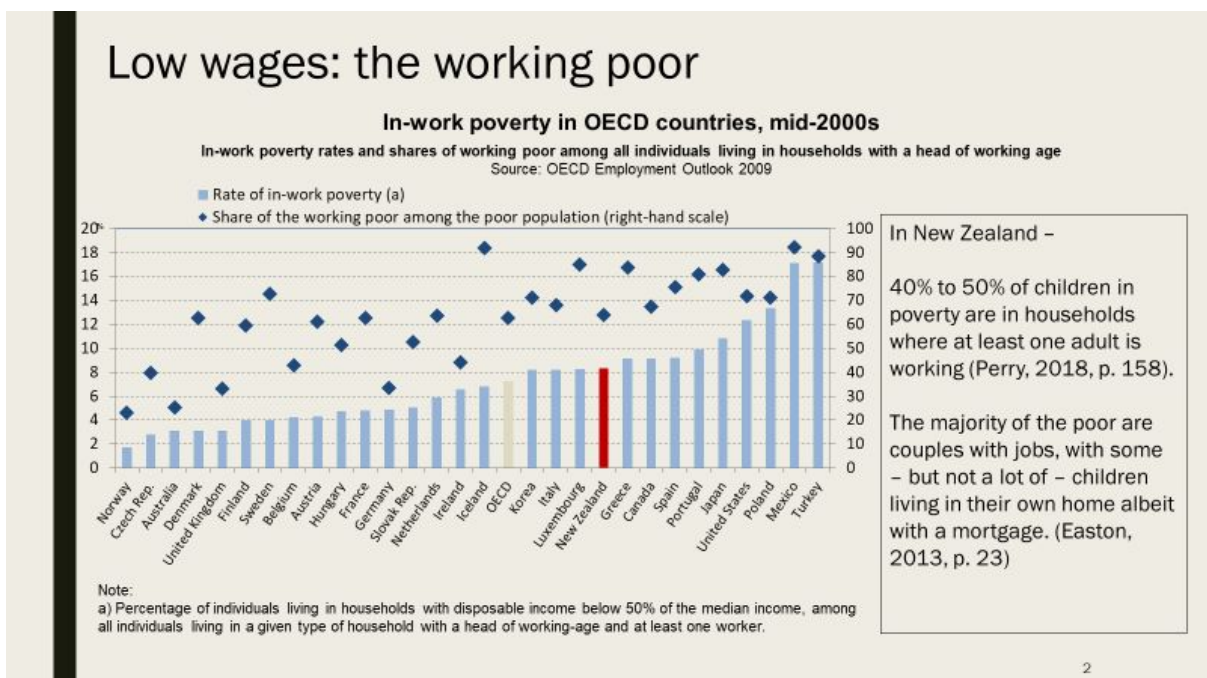


NEW ZEALAND COUNCIL OF TRADE UNIONS
Te Kauae Kaimahi

Tena koutou, katoa, thank you very much for having me. As always I'm impressed with the fantastic organisation of these conferences by CPAG. So thanks for that too.

What I want to discuss today is the interaction of work and welfare. Unless we have adequate income from work, then a lot of these problems just cannot be solved.

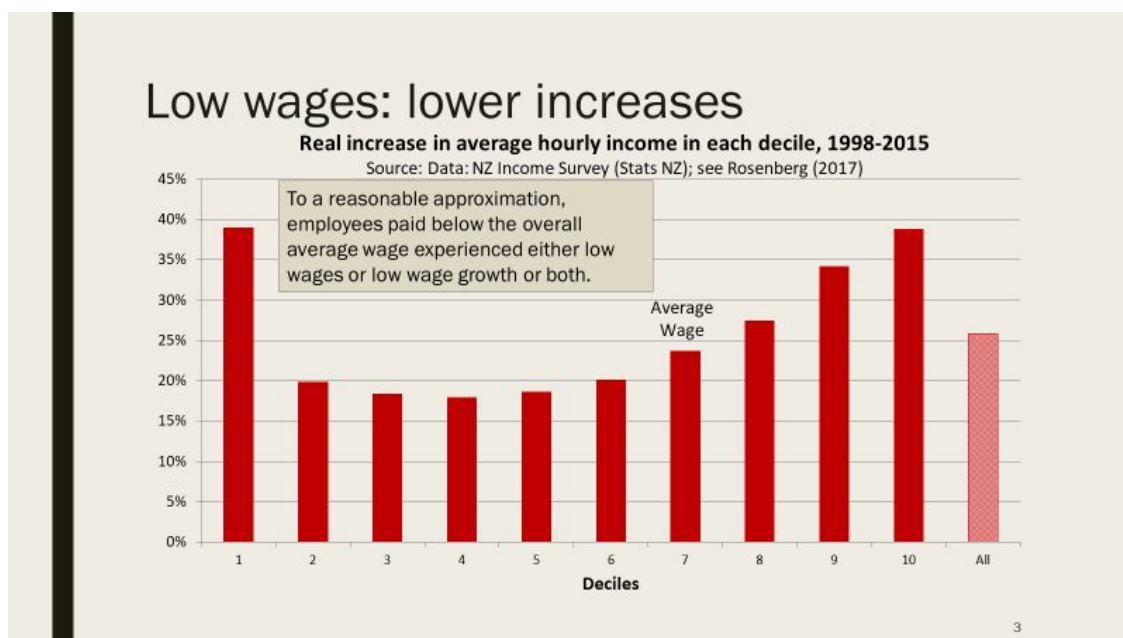
I'm sure you're all aware of the concept of in-work poverty. I find the data on this has been rather piecemeal and old. Hopefully we're going to learn a lot more about it in



the next week when there's a big report being released by the Human Rights Commission.

This graph is from 2009 from the OECD (so it's a bit dated, but I don't know that it would have changed all that much). The right-hand scale and blue diamond show the share of the working poor amongst the poor population. Note, this is not only about children in poverty, it's all individuals in poverty. It says over 60% of those in poverty are in households that are in paid work. The red bar shows the proportion of working households that are in poverty in New Zealand. It says that just over 8 percent of households getting their income from paid work are living in poverty. In both cases New Zealanders are at the wrong end of the OECD.

We also have figures from Bryan Perry's report that 40-50% of children in poverty are in households where at least one adult is working. And Bryan said that the majority of the poor are couples with jobs with some, but not a lot of children, living in their own home albeit with a mortgage.

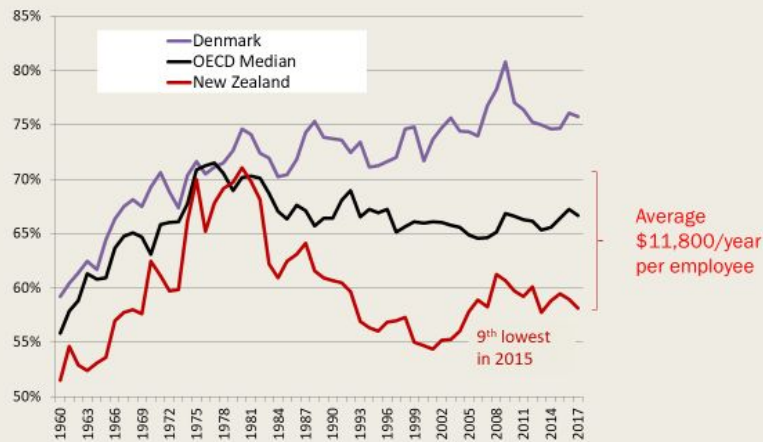


So in-work poverty is a problem, particularly for New Zealand but part of the issue here is that, over the last 20 or so years, our middle-income wage-earners have been receiving wage increases at about half the rate of the top wage earners, and half the rate of those in the bottom decile. The bottom decile has been boosted by the minimum wage, and that hasn't really flowed up to the next half. What you can see in this graph is that deciles 1-5 (that's half of the wage-earners) have been receiving wage increases at half the rate of the top earners in real terms.

You can say, to an approximation, that employers pay below the overall average wage, experience either low wages or low wage growth, or both.

Low and falling wages share of income: Labour income share of Net Domestic Income compared to OECD

Sources: AMECO database, SNZ, author's calculations



If you look at wages in terms of the share of income that New Zealand generates when people go out to work, some of that goes in wages, and some of that goes in company profits and other things. This graph shows that New Zealand had the 9th lowest wage share of income in 2015 for the OECD, and the median for the OECD is significantly above it. We frequently compare ourselves with Denmark, and they have a much higher wage share that hasn't fallen at all since the 1980s.

What I want to talk today about is:

- Better jobs,
- Better wages
- Better help through change (because these changes also help to impoverish households), and
- About the bigger picture of better economic policies.

Future of Work – CTU view

The context in which I'm talking about this (and I spoke about this last year at this conference) is that we are living through times of change. The urgency has if anything, increased. Globalisation, climate change, technology, and demographics all mean potentially big

Future of Work – CTU view

- Globalisation, Climate change, Technology, Demographics ... all mean changes in work
 - Redundant skills, industries changing or disappearing
- Hard to predict what it will look like but we have choices and we can prepare for it
 - Industry policies to replace old jobs with better jobs, not more baristas
 - Employment laws and policies that ensure everyone shares in the benefits
 - A capable state to help people through change

Industry policy Employment law

A capable state

changes in work. That is, people with certain skills will become redundant, industries will change, or disappear.

It is hard to predict what it will look like, but we have choices and we can prepare for it, rather than just let it happen to us. The three things that are key to this are:

- Industry policies to replace all jobs with better jobs. Not with more barristas and low-paid service jobs.
- Employment laws and policies that ensure everyone shares in the benefits. A raise in productivity *allows* higher wages, but it doesn't necessarily *mean* higher wages unless we have the employment laws that ensure that.
- A capable state to help people through change. In supporting them through change, in the health and education systems, and in the regulation we need to ensure these things help people rather than hurt them.

So this is our three-legged stool of how to prepare for the future of work: industry policy, employment law, and a capable state.

Future of Work Tripartite forum

Labour did some work on this while in opposition. In government they have set up the Future of Work Tripartite forum to look at these issues. It's co-governed by the Government, the Council of Trade Unions [where I'm from] and Business New Zealand. Its initial policies are still being discussed but they cover these things:

- Industry policies. The government is talking about so-called "Industry Transformation Plans";
- Training at work. Thinking about life-long learning, so people are given the wherewithal during their working lives to retrain as necessary and to better themselves in terms of their education and training;
- Employment. Protection for vulnerable workers (such as contractors), and support for workers whose jobs are at risk or gone. This is most directly related to the welfare system.

Better jobs

To get better jobs, we need to raise productivity, value, and wages. To do that we need industry policy. The government has the policy of "Industry Transformation Plans", but it's still in the early stages. Officials are very keen to get it to work, but there's a huge gap in our institutional knowledge of these things. So it's going to take some time to get them working.

We [CTU] would like it to be tripartite, involving business, unions, and government. We would also like them to include better jobs and incomes in the objectives, so they are not simply about making more money but also a plan if the industry's future is in doubt. We want them to look at industries that are on the downward slope and ensure that people come out of those with something better. And finally, we want

them to embody just transition: not only for the environment but for all of the big changes that are confronting us.

Better wages

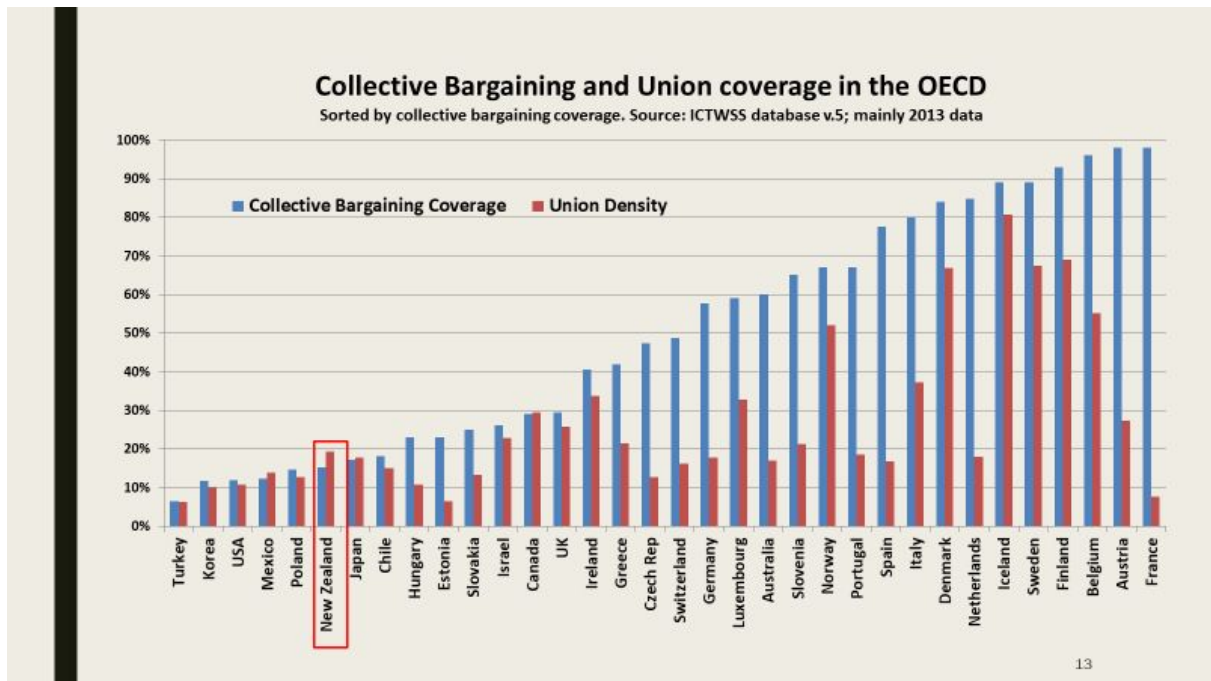


Raising productivity is necessary to get better wages, but it's not sufficient for higher wages. This graph shows labour productivity growth in New Zealand since 1989 in the market economy. Real wage growth has been falling behind and real wages have not kept up productivity growth. That difference is worth about 16% of wages. If you think about wage distribution, and consider the earlier graph, it could be significantly different for people at different parts of the wage spectrum. The message here is that productivity is necessary, but in and of itself it is not a sufficient condition for higher wages. We need to do more than raise productivity.

Better industrial relations policies

We need better industrial relations policies. The rise in the minimum wage to \$20 by April 2021 helps, but it only addresses the bottom of the wage distribution. And if we go back to that graph we looked at earlier on, you see that it really is constrained to the bottom of the wage distribution if you do not have other bargaining structures that help move it up.

Collective Bargaining



To do this we need to address New Zealand's very low level of collective bargaining. The New Zealand situation is anomalous in the OECD. On this graph, union density is in red (the proportion of employees in unions). We're low, but we're actually not much different from the average there. And there are other countries, particularly in Northern Europe, that have far higher union densities than New Zealand has. Where we particularly stand out is in our collective bargaining (which is in blue on the graph). That's the proportion of employees who are covered by a collective employment agreement. We are right at the extreme end, with only countries like Poland, Mexico, Korea and the United States (which is notorious in this area) below us. We have very weak collective bargaining and it's not at all unexpected that we are right at the bottom in terms of that labour share and in terms of our wage structure.

Fair Pay Agreements

One of the ways the government is working to address this is through so-called "fair pay agreements". The working party is headed by Jim Bolger and he has said a number of times that he would like to address the gap between the haves and the have-nots. They are now consulting on the discussion paper on the working parties report. The basic idea is a bit like the pay equity settlement for care workers, you have:

- Industry or sector agreements between employer representatives and unions that cover all the people working in the sector;
- These would not only set a floor of wages but some key conditions and provide a forum to talk about training for that sector;
- It would prevent a race to the bottom that we see in many industries, particularly were they're contracted, such as the bus and cleaning industries; and
- You could continue to have individual agreements or enterprise-based

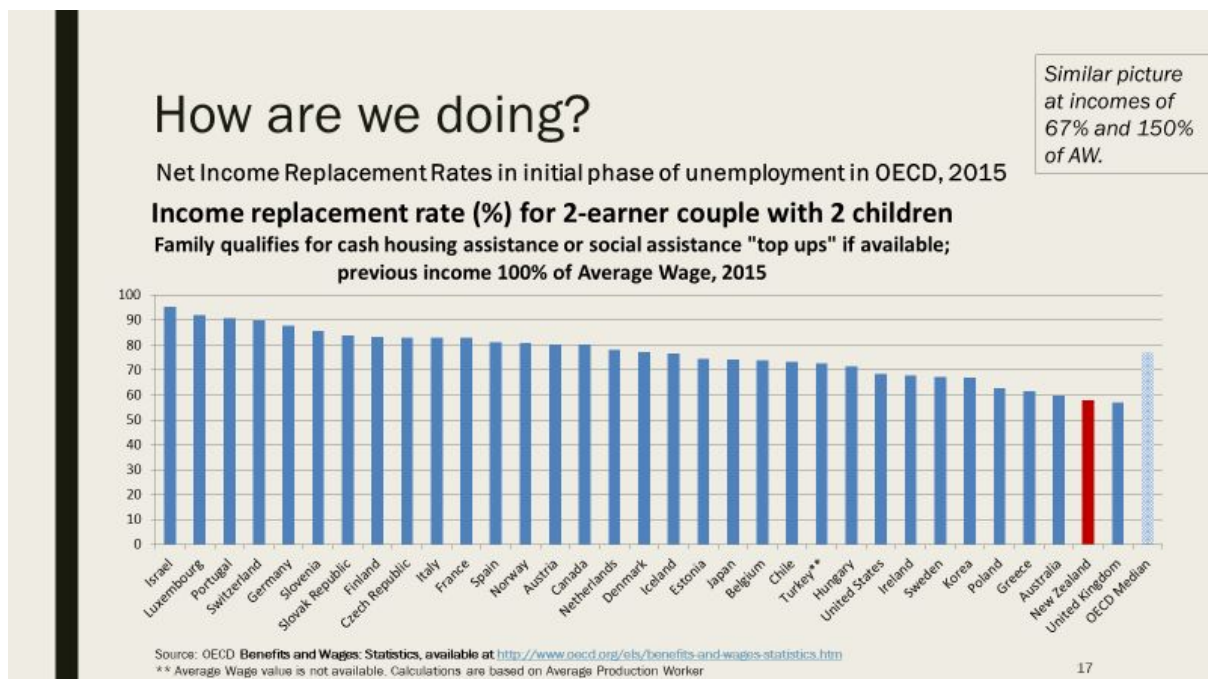
collective agreements negotiated on top of it.

Better help through change – how are we doing?

I talked about this a bit last year. Our support for workers when they lose their jobs (such as in a restructuring or when climate-change or globalisation affects it) is awful. The OECD report in 2017 basically stated that. It said: ‘The downside of flexible labour market regulations [which is what we’ve got] is that the cost of economic restructuring falls largely on individual workers’ [and from them onto their families].²

The OECD found that “...wage losses for re-employed displaced workers reach 12% in the first year after placement, compared with negligible wage effects in Germany and the United Kingdom and a loss of 6% in the United States and Portugal”.³

Local work, by Hyslop and Townsend (Motu) has found it's even greater than that. They estimate that displaced workers' earnings and total income were 25-30% lower in the first year and 13-22% lower five years after being displaced.⁴ Essentially, these changes can be significant sources of poverty for a family.

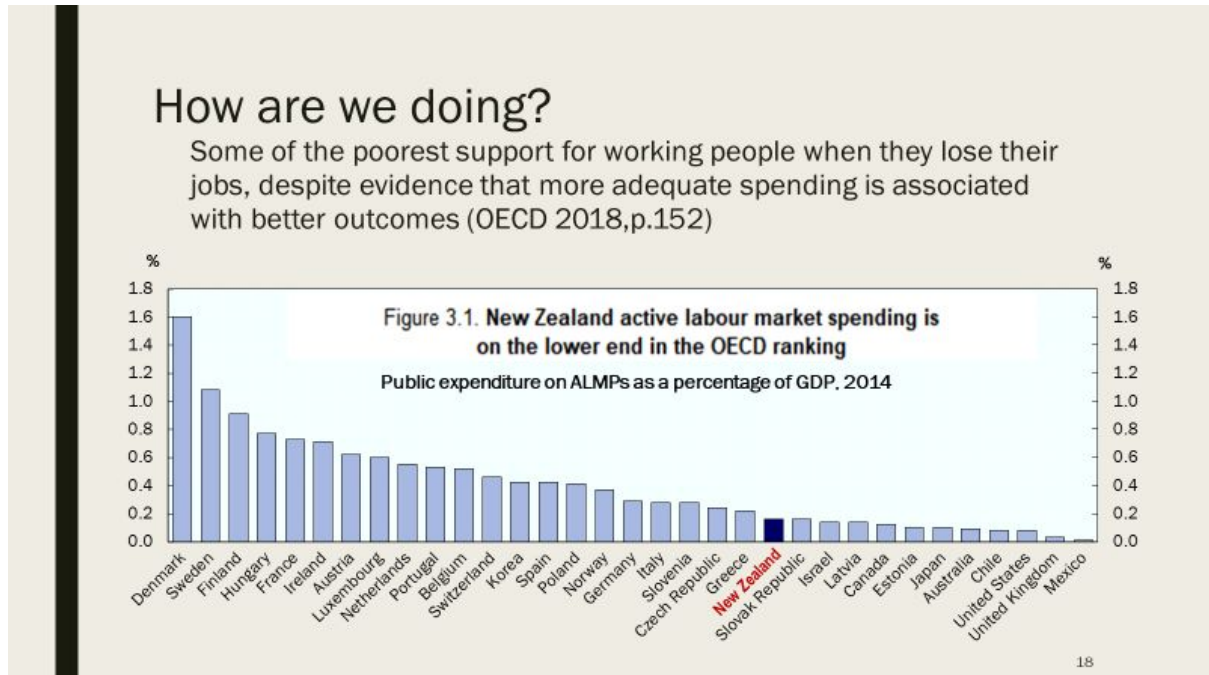


² OECD (2017), Back to Work: New Zealand: Improving the Re-employment Prospects of Displaced Workers, OECD Publishing, Paris. Available at <http://dx.doi.org/10.1787/9789264264434-en>. Figure 2.1, p.53.

³ OECD (2017), Back to Work: New Zealand: Improving the Re-employment Prospects of Displaced Workers, OECD Publishing, Paris. Available at <http://dx.doi.org/10.1787/9789264264434-en>. Figure 2.1, p.53.

⁴ Hyslop, D., & Townsend, W. (2017). The Longer Term Impacts of Job Displacement on Labour Market Outcomes (Working Paper No. 17–12). Wellington, New Zealand: Motu Economic and Public Policy Research. <http://motu.nz/our-work/population-and-labour/individual-and-group-outcomes/the-longer-term-impacts-of-job-displacement-on-labour-market-outcomes/>

The level of benefits in New Zealand is very low in the OECD. This graph shows data for 2015, but I doubt that it would have changed a great deal. Spending on this help, both in terms of income and in terms of helping people to find new jobs, train, and move if necessary.



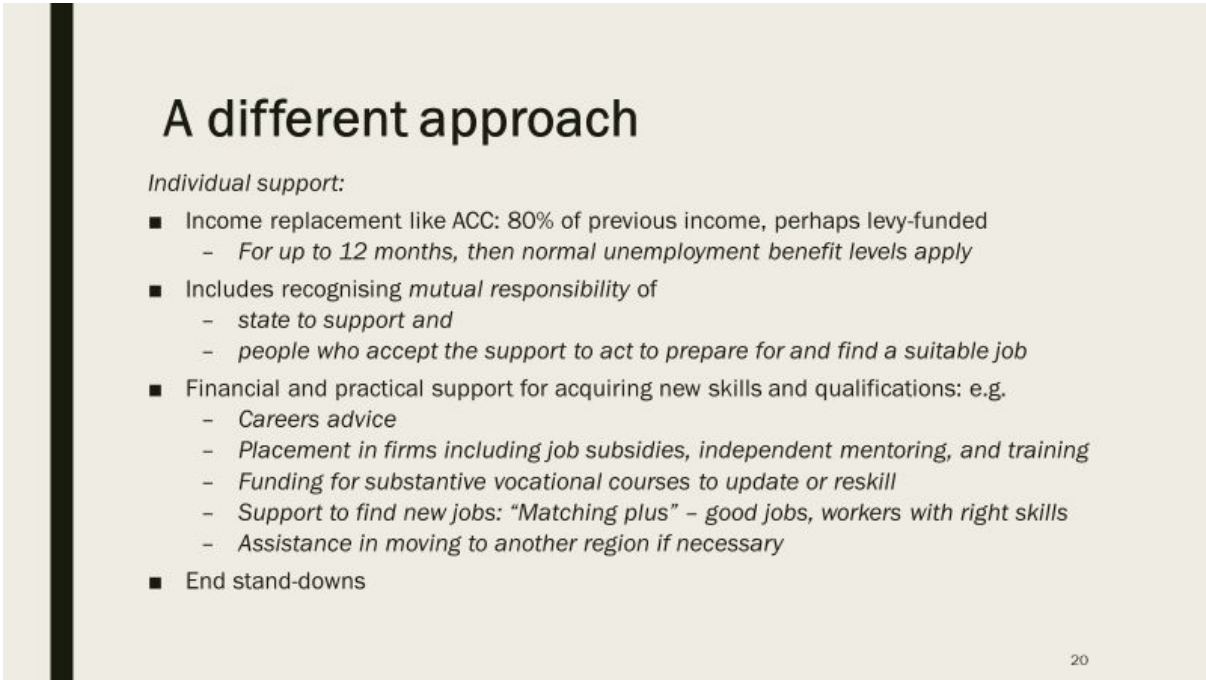
The amount that New Zealand spend on these things in terms of the OECD is just puny

Inadequacy of current support

We need to take action on low-income replacement rates, and we need much better job assistance. The Welfare Expert Advisory Group recommended significant improvements in their report. They recommended:

- Increased benefit levels, 6 months benefit regardless of partner’s income;
- Establish an effective employment service of the Ministry of Social Development so it is better able to assist people to obtain and keep good, sustainable work;
- Revamp active labour market, labour market, employment and training policies across government to make them more coherent and effective; and
- Strengthen the Ministry of Social Development’s redundancy support policies to better support displaced workers.

A different approach



A different approach

Individual support:

- Income replacement like ACC: 80% of previous income, perhaps levy-funded
 - For up to 12 months, then normal unemployment benefit levels apply
- Includes recognising mutual responsibility of
 - state to support and
 - people who accept the support to act to prepare for and find a suitable job
- Financial and practical support for acquiring new skills and qualifications: e.g.
 - Careers advice
 - Placement in firms including job subsidies, independent mentoring, and training
 - Funding for substantive vocational courses to update or reskill
 - Support to find new jobs: "Matching plus" – good jobs, workers with right skills
 - Assistance in moving to another region if necessary
- End stand-downs

20

We have a view that even their recommendations are relatively mild and we need to go even further than that.

Government economic policies are important

Finally, I wanted to say that we need better economic policies in general. You cannot have good incomes and secure work that families need in an economy that's not run in order to create those jobs. We need fiscal and monetary policies that maintain job growth and low levels of joblessness. In the 1950s, '60s and '70s there was a deliberate government policy that you had a full employment economy. We shouldn't be satisfied with 4% unemployment, the historical levels have been around 2% or less, and 10% joblessness. We need to have fiscal and monetary policies that are designed for good jobs, full employment and better wages and incomes from work. The current budget responsibility rules simply won't allow that to happen.

Conclusion

We need a combination of measures to turn around wages so they are not a source of poverty:

- Industry policy;
- Improved industrial relation laws;
- Better support to change; and
- Fiscal and monetary objectives, including full employment.

The interaction of Work and Welfare: How to overcome poverty traps and create work incentives

1. Associate Professor Susan St John - Combining earner tax credit and Working for Families

Introduction

The Whakamana Tāngata report by the Welfare Expert Advisory Group (WEAG) recommends some far reaching changes to Working for Families tax credits that have not, so far, been subject to open scrutiny. One key policy is the proposed new 'Earned Income Tax Credit' that replaces a raft of other work-related tax credits.

The overall cost of the Whakamana Tāngata welfare reform package was claimed to be \$5.2 billion per annum. It has been difficult to uncover the costings of the various component elements of the overall Whakamana Tāngata welfare reform package that was stated to be \$5.2 billion, but Official Information Act requests suggest that the annual cost of the Earned Income Tax Credit is around \$1.2 billion, with saving offsets from the abolition of other measures including the iniquitous In Work Tax Credit. Clearly, the Earned Income Tax Credit would be a substantial new tax credit, but is it a good policy?

Context of Working for Families

Figure 1

Total WFF main tax credits \$2.8 billion
year ended June 2019

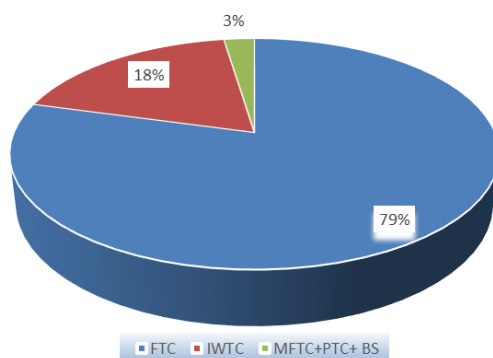


Figure 1 shows some of the context of the Earned Income Tax Credit proposal. Of the total spending on Working for Families for year ended June 2019, nearly four fifths is for the Family Tax Credit. This is the major way families are helped with extra weekly money based on the number of children and household income. The Family Tax Credit

goes to the carers of all low-income children on the same basis.

The remaining one fifth of Working for Families is largely accounted for by the very significant In-Work Tax Credit, with a very small amount spent on the other tax credits, the Minimum Family Tax Credit, the Parental tax Credit and Best Start (Budget 2019). This analysis will ignore these other minor measures for the sake of clarity.

WFF was a major package 2005-2007

- Did it incentivise paid work?
- NO
- Did it help lock in high rates of poverty for those who missed out?
- YES

For those who qualify for the full package, the two major tax credits (Family Tax Credit and In-Work Tax Credit) are combined and paid to the caregiver. The payment is in full for household incomes below \$42,700. While both tax credits are aimed at reducing child poverty, the In-Work Tax Credit has a second aim: to incentivise paid work.

There are a large number of ways in which the In-Work Tax Credit fails to achieve this second objective and indeed could scarcely be designed more inappropriately for the task. Rather than being a minor tool to aid the transition to work, it is paid well up the income scale and is very expensive at around \$525m pa. It begs the question, do higher income families really need a *work* incentive? Moreover, the In-Work Tax Credit is paid to the stay-at-home carer and acts only to disincentivise their work effort, as any dollar that they earn causes a 25-cent loss of Working for Families.

The In-Work Tax Credit incentivises meeting fixed hours of paid work: 20 hours a week for a sole parent and 30 hours for a couple. It is hard to discover the rationale for this choice of hours, but it seems to have been adopted randomly from other policies in the late post-war period with little thought or analysis as to whether it is realistic. There is an unconscious bias as well, as 20 hours a week for a sole parent is much harder to achieve than 30 hours between a couple.

How does the In-Work Tax Credit stack up in the face of the changing nature of work in the 21st century?

Meeting the required hours of work every week to qualify is problematic, especially when work is casual, or it is variable. For the self-employed, the actual hours of paid work are very hard to estimate and even harder for Inland Revenue to police.

Evaluations of its effectiveness have been scarce but there was one that suggested when Working for Families was introduced there was minor increase in hours worked by sole parents, but partnered mothers reduced their hours of work. The Treasury study (Mercante & Mok, 2014) did not join the dots and make the observation that, in aggregate, hours of work appeared to have reduced. So much for the In-Work Tax Credit being a successful work incentive!

Ironically, the In-Work Tax Credit prolongs work disincentives (by creating high Effective Marginal Tax Rates when it is abated at 25%). But worse, the attempt to masquerade as a work incentive makes it less likely to achieve the other primary

objective, that of reducing child poverty. Sadly, the collateral damage for the excluded worse-off children is not even acknowledged in the Treasury evaluation. To work as a work incentive, the children of parents who are not 'working' have to be denied at least \$72.50 week of the In-Work Tax Credit.

While Working for Families reduced child poverty for low income working families who got the full package, Working for Families has failed the poorest children as it has denied them a critical component to alleviate their poverty. For over a decade the annual MSD household incomes report has drawn attention to this problem. For example the latest report says: "WFF had little impact on the poverty rates for children in workless households" (Perry, 2019, p. 175) and "The fall in child poverty rates from 2004 to 2007 for children in one-FT-one-workless 2P households was very large (28% to 9% using the 50% CV-07 measure), reflecting the WFF impact, especially through the In-Work Tax Credit." (Perry 2019, p. 168).

The effect of the exclusion since 2006 has meant a cumulative loss of around \$7-10 billion from poor families' balance sheets.

Figure 2

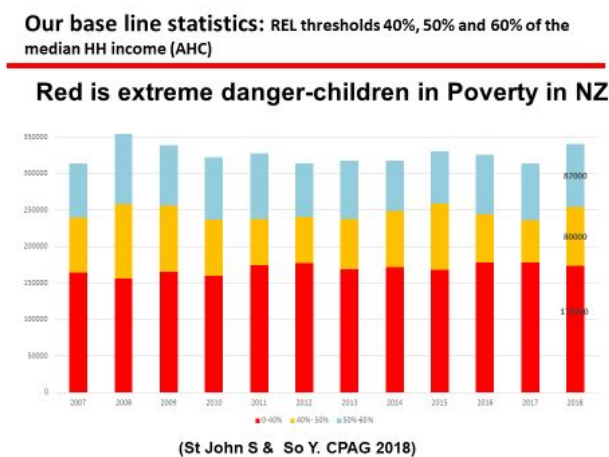


Figure 2 shows that in 2018, 174,000 children fell into the red or danger zone of the after-housing costs (AHC) poverty line statistics. They are under the impossibly low 40% AHC line and are largely the children who miss out on the In-Work Tax Credit.

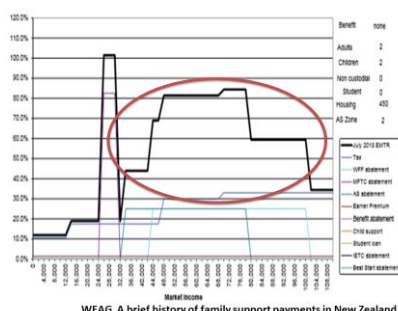
Families supported by core benefits alone fall well below the 40% line and require additional means-tested supplementary support to survive. They are likely to also call on

foodbanks for help with food and loan sharks to get through.

If we must have a work incentive, it is necessary to design it well if it is to achieve its aims. The desirable characteristics of a work incentive might be:

- Simple to understand;
- Concentrates on transition to work/low incomes;
- Rewards an extra dollar earned;
- Based on the individual not the family;
- Not related to payments to reduce child poverty; and
- Not beset by disincentives i.e. impact of overlapping abatements.

Figure 3: The effective marginal tax rate: July 2019 single earner family



The In-Work Tax Credit meets none of these criteria. One of the ironies of a work incentive is that unless it is fiendishly expensive and goes to

everyone, at some point its advantages have to be 'clawed back'. This contributes to the disincentive to work by adding to Effective Marginal Tax Rates.

Figure 3 shows Effective Marginal Tax Rates modelled for a two adult, two child family that rents and has an Accommodation supplement and Working for Families tax credits. The figure shows the very long income range over which the Effective Marginal Tax Rate is very high, even over 80% where the abatement of Accommodation Supplement and Working for Families overlap to add a combined 50% to the tax rate.

Labour's Family Package introduced in July 2018 increased the Family Tax Credit for the eldest child to \$5,878 per annum and for subsequent children to \$4,745 per annum. This was a modest increase of between \$11-20 a week for the first child and between \$18-27 for subsequent children. It left the In-Work Tax Credit untouched at \$3770 per annum, with extra for larger families.

Eldest child			
Age of children	Current	From 1 July 2018	Weekly increase
0-15 years	\$92.73	\$113.04	+\$20.31
16-18 years	\$101.98	\$113.04	+\$11.06
Second or subsequent child			
Age of children	Current	From 1 July 2018	Weekly increase
0-12 years	\$64.44	\$91.25	+\$26.81
13-15 years	\$73.50	\$91.25	+\$17.75
16-18 years	\$91.25	\$91.25	Nil

Working families gained from a significant increase in the threshold for abatement to \$42,700. This was very necessary as National had been progressively reducing it in a way that impacted severely on low income families. Unfortunately, one of the consequences of increasing the Family Tax Credit and the threshold is high cost as the benefits go a long way up the income scale. Consequently, Labour decided to it was necessary to reduce costs by raising the abatement rate to 25%. There is no free lunch, only trade-offs that have to be weighted.

[There were other *minor* changes not further discussed here such as Best Start: \$3120 for new babies for those not receiving paid parental leave, replacing the former work-related Parental Tax Credit. Best Start will eventually cover 1- and 2-year olds but there is a 21% abatement above the household income threshold of \$79,000. The Minimum Family Tax Credit was raised from \$23,816 to \$26,156 per annum (\$503 per week after tax).]

The Independent Earner Tax Credit

The Independent Earner Tax Credit ?

- ~~✗~~ Is simple to understand
- ~~✗~~ Concentrates on transition to work/ low incomes
- ✓ Rewards an extra dollar earned
- ✓ Is based on the individual not the family
- ✓ Not related to payments to reduce child poverty
- ✓ Is not too beset by disincentives ie abatement problems

Low income individuals, not getting Working for Families have been able to claim a tax credit (the Independent Earner Tax Credit) of an extra \$10 a week for incomes between \$24,000 and \$44,000. Above \$44,000 the Independent Earner Tax Credit is reduced by 13% so that it is all clawed back by \$48,000.

The best estimate is that it costs around \$228m per annum. It is not well-designed and does not support very low incomes. It is hard to

understand as it applies only to incomes above \$24,000 and many low-income workers will not be able to estimate that they will earn that much to get the \$10 per week as a weekly benefit.

The Earned Income Tax Credit

The Welfare Advisory Group proposed combining the In-Work Tax Credit (\$525m pa) with the Independent Earner Tax Credit (\$280m pa) to be a new enlarged Earned Income Tax Credit (EITC). The extra cost was estimated to be \$670m, bringing the total cost to \$1.475 billion.

Clearly the new EITC is costly but will it be successful? For families it will apply to joint income over \$150 a week (new income exemption suggested by WEAG for benefits). Each extra dollar earned is subsidised by 20% until a maximum of \$50 a week extra is reached or earned income is \$400 per week.

What's not to like? The work incentive is placed where it is likely to be more relevant *but* the EITC has to abate (WEAG suggested that it would abate at 15%) and because it is focused on low-income families, it will interact with the abatement of both the Working for Families and the Accommodation Supplement.

Therefore, to offset this it is necessary to reduce the abatement of Working for Families. WEAG changed Working for Families to abate later from \$48,000 reduced the rate of abatement to 10% then 15% from \$65,000.

The Earner Income Tax Credit?

- Is simple to understand
 - ✓ Concentrates on transition to work/ low incomes
 - ✓ Rewards an extra dollar earned
- Is based on the individual not the family
 - ✓ Not related to payments to reduce child poverty
- Is not beset by disincentives ie impact of overlapping abatements

The problem is that it makes their improved Working for Families twice as expensive and so necessitates higher rates of abatement i.e. 50% from \$160,000.

The EITC is not based on the individual where there are children. This is bad for the secondary earner who may arguably need a work incentive more than the primary earner.

While there are some aspects that are an improvement on the old In-Work Tax Credit, it very unclear that the new EITC is worth the trouble and expense. Work incentives should not be complex and can be achieved in myriad of ways (e.g. a reduction in punitive rates of abatement of benefits or a rise in the net minimum wage).

CPAG would like to see the idea of the EITC abandoned as it complicates the system enormously while not providing obvious benefits.

The best policies to address child poverty are not those that incentivise paid work. CPAG was disappointed in

What can and should be done immediately

	Budget 2018 and 2019
Remove all sanctions on beneficiaries with children	<input checked="" type="checkbox"/>
Progressive universalisation of WFF - join the In Work Tax Credit of \$72.50/wk to the first child payment	<input checked="" type="checkbox"/>
Increase benefits 20%- remove couple penalty	<input checked="" type="checkbox"/>
Reduce abatement rate for WFF from 25 to 20%	<input checked="" type="checkbox"/>
Increase earning cap for beneficiaries (\$165/person)	<input checked="" type="checkbox"/>
Index all benefits and all parts of Working for Families (WFF) annually - as for NZ super	<input checked="" type="checkbox"/>

the last two budgets: proposals that require immediate adoption are set out in the box.

Further reading

Mercante, J., & Mok, P. (2014). *Working for Families changes: The effect on labour supply in New Zealand (WP 14/18)*. Wellington: The Treasury.

Perry, B. (2019). *Household Incomes in New Zealand: trends in indicators of inequality and hardship 1982 to 2018*. Wellington: Ministry of Social Development. Retrieved from

www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/index.html

2. Moira Lawler and John Zois, Lifewise - Benefit abatements: “Stuck in the 80s”

Moira Lawler – Background

I'll briefly introduce our organisation just so you get some sense of the context of how we got involved in the Welfare Expert Advisory Group process and our campaign to lift abatement rates.

Essentially, [Lifewise](#) is a social service organisation. Our rohe is Taupo north. We come from the Methodist Mission Northern and just a shout out to the Christchurch Methodist Mission, our colleagues who are also here; we are part of the Methodist Alliance. We provide services to children, families and older adults through the life cycle.

One of our passions is making homelessness rare, brief, and non-reoccurring. And in order to do that, we know that we need new approaches to homelessness, and we are a part of a movement across New Zealand, to bring Housing First to New Zealand.

Housing First is a programme that houses people without restrictions without pre-conditions, and runs a harm-minimisation approach in terms of people's use of substances, alcohol etc. What we know though, in that very principled-based programme, is that people not only need immediate access to housing, but then they need a way to maintain connection with community, and a way to make their contribution to community. So, that has become part of our work.

From our work with Housing First programme, Lifewise developed Merge Community that my colleague John is part of. Merge provides peer support and advocacy, volunteering opportunities and developing social enterprise with people with lived experience of homelessness. Some of the programmes they have developed are:

- An art collective called Piki Toi;
- A programme called the Urban Hikoi which is a guided walk around the city centre where people get to understand the experience of homelessness.
- We have a cleaning and moving team; and
- We also people trained in human-centred design and who work with council, the police, district health board and others, contributing the experience of homelessness into people service design.

So there's quite a lot going on with a group of people who often have a lifetime of disadvantage and marginalisation, but also have a lifetime of really strong resilience

Who is Lifewise?



and community building and the development of survival techniques to survive without the support of institutions, and systems. Part of our work is then, how do you bring that to the fore so that people can create new futures?

My colleague John is going to talk about what people give up, to come 'indoors' because although we assume that offering people housing is a massive benefit to their lives (and for many it is), there are also sacrifices involved in that.

John Zois – Transitioning from homelessness

The costs of moving indoors.

The Cost of Moving Indoors

Weekly benefit	\$215
➤ Rent (after IRRS)	\$57
➤ Power	\$50
➤ Water	\$12
➤ Phone	\$20
➤ Debt e.g. white ware/fines	\$10
Clothing, transport, food, smokes	\$66

For people that have been living on the street and with homelessness, when they actually finally do get a home, there is a big cost involved in that which puts them further into poverty.

Firstly, you're looking at electricity. Electricity isn't given to somebody that has been homeless for a while. They have to pay a bond, they have to go to Work and Income or MSD and get a bond to pay for that. Then they have rent based on income-related

rent subsidy. This is a quarter of their benefit which is 25% of their actual gross earnings goes towards that rent. Then they have water, phone and other expenses like laundry.

That basically leaves them with approximately \$66 to get their food, cigarettes, transport, clothing. If an emergency happens. For example, they need to go to the doctor, that's got to come out of that \$66. So prescriptions and doctors have to come out of that if they get into any difficulty.

I'd like to talk to you now about dealing with WINZ because I deal with Work and Income on a daily basis as an advocate for Lifewise. We get a number of people coming up to our Merge café asking us for help, the reason being that when they do go to Work and Income and ask for

something, it's hard to explain but they are actually subjected to a form of prejudice. Another way of putting it is they are judged because they're homeless. Normally Work and Income case managers will say no. But when they actually come and see advocates who are trained and who have studied the Act, they go in there with the sole purpose of fighting for these people's rights because they cannot do it themselves; to try and get them what they require.

Dealing with WINZ

- Fear of WINZ is very real
- Lifetime experience of institutional harm
- History of trespass/stand downs/cut offs
- Burden of reporting when working flexible casual hours onerous

John Zois - Abatement thresholds

Impact of Abatement Rates

- Job seeker benefit \$215/wk
- After \$80 (gross) benefit is abated, tax is charged and rent subsidy is reduced
- Extra \$80/wk = net income of \$284.34
- Extra \$200/wk = net income \$299.34
 - With rent increase = \$226.25

Gain of \$11.25/wk

it hasn't changed, with the minimum wage now, you can only work four hours a week before it affects your benefit.

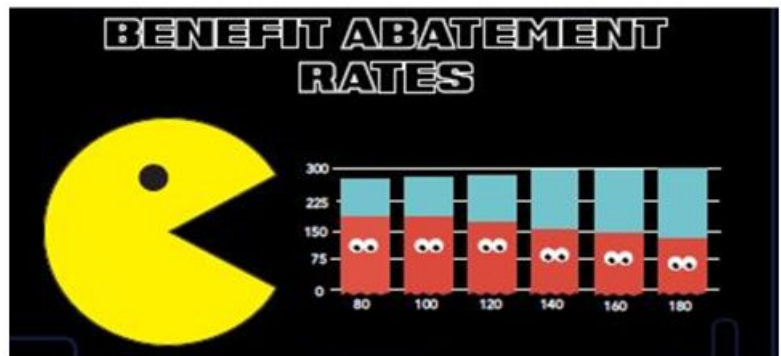
To give you an example, if you work one hour over and above the \$80 rate at \$20 per hour, you would have earned \$4.95 take home. If you work 3.5 hours at \$20 an hour, it's normally around \$70, you will receive \$17.33, if you work six hours at \$20 an hour - that's \$120 normally, you will receive \$29.70. It's because of the abatement threshold of \$80. Anything above, that you will lose 70c in the dollar before tax from your benefit.

Moira Lawler – “Stuck in the ‘80’s” campaign and submission

Our team put together a submission to the Welfare Advisory Group - and we like to use a bit of humour, so we called it "Stuck in the '80s" and we used the Pacman. As John discussed, in our submission, we pointed out that the threshold hasn't changed since the '80s. And at that time, it was meant to represent 15 hours of work, which it certainly doesn't know. And if it did now, it would actually be worth more than the benefit itself, which says something about the level of benefits.

This is our submission process at Merge Cafe. People came and they talked about not only their aspiration/need to increase their revenue streams, but also the history of things that they would rather do than

The next thing I would like to talk to you about is about the impact of abatement rates. The abatement rates have been the same \$80 since 1986, it has not changed. So that was based on 15 hours at the minimum wage back in 1986, which was \$5.25 an hour. That was put there so that people can earn up to 15 hours of work over and above the benefit, before it affects their benefit. Because



Our Submission Event



walk into a WINZ office and tangle up their entitlements through that conversation. Their need, as Susan was saying, is for systems that are simple, that are clear, that you can't litigate, where they're not gonna end up trespassed, or stood down, or have their benefits cut etcetera.

We asked for a review of the abatement rate. The \$80 threshold hasn't changed since 1986. It's meant to represent 15 hours of work at the minimum wage. At today's minimum wage rates, that would be \$265.50 (gross).

What did the Government do?

Well in the media after the release of the report and the Government response, there was talk about the lift of abatement rates and we got asked a lot about, "were we happy with the success of the lift of abatement rights?" But of course, they were only lifted by a tiny amount.

What Government Did

- What did they do?
- Still trying to get clear answers
- Submitted OIA request
- First increase in 2020 – by \$5
- By 2023 abatement rates go up to \$110

When we tried to get some feedback on the rationale for the way in which abatement rates were lifted, we couldn't get any. And in the end we put in an Official Information Act request and essentially, what's clear from the letter that was received was that they did some modelling based on their assumption of people that might be eligible currently, and fitted that into the Budget envelope. So there actually isn't any real rationale for the uplift except what they thought they could afford at the time.

John Zois – The difference a caring organisation can make

Stories / Impacts

"I can't get my kids back, I want to get a job"

"Don't do it bro – it causes too much hassle!"

"I don't trust them, so I go in and look them in the eye!"

Our Advocacy Coordinator when working 10hr/wk for Lifewise earned less than our volunteers on a one off \$80 koha

actually trust them. I told him, "You're like everybody else: I'll bring my wall down, You're going to hurt me." It didn't happen that way. Awatea told me - because he'd also been through a similar situation - he knew where I was coming from. He helped me to trust him to the point where I lowered my 'wall' a little bit. Then, once I got to know him and came to trust him, he helped me. He got me into a home through Housing First.

I'd like to tell you a bit about my story. I was homeless myself for many years, and I had a wall around myself because I'd been hurt, the system wasn't helping me and I was just going downhill - both health, and nowhere to live.

I was approached by a young man called Awatea from Housing First, who tried to bring my wall down to the point where I could

And the difference between Housing First and some of these other social housing agencies? Housing First don't just put you in that home, but they support you, even when you're in that home. They don't just put you there and leave you. They actually help you. First of all Housing First people come and see you on a weekly basis asking questions like: "Are you all right?", "Do you need help?", "Do you need a food parcel?", and, "Are you coping?"

Nobody else does that. No other agency does that. And that's one of the things that actually helped me succeed, it helped me from falling back to where I was before - alone, and on the street. A lot of the people that Lifewise actually help, whether it be through Housing First or any other avenue, if they don't have that ongoing support, they are going to end up back where they were, on the street.

I would like to introduce a young chap that I started helping. His name is James and his story is quite touching to me with regards to the abatements and what had happened to him [See video link: James Totahi - three minutes].

Video transcription

James Totahi: Hi, my name is James Totahi. I got offered a job from WINZ. Prior to that I was a mental health patient who's been with the mental health for nearly 10 years receiving a benefit of \$380 a week. My benefit got cancelled the very next week after I started work, which was only two days work ... so I received only \$220. I was left homeless when I first got the job, I had to move location to get closer to the job.

John Zois: When you had to move location [WINZ] gave you emergency accommodation for one week to cover your employment, is that correct?

James: Yes, that's correct. But that was two weeks after I'd started the job, so I was left two weeks homeless when I was working, whilst I had the job. [I'd] never been homeless, or put in a situation like this ever before, while to be honest it made me feel like crap because I wasn't getting a decent amount of money compared to the benefit I was on. My mental health went out the roof.

John: So it put you in a worse situation, didn't it?

James: Definitely.

John: And right now, Lifewise here in Auckland are actually helping you with getting some form of emergency accommodation to try and get you back on your feet?

James: Yes, they are.

Video transcription ends.

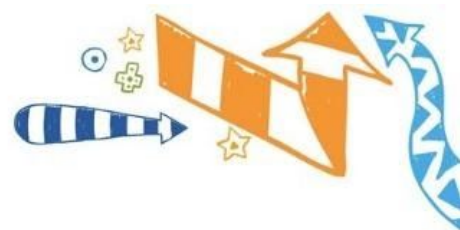
Moira Lawler – conclusion

People ask us, "Why take on the abatement rates? It feels like kind of a micro issue. Surely the issue that we should be arguing is lifting benefits?" And we get that. We absolutely the support for need for fundamental lift of benefits. But for people who have been long-term on the street, it's not just about the revenue stream, it's also about the way in which they can engage, the way in which people can contribute, the way in which they can stay connected. Connected in a way that works for them, because the people that we work with, their average time on the street is 14 years. They do not aspire to a 40-hour-a-week job managing a till at Pak n'Save. They're looking for flexible work, they're looking for work that allows them to move in and out of work, so that they can manage their own wellbeing, often they're looking for work opportunities that allow them to collectivise the revenue because that's the way they've always lived.

So, what they need and what they are actually developing themselves, is ways in which they can make really flexible work opportunities available, and I guess our position is, yes, benefits need to be raised, but people have a right to contribute. And I think it was Ivan Illich who talked about the right to useful employment and that is very clear in the group that we work with.

People with disabilities - What are the additional key changes that will help?

1. Sam Murray, CCS Disability Action



Key ideas

- There is nothing inevitable about disability-related inequality.
- It can be dramatically reduced with the right income support and the removal of barriers to education, employment, and the community.
- There is considerable diversity within the disability community.



Key ideas



1. There is nothing inevitable about disability-related inequality. We know this because disability-related inequality is significantly lower for some groups. Disabled people over 65 have much lower rates of material inequality than younger disabled people. We can also see that some forms of disability-related inequality are much lower in countries that have other policies.
2. Disability-related inequality can be dramatically reduced with the right support and the removal of barriers to education, employment, and the community.
3. There is a lot of diversity within the disability community. There is diversity in terms of ethnicity, age, gender identity, household composition, and sexuality to name just a few. The 2013 Disability Survey found that 30% of all disabled children live in one-parent households. Disability-related inequality interacts with other forms of inequality and the result can be more than the sums of the parts.



Disability inequality affects almost a third of children

In the United Kingdom 2017/18 Family Resources Survey:

- 8% of all children were disabled children.
- 31% of children lived in a family where at least one immediate family member was a disabled person.
- 23% of children had a disabled parent. An often overlooked group.

In 2013, there were between 123,000 and 164,000 disabled children and young people aged under 20 in New Zealand.

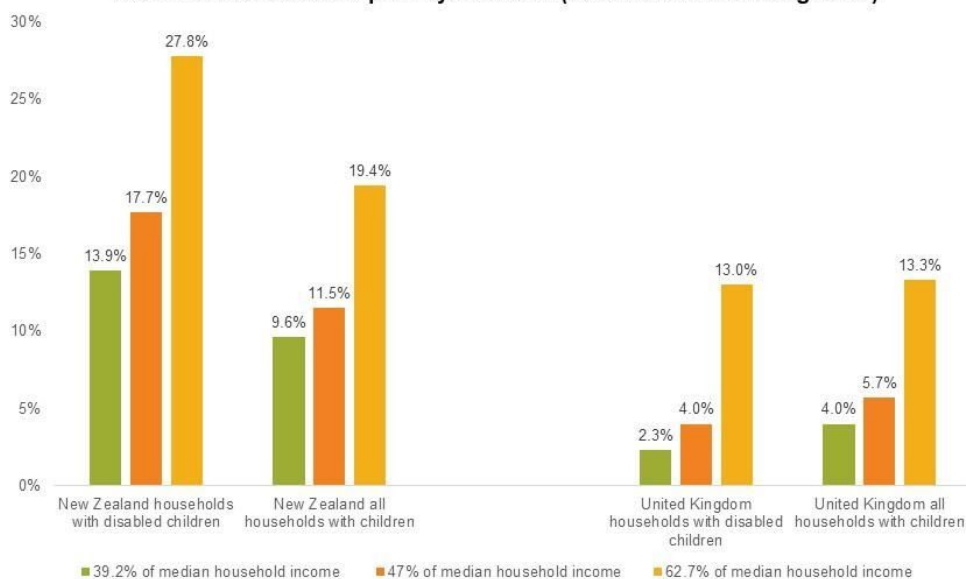


much larger number of children are affected by disability-related inequality than you might think. We currently lack New Zealand data on family and disability. This will hopefully change next year when we get disability data from the Household Economic Survey for the first time. In the meantime, we can look at the United Kingdom.

In their data, a third of all children have at least one immediate family member with a disability. This data only counts parents and dependent children as being in an



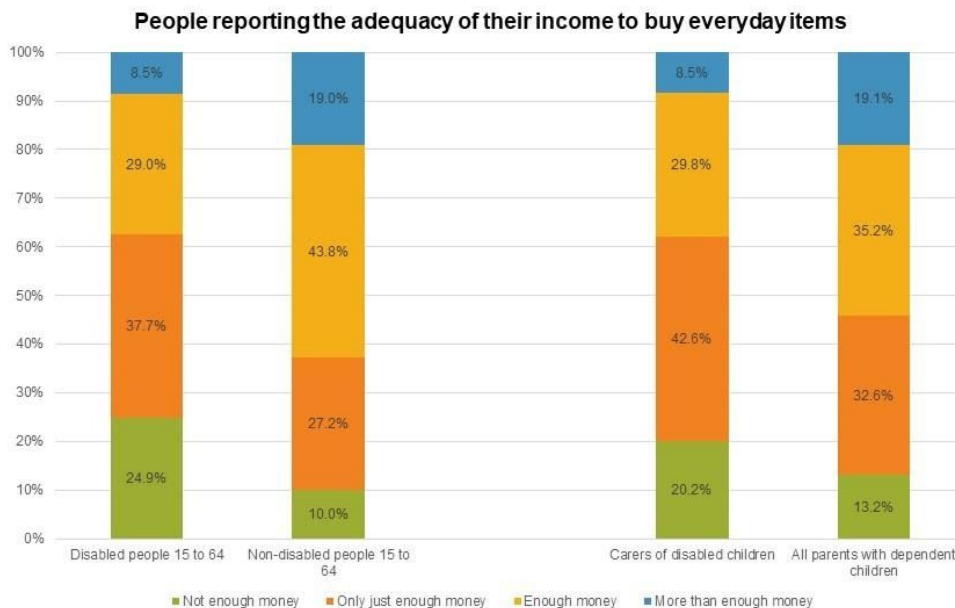
Households under three poverty measures (before tax and housing costs)



immediate family. 23% of children had a disabled parent. Yet disabled parents are a very overlooked group in policy and in support systems. Disabled parents have told me that Need Assessment and Service Coordination agencies, which are the gatekeepers for Ministry of Health disability support, will not provide support to meet parenting needs because they say their role is just to meet individual disability support needs.

In New Zealand, disabled children are significantly more likely to live in poverty. Yet disabled children in the United Kingdom are not more likely to live in poverty. A key reason for this is that the disability allowances for children in the United Kingdom are two to three times higher. There are also disability-specific tax credits in the United Kingdom. We have nothing like this.

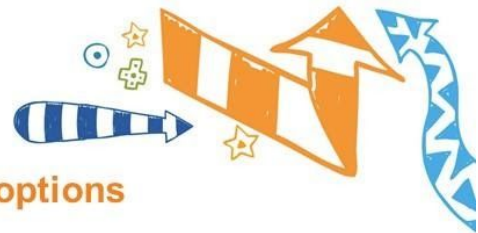
Our disability allowances are old. They have not been significantly changed since they were introduced in the 1970s and they are paid at a grossly inadequate rate. They are also grossly inequitable. Māori and Pacific disabled people get much lower rates from the Disability Allowance than Pākehā. For example, as of June 2019, the median payment rate for disabled working-age Pacific peoples was \$6.25, for Māori \$9.95, and for Pākehā \$13.68. This is grossly unfair, especially as disabled Māori and Pacific peoples are more likely to live in poverty.



Similarly, many other forms of supports for disabled children do not work for lower-income and one-parent households as well as for Māori and Pacific peoples. For example, one of the main supports allocated to the carers of disabled people, especially disabled children, is the Carer Support subsidy. This subsidy is meant to

be used for employing a relief carer so the main carer can take a break. It is paid at less than the minimum wage.

This means it is only usable by people with higher incomes or people who can find people to work for less than the minimum wage. It is of little use for lower-income families and one-parent households.



We need to fix inequitable support options

- Disability-related support does not always work for lower income and one-parent households as well as Maori and Pacific peoples
- For example, Carer Support only provides a subsidy at less than the minimum wage. 66% of carers reported using their own money to make up the difference.
- Often disabled children are given less than 20 hours of education support worker time, preventing the full use of 20 hours free ECE.
- We need to reduce barriers to access and switch to more flexible support options, including using cash transfers over subsidies and invoicing systems.



Likewise, disabled children are often allocated far less than 20 hours of education support worker time a week. Education support workers are the equivalent of teacher aides in early childhood education. There is an unofficial cap on education support workers of 15 hours a week and many children get far less than that.

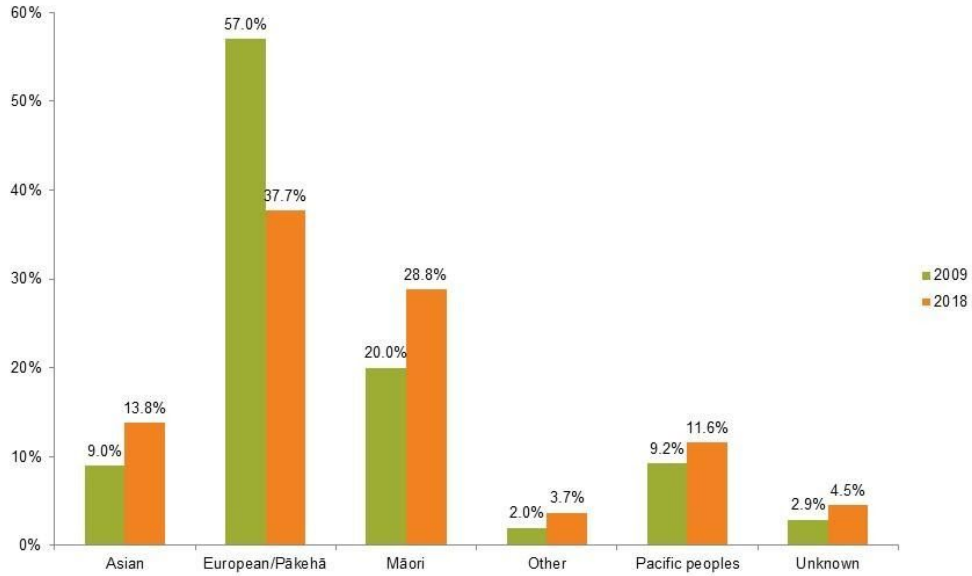
If a child needs a one-to-one education support worker, this means they will be unable to use the full 20 hours of funded early childhood education. This is likely to have flow-on effects for the parents' ability to find work, especially for one-parent households. It may also affect the child's development. Overseas research has found that disabled children benefit just as much from early childhood education as non-disabled children.

We need to remove caps like this so disabled children and their families have equal access to programmes like 20 hours of funded early childhood education. We need to double or triple disability allowances. We also need to look at using more equitable cash transfers over subsidies and invoicing systems, which tend to only work for higher income households.



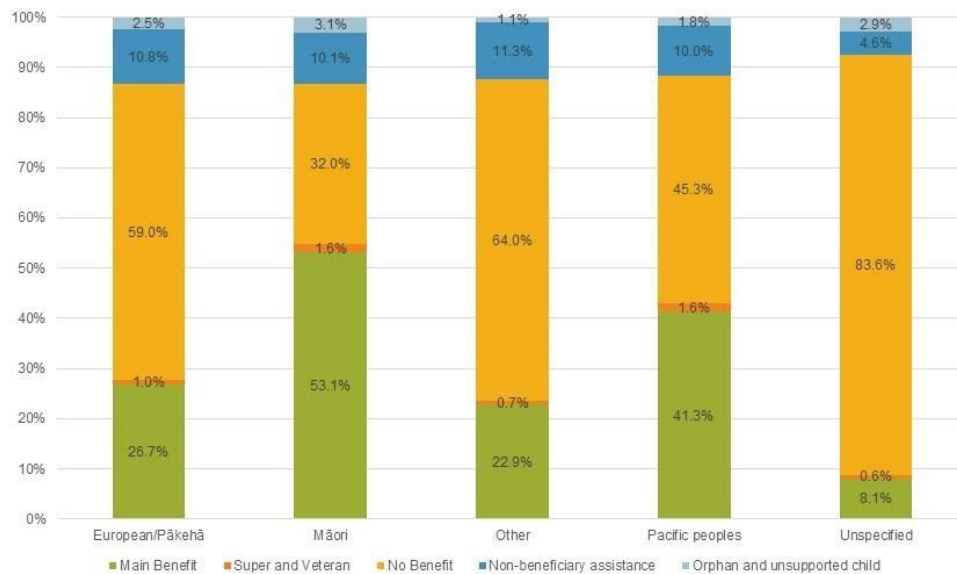
We need to respond to the growing diversity of disability

The ethnicity of new entrants receiving ORS by percentage



We need to address inequity within the disability community

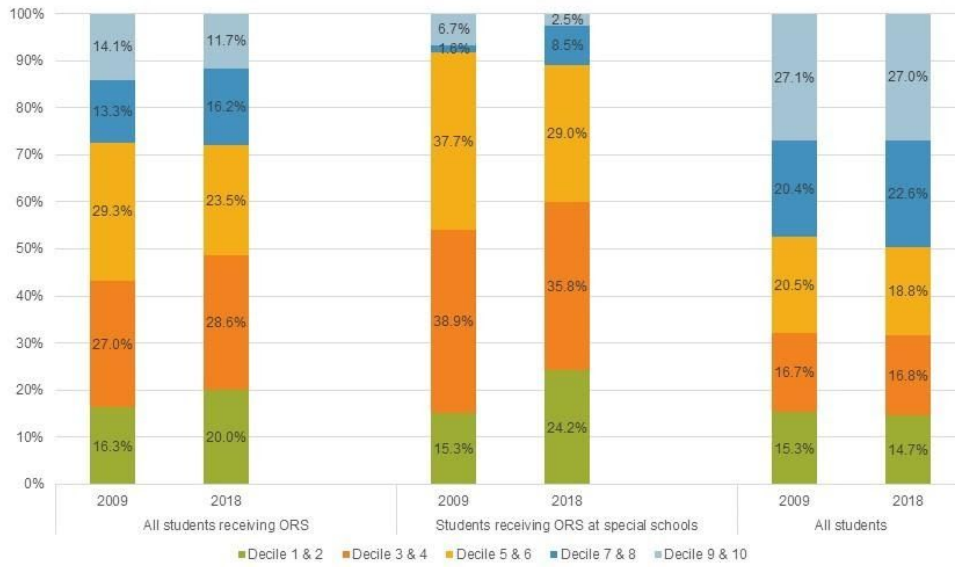
Child Disability Allowance by ethnicity and carer benefit status





Inequality persists for disabled students

Students by decile of school in 2009 and 2018



2. Kay Brereton, Beneficiary Advocate

People with disabilities,
what are the key changes
that will help?

Kay Brereton Beneficiary Advocate

Why is this important?

Thank you everyone, I'm going start with a bit of a story. This is a story set long ago in America. There was an adolescent Indian boy and a sick grandmother. They weren't seen as being able to contribute to the tribe because he was too young, and she was too unwell. They would camp on the outskirts and when the tribe moved on, they would go into camp and they would scavenge whatever was left. That was how they were surviving.

One day they went into the camp after the tribe had moved on, and they had left a horse behind. The horse was injured. The grandma said "No, we're not taking the horse" but the boy was insistent. "We're taking the horse" so grandma realised "we're taking the horse, or we'd be staying there all day". So, they took the horse and they carried on.

They made it to the next camp where the tribe was and there was a lot of excitement because the scouts had been out, and they'd seen the magic spotted buffalo. The chief always wanted the hide of the magic spotted buffalo. The next day they all lined up to go on the hunt, and the young adolescent boy, he was on the horse that he'd just got, and he went out hunting for the buffalo as well.

You won't believe who came back with the buffalo hide.

It was that young man that no one thought was useful for anything. The chief had promised that whoever got the hide of the spotted buffalo could have his daughter's hand and his 12 best horses. He said to the young man "Well I wasn't expecting it to

be you. But I'm good for my word. You can have my daughter and the 12 best horses". And the young man said "Well, thank you very much for honouring your promise. But, no, I want the spotted buffalo hide instead."

He took the hide back to his grandmother and wrapped her in it. And it was magic, because sometimes we need some magic in our lives. Grandma was cured and Grandma then became someone who was useful to the tribe.

The next day the tribe saw a war party over on the distant hills really to raid. It was a war party was going to wipe them out. It was a real threat to the tribe.

The young man went and talked to his horse and the horse said to him "Look, I can help you win this, but you've got to do what I say. You go out and you do the challenge, you do one charge and that's it." And the boy went "Okay, I'll do as you say".

The next morning, the war parties did what war parties do. The young man went out, and he laid down the challenge. The other war part was a bit like "Whoa, this guy's scary". He did one charge and they had these guys on the run, they were winning. And the young man thought "yeah, this is good, I'm going to go for a second charge" so he went for a second charge, as much as the horse told him not to. And the horse copped a spear.

The young man was really sad. This horse had done amazing things for him. Thankfully, the magic buffalo hide was still magic, and he wrapped it around the horse and the horse came back. And this pair, Grandma and the young man who had been of no consequence to the tribe, ended up being really important members of the tribe.

The people that we cast aside today as of no value, may turn out to be the people we find to be of great value tomorrow

The people we cast aside today could be the people we really need tomorrow and that is true of the people that we cast aside who have got disabilities as well.

Over 50% of people in receipt of main benefit have a health condition and or disability

Jobseeker (with partial or full deferral of work obligations)	Supported Living Payment
<ul style="list-style-type: none">• Treated just like other unemployed• Seen as short term barrier to work	<ul style="list-style-type: none">• No work obligations• Paid at a higher rate than JS• Work bonus payment and other "products" to reward work• Hard to prove eligibility

As the Minister said earlier, over 50% of people in receipt of a main benefit have got a health condition, or they are caring for someone with a health condition. We were told during the WEAG that that's an underestimation. There will be a whole heap of people in the system who haven't got medical

certificates because they're not on a work-tested benefit. (Why go to the bother of telling Work and Income more about you than they need to know?)

For those people who are on main benefit, they either end up on a Jobseeker (with a partial or full deferral of the work obligations). This used to be the sickness benefit. People in this camp are treated like other unemployed people and their health condition or disability is simply seen as something that's going to clear up soon and they'll be able to go back to work.

Then there's people on Supported Living Payment. That's the other end of the spectrum. The Supported Living Payment:

- Has no work obligations;
- Is paid at a higher rate than the Jobseeker (It's worth about another \$50 a week);
- Has work bonus payment and other "products" to reward work. That is, there's some "products" that Work and Income can use to incentivise that person going into work, and products for the employers who might employ them; but
- Is hard to prove eligibility for. It's a really hard benefit to get on. I spend a lot of my time as an advocate trying to prove that people are entitled to be on supported living payment. And since the reforms of 2013, I spend a lot of time re-proving those people are entitled to it because they've been bounced off during the reform processes.

What's wrong with the classification approach?

- Treats everyone with a health condition or disability as a group who needs "fixing", although there is much talk about a strengths based approach, in reality this is a deficit model
- Bureaucracy assumes they have the solutions, and can solve the problems using economic levers (subsidies) and "activation levers (sanctions)
- Unable to take into account in any meaningful way the diverse experiences of the people it is meant to be supporting
- Unable to recognise a continuum of impact of health condition, either temporary (JS), or permanent and severe (SLP)

What's wrong with the classification approach?

There's a gap in the middle of these two classifications. There's a whole heap of people who've got a long-term health condition or disability which is a barrier to

employment, but given the right supports could work more than for 15 hours a week in open employment, They end up getting stuck on Jobseeker, and not getting any of the supports that might be available in the system. (Though I'm not entirely convinced the current support available in the system really does anything to help people get to work.)

The classification approach of either being in the Job Seeker bucket, or in the Supported Living Payment bucket means that everyone with a health condition or disability is treated as a group that needs fixing.

Although there is much talk about this being a strengths-based approach, in reality, this is a deficit model. I've been thinking about this since I wrote it: one of the things that an employer can get offered if they are going to hire someone with a disability is a subsidy. To me that's saying, "Here's this person, they're not very good, but I'll give you an extra 200 a week if you take them on." That's not selling that person to an employer.

If instead they said "Hey, I've got a person that's really good for you, they'll do your job really well, but I'm not sure *you're* up to it. I'm not sure that *you* have got the accommodations and the supports in place that would actually enable you to hire this person and get the best out of them, but I can support you in putting those accommodations in place well, that's a whole different perspective, and that is actually a more strengths-based approach.

Bureaucracy assumes they've got the solutions and that they can solve the problems using economic levers (subsidies) and activation leavers (sanctions). But the system doesn't consider in any meaningful way the diverse experiences of the people it is meant to be supporting. If over 50% of the people on benefit have a health condition or disability, then there should be really diverse supports out there. There should be some understanding of the diversity of this community. But instead bureaucracy just develops a strategy that's supposed to encompass everyone in the community: it's just madness.

It also doesn't understand that there's a continuum of impact of health conditions. I may have diabetes and it might not impact my life very much but someone else might experience their diabetes quite differently. The same goes for mental health. The same goes for absolutely everything that we put into this health and disability bucket. The system looks you up in the computer and says, "this is how people experience this particular health condition, these are the supports we will put in place for it".

What would be a better way?

A better approach, and this is something we tried to embody in our WEAG report, is an approach with the person and their whānau's wellbeing at the centre. We talked about how a system that was designed to meet the needs of the most vulnerable meets the needs of everyone. At the moment our system doesn't. If you're one of the most vulnerable, you're just one of the problems that doesn't quite fit.

Earning, learning, caring and volunteering all have to be seen as valuable pathways to social inclusion. There's so much focus on work that anyone who can't get there is automatically into that deficit place.

What would be a better way?

- An approach with the person and their whanau wellbeing at the centre
- A system designed to ensure the needs of the most vulnerable are met, is able to meet the needs of all the people it serves
- Earning, learning, caring and volunteering must all be seen as valuable paths to social inclusion
- Engagement rather than enforcement
- A truly strengths based approach any supports offered are for real needs, not to pay an employer to take on a perceived risk
- In conjunction with employee protections

We need to engage with people instead of using activation tools as enforcement. A truly strength-based approach needs to offer support for real needs and not, like I was saying, paying an employee to take on a perceived risk. All of this needs to happen in conjunction with employee protections.

Trust and Empower

Everyone has value to contribute to the community and I think that that's something that gets missed in this current approach that we have. Everyone wants to be a contributing part of the community; work isn't the only way.

Trust and Empower

1. Everyone has value to contribute to their community
2. Everyone wants to be a contributing part of a community
3. We need a system which can enable and empower all people to achieve
4. We need to value people, to enable them to realise their ability to contribute

We need a system which empowers and enables everyone to achieve, and we need to value them and realise what their ability is to contribute. Like John and Moira from Lifewise were saying, there's a wealth of skill and experience in amongst this community. But what I see in my job is that we're sending people off to do jobs that don't fit them. There's no matching. It's like "There's a job and here's a person, they don't match up at all, but we'll put them together". That's what I see. The system needs to completely turn on its head and put the person at the centre. At the moment it puts the bureaucracy at the centre.

Pushing the State out of the bedroom

1. Ricardo Menendez March (AAAP) - Why We Need Individual Entitlement

AUCKLAND ACTION AGAINST POVERTY



Ricardo Menendez March – Political Coordinator

Thank you for the introduction. Before I begin, I'd like to acknowledge my colleagues who are standing here, Fred and Janet. As a volunteer organisation I'm the only staffer - without the mahi of our volunteers we wouldn't be anything.

I'm here to talk a little bit about how the State likes to pry into what happens in your bed sheets, how the State likes to know you're sleeping with, and how the state likes to know who you are living with, for the purposes of determining what welfare assistance you may be entitled to.

A lot of the work that we do with communities on the ground has been around fighting these relationship definitions and often sitting through extremely traumatic meetings with Ministry officials to protect people who are being told by the State that they are in a marriage-type relationship, when actually they're trying to escape situations of domestic violence, when they may just be trying to co-parent and making the most of the situation that life has put them in or who simply are being themselves and exploring their sexuality as freely as they should be allowed to.

I would like to ask who here has sat through a Ministry of Social Development investigation meeting, for the purposes of determining whether somebody is committing benefit fraud? Not many, but a few of you. I think once you do this, that's when you realise just how broken our welfare system is, when it comes to protecting

women when it comes to protecting sole parents, because you'll be sitting through four hours of gruelling interrogation. You'll be sitting with somebody who in some ways [is treated as if they have fewer] rights, as if they were being interrogated by the police and who is at risk of incarceration, or having tens of thousands dollars or \$100,000 worth of debt with the Ministry.

Our kaupapa at Auckland Action Against Poverty (AAP) - and I'm really glad CPAG has been on board with us, and we've been really, really strong to the Minister on this - is that everybody deserves to maintain financial independence regardless of their relationship status.

WHY WE SHOULD ABOLISH THE MARRIAGE BENEFIT RATE

- Everyone deserves to maintain their financial independence, regardless of their relationship status.
- The Social Security Act determines that the Ministry of Social Development may assign or reduce an individual's benefit based on the belief that the individual has entered into a relationship "in the nature of marriage."
- The benefit levels for an individual are significantly higher than the rates per person for those individuals on a benefit who are married, in a civil union, or in a de facto relationship, which puts an unnecessary strain on new couples and discourages relationships in the first place.



Relationship rules in the welfare system

The current rules in the welfare system is that if you are deemed to be in a marriage-type relationship or in an actual marriage and your partner, for example, earns above a certain income threshold, you may be fully dependent on your partner.

The State is basically telling you that you're now at the hands and at the mercy of whoever the State determines is your partner. You can see the power dynamics this may create, no matter how healthy or consensual their relationship is. Once you put these power dynamics in place, it is ripe for abuse, and ripe for an imbalance of all sorts.

It's also important to contextualise that if the person you may be dating (or the Government thinks you're dating) has income which is *not* above the income threshold, your married rate of benefit is lower than two individual benefit rates once the State determines you to be in a relationship.

The idea is, that two people would be better at budgeting perhaps, to meet their combined costs. But we know, as we've just heard from different speakers talking about the Accommodation Supplement, that is not the case. And you can see why in the state that we are in right now, nobody would want to be put in a position where they'll be left more financially insecure and vulnerable.

If you go to the Ministry website and check how much lower the married rate is compared to the sole parent rate, you see why many women feel like they cannot be open to Ministry officials about their relationships.

And the main issue here is the Social Security Act does not clearly define what constitutes a relationship. When the law was created, they just talked about incomes being affected based on whether you're in a marriage or in a marriage-type relationship, but they don't actually go on to defining what constitutes a so-called marriage-type relationship. The Social Security Act doesn't actually set good provisions to define this.

• The Social Security Act does not clearly define what constitutes a relationship. This means that the Ministry has had to create arbitrary policies and guidelines based on previous Social Security Appeal Authority cases and outdated values. Currently there are 3 key criteria used to determine whether someone is in a 'marriage type relationship'

1. Cohabitation
2. Financial Interdependence
3. Emotional Commitment.



Criteria unfit for purpose

We're left with the Ministry creating policies and guidelines about how they determine this and it's incredibly arbitrary. They've gone through Social Security appeal authority cases in order to come up with a range of criteria and currently when a Ministry official is investigating somebody or are having a conversation with somebody they go through a bit of a 'tick-box' process when they rate different things such as:

- Co-habitation;
- Financial interdependence; and
- Emotional commitment.

In the training manuals for investigators these are the three key things they'll be measuring when assessing if somebody is in a so-called marriage-type relationship where somebody may lose all of their benefit.

I'd like to run through very briefly, just how silly these criteria are and just how ripe it is for MSD officials to completely misuse it and affect people's lives.

- Co-habitation, as the criteria speaks is basically just whether you're living in the same household with somebody. But it could even be how many nights, or days, whoever they think you're in a relationship with is spending with you. So, say that you're a sole parent and you're co-parenting sometimes, that parent may be visiting occasionally to spend time with the children, that may count towards co-habitation. And so, that criterium is very prone to biases by investigators.
- Financial interdependence can be anything from: "Are you receiving any money from this person that you're maybe in a relationship with into your bank account?" Now, again, if you're thinking of a sole parent, with children - is the dad, just chucking in money to help pay for the grocery bills, despite the parents not being in relationship, despite that financial transaction just being for the well-being of children? And it can be just anything like asking you at a fraud investigation meeting, "If you were to win the lottery, would you give some money to this person being investigated?". I literally have sat down through investigation meetings where that is the line of questioning that they ask people in order to assess whether somebody's financial interdependent. Basically, a lot of hypothetical questions are being asked that make absolutely no sense.
- And then the third one is emotional commitment which can be anything from: "Do you have a sexual relationship with this person?"; "Do you touch this person physically?"; "Do you show affection?"; "What do the grandkids call this person that you're being investigated about?"

And often, these three things will not just be determined by an interview with an MSD official. Often, it'll be determined by MSD officials going to third parties, whether it be your neighbours, whether it be family members, whether it be employers, or they can request information from at the DHB. Until recently it could also be telecommunication companies. They could get access to your text messages, intimate pictures and then bring them up at a fraud investigation meeting, to basically question you on what your relationship status is.

Investigations – the numbers

What we know currently, based on Official Information Act figures a couple of years ago, is that there were about 6000 investigations carried out by MSD to determine whether somebody was receiving - as Minister Carmel Sepuloni said - their full and correct legal entitlements. We know that half of those investigations were to

- An OIA report from The Ministry of Social Development shows that, in the year to March 2017, over 11,000 calls were made to a dedicated hot line enabling people to anonymously accuse beneficiaries of benefit fraud.
- As a result, almost 6,000 benefit fraud investigations were made during that year, with over 3,000 regarding allegations of the beneficiary being in a 'relationship in the nature of marriage'.
- Out of the investigations completed, overpayments were established in 1,800 investigations, with only 431 successful prosecutions.

assess whether somebody was in a relationship in the nature of marriage or not.

This is the largest category that people get investigated for by MSD. We also know that a lot of these investigations get triggered by people calling an anonymous tip-off line where you're encouraged to 'dob' somebody in and to tell the Ministry, whether somebody's lying about their relationship status.

We know there were 11,000 of these calls made, many of them anonymous, and you face no consequences about the sort of information you give the Ministry about somebody's situation. The same wouldn't apply to the police. The lack of protections people face because of this rule around relationships has set up an incredibly toxic system where we are encouraging each other to attack one another, and to dob one another in. Basically, to be cruel to one another.

And despite so many investigations carried out this year, only a small fraction of them showed that there was - according to the Ministry - fraud involved. When there is fraud involved you may either face an over-payment and get treated as a so-called 'low trust client' by the Ministry for years to come, which means you face extra barriers to access your entitlements, or you may face prosecution. And the consequences of that are long-lasting, and incredibly damaging.

- Benefit Fraud Investigation meetings can take over 8 hours.
- There are no consequences for people dobbing in beneficiaries and making outlandish claims.
- There continues to be excessive data gathering from third parties (banks, DHBs, neighbours) in order to try and construe a picture that proves the person is in a marriage type relationship.
- The investigators pry into people's sex life throughout the course of interviews and data gathering.
- Benefit Fraud investigations are expensive, dehumanising, and poorly conducted.

I spoke earlier about the benefit fraud investigation meetings. These meetings can take over eight hours. Sometimes they get broken down into small sessions. The benefit fraud investigation is not only cruel and punitive due to the law around relationships, but they're also an expensive thing to run. Investigators get paid by the Government about

80K to pry into people's private lives, and we pour millions of dollars into the investigation unit to do this each year. So, it's actually a really expensive and complex system that we maintain to make people's lives really hard and to invade people's privacy.

- *The end result of the legislation (why it needs to change):*
- Modern relationships do not function as the government assumes they do; often times partners are completely financially independent of one another, and even those who are married or in a civil union often maintain their own jobs and bank accounts.
- This policy disincentivises relationships by pressuring individuals to remain single in order to keep their current benefit rate, even if their partner is on a benefit, since two single benefit rates are significantly higher than one marriage rate. It is especially difficult for single parents supporting their children to enter into a relationship.
- If an individual and their partner have a combined annual income greater than \$43,422 or hold assets in excess of \$1,825, the individual is not entitled to any benefit at all. If the majority of this income comes from the partner, the individual is forced to depend financially on this person.

One of the things that we've been saying a lot is that we should get rid of the marriage benefit rate and individualised benefit entitlements, that people should receive a benefit, no matter who they choose to date, no matter who they choose to be with and that they should never lose their income, because of who they choose to be in a relationship with.

And the reality is, modern relationships do not function in the way that Government thinks they do anymore. The whole marriage-type relationship goes back to Victorian-era definition of relationships, which is completely out of touch with the reality that most people have. It also incentivises people to remain disconnected and for sole parents to basically remain single.

Because, for those of you who have faced an investigation, the reality is, you're left scarred. And you now will be paranoid that basically anybody who you associate with may become a prospective partner - according to the Ministry.

And, so, this policy basically encourages us to be in isolation from one another, separates us from our communities, and it has long-lasting impacts with people's physical and mental health/well-being.

What needs to be done

One of the things that we would like to do around the need for change is to also ensure that at no point people with disabilities lose their autonomy over their finances. And this is really, really key around the issue of relationships because all of the people that have to come to us at AAAP who are on the Supported Living Payment, their biggest fear is to say "I do not want to now have my whole health and my needs completely dependent on whoever the Ministry thinks is my partner". It takes away all of your autonomy over your decisions of health, or housing, etc.

And what we've often found is that it creates further isolation for people with disabilities. To give one example, that was in the news a few months ago, we were working with a woman who had a flatmate on Superannuation and had assets. She was investigated because they had been flatmates for six years, they have known

each other and they were the only sort of support networks that they each had. This woman had a huge range of medical needs and this person (flatmate) had been with her to support her through surgeries, through taking her to hospital etc. And the Ministry decided that this woman was now to be in a relationship and faced \$140,000 in debt to MSD. The person who she's flatting with is now fully responsible for taking care of her medical needs in the future. He said he didn't want to be - in her words – “her sugar daddy”, but the State literally forced her to do that.

And as to the logistics of how we get there, to individualise benefits. It's important to consider that we would re-jig things like the Sole Parent benefit and perhaps re-categorise the parent benefit as just getting in individual benefit if you're a parent, and then getting extra additional money based on your number of children. This would require not just getting rid of the married benefit rate, but actually completely reorganising how we categorise benefits altogether, and how we recognise the role of parents and those in the communities.

And lastly, as I wrap up, the most important thing to consider here is that the definition of marriage, according to the State, is an incredibly Pākehā definition for many cultures, including mine - I'm from Mexico. Raising children takes a whole community, not a married couple necessarily. And if we're going go back to what Khylee [Quince] was talking about, decolonising welfare, this is one of the things that needs to go ASAP.

- *The end result of the legislation (why it needs to change):*
- For those deemed by the government to be in a de facto relationship, financial independence is not enough on its own to justify the denial of a de facto relationship to MSD, as its interpretation of financial interdependence includes a sense of at least willingness to support the other person if that person cannot support themselves.
- Forcing individuals in a relationship to be financially dependent on their partner is dangerous and irresponsible on the part of the government, as it can trigger situations of domestic abuse or violence.
- Those in the disabled community deserve to retain control of their needs, health, and financial independence, regardless of their relationship status or living situation.

2. Michael Fletcher (VUW) - How We Change the System to Reach Individual Entitlement

I was asked to talk about individualisation of the welfare system, in the context of 'where to from here, where to from *Whakamana Tāngata*'.

I need to preface what I'm going to say, because to me, first and foremost the priorities right now are improving income adequacy, raising core benefit rates and also radically reforming the welfare delivery process. I know we've had the

Families Package and I know the Minister was talking about that - but we haven't had a lot since then.

Whakamana Tāngata and where to from here

• So, my immediate answer to *Where to from here?* is:

- **Raise all main benefit rates.**
- **Extend IWTC to beneficiaries.**
- **Reform delivery process.**

- **...and do these in ways which are in line with longer term change, which should include a greater element of individualised entitlement**

And I know the Minister talked this morning about culture change at Work and Income. Well maybe, but to be honest, and with all respect to her, it is still way, way too hard to get onto benefit and it is still far too difficult when it could in fact be very easy. So my answer to those things, to "where to from here?" first and foremost are those, and then to do those things in a way which does allow us to focus on longer-term change which would include a greater element of individualised entitlement.

Individualisation – what is it?

I probably don't need to explain what individualisation is, but just to be clear, it's where the unit of assessment is the 'individual' rather than the 'couple'. What you're entitled to and the amount you get depend only on your circumstances and your income - not on your partner's or anyone else's.

Most of the welfare system (although not all) and the Working for Families tax credits use a couple-based unit of assessment. Income tax and ACC individually assess. And child support is kind of a weird hybrid - it is assessed on the separated parents' combined incomes, but it's individual in terms of any new partnership status.

Couple-based assessment - you will all know this already - originates from ideas about marriage, and gender roles. That marriage was a lifelong partnership, it was the appropriate site for child-raising and we had a male breadwinner/female care model of the family.

And those assumptions have long ceased to hold:

- We haven't had a male breadwinner wage for ages;
- Or Frank Castle's idea of New Zealand and Australia having a wage-earner's welfare state;
- Female labour- force participation is high;
- Sole-parenthood is now common;
- Divorce and separation is common; and
- Re-partnering and blended families are also common.

And they're such old facts, now we shouldn't be still talking them. That's dated back to what? The early 1960-70s. And the unit of assessment was a topic in the 1972 and 1998 Royal Commission. The 1972 Royal Commission favoured continuing the couple-based unit of assessment and the 1998 one acknowledged that we should move towards an individual base of assessment, but said that "the society was still in transition towards a state where that would be appropriate". And that's how long ago? 30-odd years. So I guess we must still be in transition.

Why individualisation?

The biggest problems with couple-based assessment in welfare is that it requires that the state is going to determine who is, and who is not, in a relationship. And that affects how people can live their lives, it creates the sort of fear that Ricardo talked about it results in debts, and prosecutions. And it imposes either very early, very significant relationship decisions on people, or as often as not it discourages people from forming new relationships, and you see newspaper articles about that - [people are saying things such as] "I'm just not going near dating, because it's gonna risk my benefit" etc for simple fear that they'll run foul of the Social Security and tax laws. And even at its best, the State's going to get that determination wrong sometimes and often that will have very significant consequences.

And another problem is that it assumes that those relationships will conform with the income and cost-sharing assumptions that are inherent in the policy. We don't actually know very much at all about how people choose to share their incomes and whether that differs in a blended family or stepfamilies; whether they want to share costs and share incomes. And if any of you was on the Marsden Grant committee, I'm going to be putting in a bid about that topic, because I think it's shocking that we do not know at all. We do know from overseas that it is much less common amongst re-partnered families that that is what you want to do. You don't necessarily assume that you will share the costs of each other's children.

The mess of assumptions in the current working-age welfare system

I want to show you some of the inconsistent assumptions that are in the current system. It's assumed:

- Costs and incomes will be shared if you're living together as a couple - well it may or maybe not.
- Costs and incomes will be shared if you're not living together but are assumed to be a couple.

- Costs and incomes will not be shared if you are living together, but not a couple.

And then when you come to children, it's assumed:

- The cost of the partner's children will be shared if you're living together as a couple.
- The costs of the partner's children will be shared if you are not living together as a couple.

The mess of assumptions in the current working-age welfare system

Assumptions:

- Costs and income are shared if living together and a couple.
- Costs and income are shared if not living together but are a couple.
- Costs or incomes are not shared if living together but not a couple.
- Costs of partner's children are shared if living together as a couple.
- Costs of partner's children are shared if not living together but are a couple.
- If separated, the non-resident parent's child support is for sharing costs of children only, not for parent with care's living costs...
- ...but if the parent with care is on benefit, child support is assumed to be for costs of children and costs of parent (and is retained by State up to full value of benefit).

But then you turn to the child support system, and it assumes that the non-resident paying parent's contribution is only for the costs of the children, it's calculated only on the base of the cost of the children, except if the parent with care [of the child/ren] is on benefit when it's assumed that it's for both the costs, both the child and the parent with care and usually her benefit is abated in full up to the value of the child support paid. It's a muddle.

And then when you look at the Accommodation Supplement, it's equally bizarre in the implicit assumptions it's got in it. Assuming that the amount for Accommodation Supplement is a single person implies one bedroom, the rate for the couple alone is the same for a rate for sole-parent, with one child. Maybe the child sleeps in the parents bedroom? I don't know. But that's less than for two singles, so it's like a one-and-a-half bedrooms or something. But then the rate for the couple with one child is the same as the rate for sole parents with two children. And it's higher than for a couple alone. But it's less than for two adults, it's like a one-and-three-quarter bedrooms I think and then when there's more kids it doesn't increase at all after that. It is difficult to make logical sense out of them. And I think they came by as a matter of history.

So where to from here?

It's not easy to find a perfect solution to the relationship status problem, it is very difficult to find a perfect solution and I'll have to confess I'm not 100 percent persuaded that it's the ideal end point that we want to get to but certainly moving towards it has got a lot of promise.

Broadly, there's only two possible ways logically that you can go about it or a mix of both of them. You can change the definition that's used to make it fairer and fit better with the ways people live their lives, or you can reduce the impact that it has so that entitlements don't change

Some thoughts on where to from here

A complete solution to the issue of relationship status is very difficult (and possibly not even a desirable endpoint).

Two possible approaches, neither perfect, either:

- i. Change the definition to be fairer and fit better with people's lives

Or:

- ii. Change entitlements so that relationship status makes no difference

Or some of both.

depending on your relationships status. In effect making the relationships status less relevant.

Changing the definition and its implementation

In terms of changing the definition and its implementation, there's certainly a lot of improvement that could be made. I've got one simple example. My understanding of the test is: the legal test has got two arms to it. It's that one about emotional commitment and it's the other one, about financial interdependence and they are two entirely separate tests. You must meet both of them. I can cite a personal example where I had to fill out a relationship status form. And I was in the position where I was able to say, "Yes, this person is my partner and she qualifies fully because we're entirely financially separate and independent."

The list on the website simply has this undifferentiated list of things that you might want to consider, but that's not the basis of the test at all. There's plenty of other examples, but I do think that all definitions will have problems.

It's very hard to work out a rule that is going to work perfectly. One example that has been talked about, is the idea of a rule similar to the Property Relationships Act. If you're not married three years after you've been living together, you'd be deemed to be in a relationship. I think there are problems with that. You still have to know a date when the relationship started, it's got pretty major horizontal equity differences between it, and of course like the others, it assumes that you are actually sharing the costs.

The other way is to rely more on discretion or judgment at the individual level. And personally, I would hate that - discretion may be helpful, but it's variable in the way it's applied, it's open to abuse or bias or racism or whatever else, and to political manipulation without actual explicit policy change.

I'll focus the rest of what I want to say on this second option, individualising entitlement so that relationship status is a less important factor in entitlement. How we might move towards individualisation in a way of equalising benefits.

Again, a couple of cautions.

Changing the definition & its implementation

Certainly lots of room for improvement.

- One simple example: the current Work & Income website is misleading. A 'relationship in the nature of marriage' must meet *both* of two tests: emotional commitment & financial interdependence. An undifferentiated list of things 'to consider' does not make this clear.
- And plenty of other examples...

...but all definitions will have problems

- E.g.: the 3-year Property Relationships Act approach still requires defining a start date, has major horizontal equity problems, and still assumes by choosing to marry/live together long-term people are choosing to fully share costs of each other's children.

Relying on discretion/judgement, rather than rules might help but is variable in application, open to abuse/biases and to political/administrative manipulation without explicit policy change.

A Universal Basic Income is not the answer

A Universal Basic Income is not the answer

- A full UBI is individual. No reference to partnership status would be necessary. BUT
- To meet the 60% BHC poverty threshold, or even the max payable under current benefit rules, it would need to be about \$20,000pa plus universalise FTC for all children.
- Could be less than that but then either:
 - Accept poverty with no mechanisms for addressing it
 - or
 - Start reproducing welfare add-ons again...
... which (among other things) reintroduces the whole issue of relationship status...

	60% Rel Poverty threshold BHC*	Social Assistance MAX		UBI at \$20,000 + \$8,000 per ch
		Max now w FTC + IWTC +AS1 max	Max now w FTC + IWTC +AS1 max	
Single	15,340	19,968	16,848	20,000
SP+1 ch	29,640	31,616	29,016	28,000
SP +2 ch	36,660	39,728	36,608	36,000
SP +3 ch	43,420	44,512	41,392	44,000
Couple	26,520	31,200	27,040	40,000
C +1 ch	47,840	42,068	37,648	48,000
C +2 ch	54,860	46,800	42,380	56,000
C +3 Ch	61,620	51,584	47,164	64,000

*2017 dollars

ute for Governance

To my mind, a universal basic income is not a solution. A complete full UBI is individual - what you get depends on nothing other than your own entitlements. But to meet the 60% before housing poverty threshold, or the maximum that a person could get under the current system, depending on the

circumstances, you would have to universalise the full Family Tax Credit, and pay that to every single child. And you would have to set it at \$20,000, which certainly is a great deal. You could set at less than that, but then if you do, you're going to end up either without having any mechanism to address poverty where people needed it, or you're going to have to start reintroducing add-ons and that's then going to reintroduce the issue of relationship status. So I personally don't think that is the solution.

Social insurance is not the (complete) answer

'Social insurance' is not a complete answer either. This is like à la European countries - Germany and Nordic countries and so on - or our ACC system. It is individually-based, but underneath all social insurance schemes including ACC is a flat rate and usually couple-based second-tier system that's underneath it, which pays lower and is assessed on the basis of joint family income.

Social insurance is not the (complete) answer

Social insurance (à la European countries and NZ's ACC) is individual-based.

BUT

- All SI systems are underpinned by a social assistance tier for those who don't qualify for SI or have exhausted the entitlement period.
 - That lower tier is flat rate and assessed on joint income of the couple.
- The question for NZ is should we extend the role of SI and if so where and how? (about which more later)

Extending individualisation within the existing system: (i) Welfare benefits

Extending individualisation within the existing system:
(i) Welfare benefits

- Core idea is only one adult main benefit rate.

- That requires:

- Sole parent = single rate.
- 'Couple' rate = 2 x single rate.

Currently:

S = \$218.98

SP = \$339.69

C = \$364.94

C w Children = \$391.00

- Can be done without making anyone worse off by changing structure of Accommodation Supplement (AS).
 - Which is not to say it is *should* be done...

What I do want to talk about, is where it might be useful to extend the role for Social Insurance in New Zealand. One example, is from some work I did last year about whether it be feasible to extend the welfare system using the existing kind of instruments that we've got, so that it was individualised.

And by that I mean you only have one rate, you have the single rate only. That means a sole parent only gets a single rate and a couple gets two times the single rate, whether they're a couple or not, they just get a single rate. Everyone who qualifies gets the same rate [see slide which shows the differences that exist at present]. Yes, it can be done. This is only one example and I'm certainly not recommending it as an ideal way of doing it, but it was a kind of an exercise in 'how you might do it', and it's by changing the structure of it - it works primarily by changing the structure of the Accommodation Supplement. It's not at odds [with what Janet McAllister was talking about] with the Accommodation Supplement, only I haven't in this example, deliberately built it into the core benefit in that way, although you could.

A purely hypothetical example (using 2018 rates)

- Single rate available to any qualifying person, no reference to relationship status
- IWTC abolished and added to the FTC
- AS at current single person max, plus child add-on where adult lives alone with child(ren) - \$100 for first child, \$65 for all subsequent (as now)

	Current (June 2018)				Possible alternative				Difference
	Main benefit (Area 2)	AS max (Area 2)	FTC	TOTAL	Main benefit (Area 2)	AS max (Area 2)	FTC (with IWTC)	TOTAL	
Single Adult	215.34	105	0	320.34	215.34	105	0	320.34	0
Sole parent (1 child)	334.05	155	113.04	602.09	215.34	205	185.54	605.88	3.79
Sole parent (2 ch)	334.05	220	204.29	758.34	215.34	270	276.79	762.13	3.79
Sole parent (3 ch)	334.05	220	295.54	849.59	215.34	270	368.04	853.38	3.79
Sole parent (4 ch)	334.05	220	386.79	940.84	215.34	270	474.29	959.63	18.79
Couple (no ch)	358.88	155	0	513.88	430.68	210	0	640.68	126.8
Couple (1 ch)	384.50	220	113.04	717.54	430.68	210	185.54	826.22	108.68
Couple (2 ch)	384.50	220	204.29	808.79	430.68	210	276.79	917.47	108.68
Couple (3 ch)	384.50	220	295.54	900.04	430.68	210	368.04	1008.72	108.68
Couple (4 ch)	384.50	220	386.79	991.29	430.68	210	474.29	1114.97	123.68

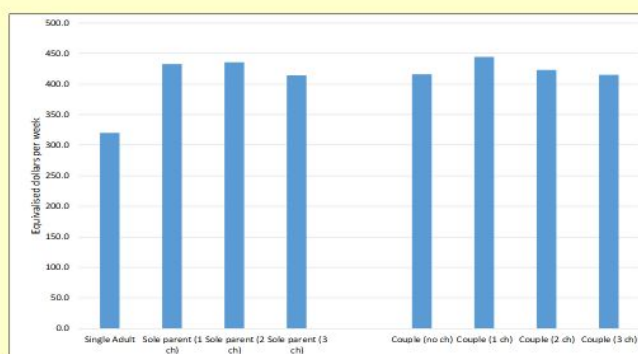
Source: Fletcher 2018. *Individualising entitlements in New Zealand's benefit and social assistance systems*, Wellington: Superu.

We don't need to look too much at the table of numbers [refer slide] but what I said was, "Okay, everyone who qualifies can have that same single person rate, the In-Work Tax Credit gets abolished and added into the Family Tax Credit - which, whatever you do, is a good idea. And the Accommodation Supplement is paid at its current single person maximum, but you have an add-on for a child, where the child is living with only one adult." So that's \$100 to the first child and \$65 the subsequent children as it is now. You can see the differences.

I'll run through some of the implications, you can see the differences that makes:

- It's more generous to so-called couples. But that's the point.
 - Basically, the system we have requires couple assessment so that we can be less generous to couples by forcing them to rely on each other's income.
- It effectively creates a parenting payment which is equal to the single benefit rate, for all main carers not work-tested (i.e. youngest child under 3).
 - They would have universal access to that single unemployment rate, so you could

Per person equivalised dollars per week in this hypothetical example*



Source: Fletcher 2018. *Individualising entitlements in New Zealand's benefit and social assistance systems*, Wellington: Superu.

*This calculation uses the Revised Jensen equivalisation scale

actually replace Best Start. And if you wanted to cause a middle class uproar, you could replace Paid Parental Leave as well. And in fact, for most people, that would be a better situation.

- The cost would be significant, but it would actually depend on the behavioural responses - i.e. How many people choose to take it up or not.
- It doesn't get rid of the need to raise the core benefit rate (and I'll show you a graph showing why) because the gains are zero for single people, and sole parents gain very little.
- It still requires you to work out how to individualise the Family Tax Credit, and how to abate it.
- To the extent that the family do actually share their households, this example matches the equivalence scales fairly well with one exception (the single adult. Single adults do poorly out of this system just as they are doing poorly at the moment, but otherwise, that's much closer to equal than the current system is.

Extending individualisation within the existing system: (ii) Extending ACC to cover sickness and disability

There's a second area where I think we should extend individualisation and that is to extend ACC to cover sickness and disability. The inequity between treatment of incapacity for work due to injury, and sickness / disability is great. I accept that there's a border line and you can move the border line so that it includes illness and disability, but you create another border line somewhere else. But I think this is a more fundamental one.

Extending individualisation within the existing system: (ii) Extending ACC to cover sickness & disability

- A case where extension to social insurance approach is arguably warranted.
- Inequity between treatment of incapacity for work due to injury (ACC) and sickness & disability (welfare).
- Always part of Woodhouse's intention & consistent with his 5 principles.
- Could operate as per injury now: a short period covered by sick leave entitlement followed by earnings-related compensation (funded through earner levy not employers).
- Would need to ensure those not in work were at least as well supported as now.
- Would give ACC a valuable role in prevention and rehabilitation related to illness.
- Cost - ?? IGPS currently investigating an approximate costing.

It would operate as per now: you'd have sick leave for a week or two weeks or whatever it might be, and then you move on to your earnings-related compensation, which would not be an impost on employers, it would be funded by the earner levy, not paid by employers. And it would have the advantage that ACC would have a valuable role in prevention and rehabilitation-related to illness. The cost is something which I am doing some work on with a research assistant over summer. It's not small but it's not massive in net term either, not huge. And actually, the cost is being borne by somebody anyway.

Extending individualisation with the existing system: (iii) Redundancy and involuntary job loss

Extending individualisation within the existing system: (iii) Redundancy & involuntary job loss

- NZ currently has very weak redundancy provisions.
- 'Future of work' and climate change work transitions (and possible recession) all suggest redundancies are likely to become more of an issue in future.
- Current system does not support couples reliant on two low-paid jobs because of the couple-based unit of assessment.
- Investigate a limited-term (6 months?) payroll-levy funded earnings-related redundancy scheme (ie another area where SI could usefully be extended).
- Both this and ACC extension would also reduce the use of – and the inequalities of – private income-protection insurance.

A third area is around extending individualisation for redundancy and job loss. We have pathetically bad redundancy provisions in New Zealand compared to other countries. That's going to get worse if in fact, this Future of Work and work change transitions become more common and the easiest and most

obvious way to do that is a fixed limited-term payroll levy funded redundancy scheme that applies to all workers.

Conclusions

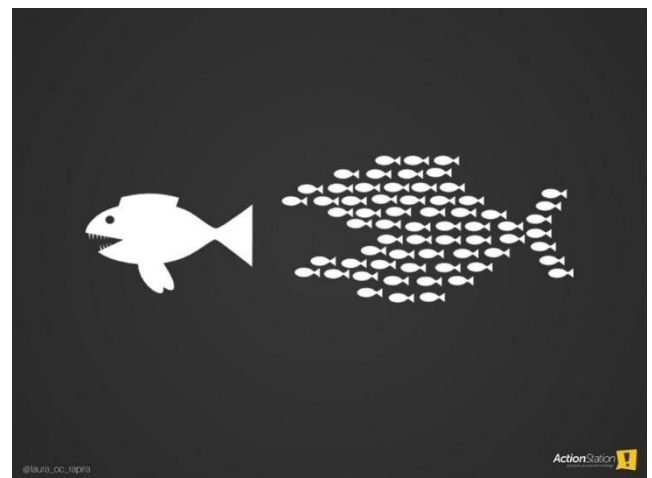
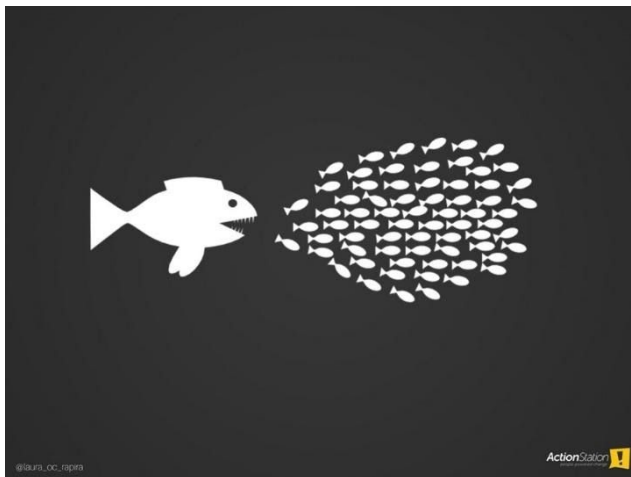
By way of a conclusion: "where to from here?"

- First and foremost, act on WEAG's findings about income adequacy and poor delivery
 - Raise benefit rates;
 - Include the In-Work Tax Credit in Family Tax Credit; and
 - Reform delivery.
 - Just waiting until we get an announcement before the budget. I'm sorry, it's not good enough.
- And then move on to those three areas that I've talked about, where I think we could usefully extend individualisation:
 - Redesign components of benefit package to at least lessen the cost of being deemed to be in a couple relationship;
 - Extend ACC to cover incapacity to work due to ill-health/disability; and
 - Establish a payroll-levy funded national redundancy scheme.

Taking Action

1. Laura O'Connell Rapira (ActionStation) - Taking action for effective change: the tools and the successes

Anyone that has seen me present knows that I love this fish graphic. These fish can be seen as some of the big problems in our world: climate breakdown, economic inequality, enduring racism etc etc. And it can often feel like we're all fish going in all different directions, trying to solve it in our all different ways. And those big fish, those big problems are winning. ActionStation's work [is focused on] how we can get those fish moving in the same direction, so that we can tackle those problems together and build those solutions and those alternatives together.



I was invited here to talk about taking effective action for success. And I want to preface my talk by saying that we are not yet successful. As we have heard today, we do not have a radically transformed welfare system and there are still too many people in our country who are not doing well in our current economic system.

But today, I'm going to share with you some lessons and insights from experiments we have been doing over the past 12 months in collaborative campaigning. In the hopes that some of the lessons may be transferable to the work that you do. It's also an invitation to you to be a part of the collaborative efforts that several of us are undertaking over the next few months, in terms of working to effect change in our welfare system.

CHILD
POVERTY
ACTION
GROUP



New Zealand Council Of
Christian Social Services



For the last year ActionStation has collaborated with these wonderful groups. A lot of us were already collaborating out of necessity. We are all small, under-resourced organisations that, sort of, have a shared vision and different skills sets, so it just makes sense for us to collaborate.

But some of those collaborations also came about because of the insight of some funders. For example, Child Poverty Action Group and ActionStation have been funded by a generous person to work together over two years. And another funder has funded a group of NGOs to work together to try and get more of the welfare recommendations across the line. As well as us collaborating because of necessity, it's also been brought together with a little bit of resource behind it. The reason I say that is because that resource can make a really big difference for turbo-charging the impact of our collaborations.

(Anyone that has a lot of money in the room, keep doing that please, thank you!)

The way it started is, about four months ago, we got a call from this funder which said “Can you five NGOs, give us a proposal of some work that you could do together over the next three months to try

<p>COLLABORATION COORDINATOR</p> <p>A person who supports collaboration to happen through coordination and communication.</p>	<p>COMMUNITY + DIGITAL ORGANISING</p> <p>Training volunteers to meet MPs about welfare reform, an 8,000 strong petition + letter writing.</p>
<p>INSIDER ADVOCACY + GALVANISING EXPERTS</p> <p>Lobbying and the CPAG Summit.</p>	<p>MESSAGING AND MEDIA</p> <p>Tested messages that persuade New Zealanders to support welfare form + lived experience driving the media agenda</p>

and get more of the WEAG recommendations across the line? Because we see this window of opportunity for influencing change". We got back to them and we said, "Yes, we'd love to, here are some things we'd like to do".

The first thing we wanted to do was hire a collaboration coordinator to work externally to the collaboration itself. This is loosely based on the collective impact model (basically an idea that someone external to the people who are doing the mahi facilitates the process of collaboration because it's very difficult to facilitate a good process of collaboration if you're wearing your organizational hat).

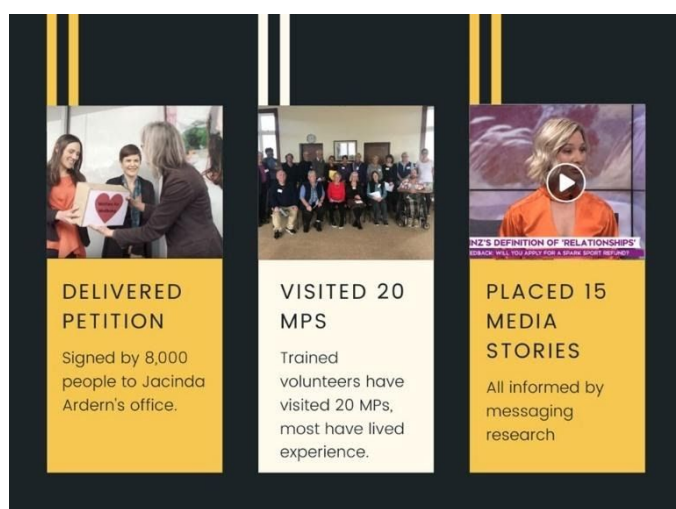
We hired someone who worked for 20 hours a week, over the space of three months to support our collaboration to happen. She would have one-on-one conversations with people from the different organisations, facilitate group discussions, and then she would ensure there was continuous shared communication between the various groups in a way that was light-enough-touch that it didn't overwhelm the organisations. That went really, really well.

The other thing she was able to do was to spot moments for collaboration because she was talking to each of the groups individually, so she could say, "Hey you're doing this, you're doing this, you should work together on that", so that was really great. I certainly think that having collaboration coordinators who sit out outside of those collaborations can be a really effective model for the future. This is something that ActionStation is likely to keep experimenting with going into the future.

We also wanted to focus on community and digital organising. At that time, Child Poverty Action Group and ActionStation already had a petition calling for the recommendations and the Welfare Fit for Families report that CPAG had previously created. We focused on making sure that the petition delivery was a really momentous occasion that got a lot of media coverage. Because obviously, if you're generating media coverage, it's a way of shifting the Overton window.

For those who don't know the Overton window: basically, anything that's within the window is what is politically possible to get across the line. So, 30 years ago, marriage equality would not have been possible within the Overton window. But because of the work of activists and academics and queer people pushing and pushing and pushing we moved from homosexual law reform, to civil unions, and then to marriage equality. So, little by little, all those things shifted the Overton window.

For us, driving the media agenda isn't about trying to get ActionStation's brand out there, it's about trying to shift the Overton window so that we create the political conditions in which it is more possible for people like Jan



Logie to increase core benefit levels in Budget 2020.

What ActionStation did alongside organising a really kick-ass petition delivery, is that we also trained up volunteers all around the country. We're trying to build a community of practice and train them to have the skills to go and speak to MPs about the need to support welfare reform. We had eight workshops and then from those people, 20 have gone on to visit their MP. Those trainings were informed by some tested messages that The Workshop had put together. What we had was a trained group of (mostly) people with lived experience of the welfare system going and speaking to their MPs about the need to support welfare reform, all around the country.

Alongside that, we also had a focus on the inside track, which is the lobbying and advocacy work that many of us will be familiar with in this room as well.

Through our combined efforts we managed to place 15 different media stories, all of which were informed by the messaging research that The Workshop had conducted for us. The Workshop worked with UMR to test a message they created by using messages that had tested well in the UK, as well as their own knowledge from New Zealand. They tested five different messages on groups of 1000 people each through online survey. There were two messages that tested really well. One is this one here [see below]. And another one makes the links between the harms of poverty on people's mental wellbeing. I think there's consensus in New Zealand that more needs to be done on mental wellness so it makes sense to me that that had resonance with folk.

The first one said "We all want children in New Zealand to experience a thriving happy childhood but too often that doesn't happen, despite parents' best efforts. We've had a long period of low wages and high housing costs. At the same time people in government have underinvested in key services that help the lowest income families, like public housing and income support. Instead governments have prioritised policies that help the already well-off, including property speculators. As a result, too many parents are under-resourced, over-stressed, and unable to give their children real opportunities to thrive. Most families in poverty have housing costs that take up over half of their income. More than half of children in poverty have a working parent. The government can release the pressure on families and children by providing good public services to all families with children and by increasing benefits, which can unlock opportunities for those doing it the hardest."

TESTED MESSAGE

We all want children in New Zealand to experience a thriving, happy childhood. But too often that doesn't happen, despite parents' best efforts.

We've had a long period of low wages and high housing costs. At the same time, people in government have underinvested in key services that help the lowest-income families, like public housing and income support.

Instead, governments have prioritised policies that help the already well-off, including property speculators. As a result, too many parents are under-resourced, overstressed and unable to give their children real opportunities to thrive.

Most families in poverty have housing costs that take up over half of their income. More than half of children in poverty have a working parent.



The government can release the pressures on families and children by providing good public services to all families with children and by increasing benefits, which can unlock opportunities for those doing it hardest.

For those who aren't familiar with the science behind the tested messages: what you're trying to do with these tested messages is you're trying to persuade people who are not already like us. How can you tell stories and present messages that persuade the majority of people, the people in the middle?

If you want to read more about this research, The Workshop have a [paper](#) on it on their website where you can read in much more detail than I can present here today.

The first is that it starts with a vision, and I think that's really, really important. You've probably heard it a lot of times before, if you've ever been to any of The Workshop's presentations or a Common Cause presentation: the Left progressives are not very good at leading with vision. They are very, very good at policy, but not so good at leading with vision.

So, this message starts with the vision and that vision is quite concrete: children should experience thriving happy childhoods. And then it starts to name barriers, and then it talks about the causal story of why we currently do not have that vision. It talks about it in ways that people can understand and relate to: the long period of low wages and high housing costs. Anyone that has been around for the last 30 years or 20 years has experienced that, so they know that.

I like to think of causal stories as whakapapa stories. Because what you're essentially doing is, you're telling the whakapapa, or how we have ended up with the economic system that we have today and why people are so poorly served by it.

The other thing that works well in this message, is that it names the agents. It names the people who have caused the problem, and the people who have the ability to fix the problem. That's really, really important because when it comes to persuasive political messaging, you need to be able to talk about who is causing the problem. If you don't do that, it leaves people thinking that perhaps it's a natural phenomenon that just occurs like the weather. So, naming the agents is really, really important.

Then it goes on to use the metaphors of releasing the pressure on families and children and this is really a very powerful metaphor. The imagery in people's minds is of families feeling the squeeze, families feeling under a lot of pressure and the government helping release some of their pressure by making these very common-sense changes. So, this message tested really well with persuadable audiences.

I really recommend reading The Workshop's [report](#).

[When the messaging came out] I was just like, "Thank goodness, give me the research, I'm going to go on our RNZ tomorrow and read what you tested". And so that's what we did. Morning Report is listened to by half a million New Zealanders, so if you're going to be speaking to that many you probably want to make sure that what you're saying is tested. I also wrote an op-ed for the Spinoff telling the story of my own lived experience of my mom being on welfare for the first seven years of my life. I wove in the tested messages into what I wrote.

I'm only starting to experiment with how much we can do with these tested messages. What I'm interested in is if all of us are doing these experiments, how many other channels can we get those messages out through? I'm thinking videos and other channels of distribution, and other forms of content.

NEW ZEALAND
Free lunches for kids scheme not bold enough - ActionStation
11:21 am on 30 August 2019

"The lunch in schools programme is another initiative that will contribute to the government's pledge to reduce the impacts of poverty on children and make New Zealand the best place in the world to be a child," she said.

However Laura O'Connell Rapira, director of the social justice group ActionStation, told *Morning Report* while it's a really good start, it's not bold enough.

"I'm all for kai for kids, I think it's really important to make sure that all of our kids in New Zealand have a full belly so they can learn while they're at school but the truth is, in New Zealand we've had a long period of low wages, eroded benefits, high housing costs and rising food prices and at the same time people in government have underinvested in key services that would actually help low-income families."

Income support and public housing are among these key services, she said.

Ms O'Connell Rapira said the government needs to implement the recommendations made by its own Welfare Expert Advisory Group like raising benefits.

"Unless we are willing to make sure parents aren't in poverty, we are going to see children in poverty."

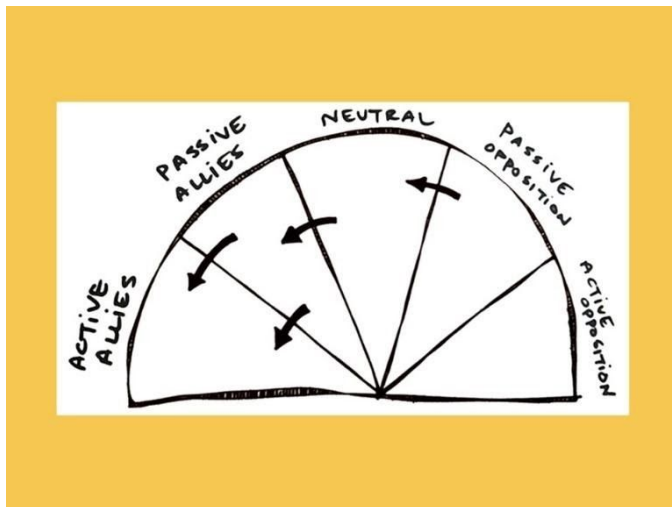
How Ruth Richardson's Mother of all Budgets is still f*cking us today
Laura O'Connell Rapira | Guest writer

The 1980s marked the beginning of a long period of low wages, eroded benefits, rising food prices and high housing costs. For my entire life, people in government have under-invested in key services that help the lowest-income families, like public housing and income support. Instead, successive governments have prioritised policies that help people who are already well-off, property speculators the obvious example.

A recent *Herald investigation* found that the hands-off approach to housing of successive governments has resulted in property speculators making an average of \$70,000 a sale, sometimes without doing any upgrades.

Meanwhile, most families in poverty have housing costs that take up over half of their income. Seventy-four per cent of families in poverty put off a trip to the dentist, while 77% can't afford an unexpected \$500 expense.

As I already mentioned, the goal is to convince people in the middle space. Messaging should engage your base (which is us, the people in this room), it should persuade the middle, and it should alienate the opposition. Some people feel uncomfortable about alienating the opposition because they want everyone on board. But my perspective is that if you're saying something everyone agrees with, you're probably saying something so high level that you're basically saying nothing.



"Everyone should have a nice life" is easy to agree with, but if you say "everyone should have nice life and the way to achieve that is to radically redistribute wealth", then you lose some people, right? Ultimately those aren't the people that you're trying to convince, it's everyone else.

I actually find this really hopeful, because most research shows that 10-15% of people really staunchly

agree with us, 10-15% of people totally don't agree with us, and the rest of people are in the middle.

I find that really helpful because in this age of social media, we are like, "Oh look at that horrible thing that person is saying", and you want to go fight them. But they're not necessarily the people that you're trying to convince, it's the people reading the comments, right? So, focusing on the people in the middle has bought me a lot of reprieve.

One way you know that your message is working is when your opposition starts to share it. This is another thing that progressives and Lefties are quite bad at. We often share our opposition's messages. I don't know about the rest of you, but my news this morning was full of Israel Folau. That's not helpful because although you may think that your commentary over the top of theirs cancels out their message, it doesn't. You're just sharing their message to people that haven't yet made up their minds.

If we only have a limited amount of people's attention, why would you use that time to share our opposition's message. We should be sharing ours. And so, one way you know the message is working, is when your opposition shares it. Chris Bishop shared the article



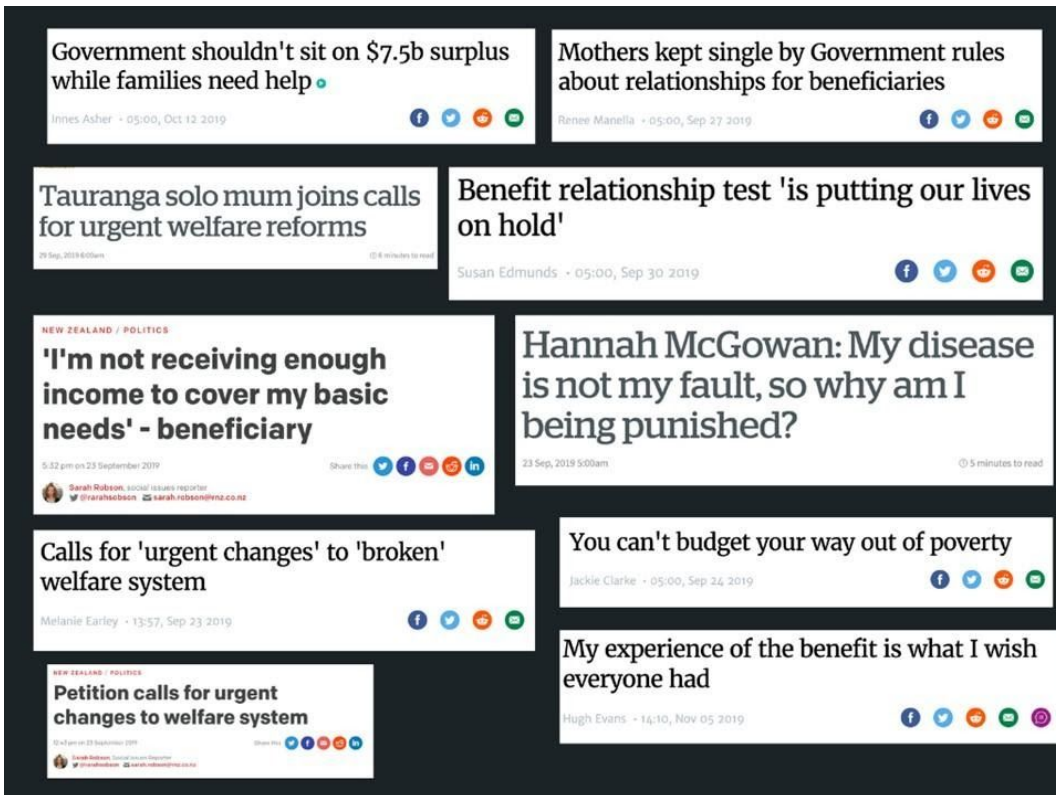
that we wrote for the Spinoff and I took that as a great success.

We also worked with the lovely Sam Orchard from We Are Beneficiaries. Sam put out a call asking for people to share their stories and their experiences of the welfare system. Then someone shared their story about how their experience of being on the welfare system was great. He was trusted to try and get his business off the ground and he was given the time and space to make that happen. He's a straight white man. We thought we'd like to work with that person to get that story placed in the media so that it increases the reach. So that's another example of a collaboration between multiple organisations.

The graphic is set against a yellow background. On the left is a purple box with white text: "SHARE YOUR STORY", "message us with a few sentences about your experience on a benefit OR what you wish for our welfare system", and "#WEAREBENEFICIARIES". A large black arrow points from this box to a brown box on the right. The brown box contains the title "MY EXPERIENCE OF THE BENEFIT IS WHAT I WISH EVERYONE HAD." followed by a handwritten-style text story and a cartoon illustration of a man with a beard. A second large black arrow points from the brown box down to a white social media post at the bottom. The post features the title "My experience of the benefit is what I wish everyone had", the name "Hugh Evans", the time "14:10", the date "Nov 05 2019", and icons for Facebook, Twitter, Reddit, Email, and Messenger.

The other really great thing about five NGOs collaborating means that when we collaborate and come together our ability to get media increases. When I say we placed 15 different stories in media, that was only made possible because of the collaborations between Child Poverty Action Group, FinCap, ActionStation, AAAP, and We Are Beneficiaries.

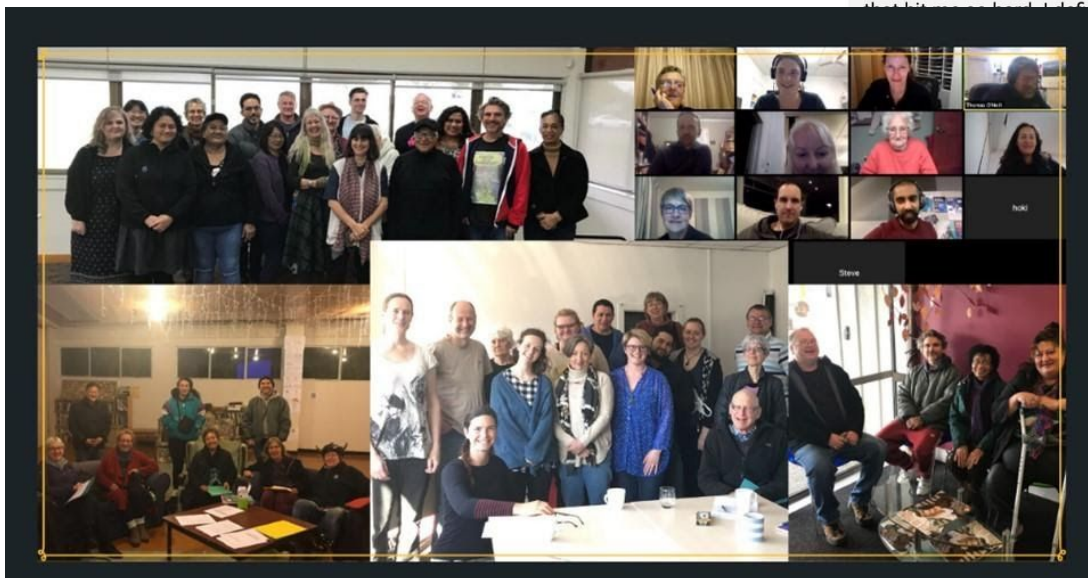
We were able to drive the media agenda from a range of different angles. And what's good about driving the media from a range of different angles is that you have quite a lot of feedback instantaneously in the comment sections, and also from commentators about what messages are resonating with people and what messages aren't, so that you can then make decisions about what angles to keep trying to push or what angles are missing.



That's been working really for us, and that's going to be a core focus for our collaboration going forward: working together to drive the media agenda from a range of different angles, including unlikely messengers and people with lived experience.

I saw this comment on Facebook which I really loved: "This pairs really well with the opinion piece by Jackie of The Aunties which was released last week". And what I love about their comment is that to them it seems very organic, but behind the scenes it was highly coordinated, so I think that there was a sign of success as well.

This pairs really well with the opinion piece by Jackie of Aunties that was released last week. I have been out of money but never poor and the reality of poverty is something I am only learning about through the experiences of others. The fact that you state so well here, that we buy eat my lunch but won't give people money to live on... that hits me hard but I'm definitely



These are some photos of the lovely people that Ruby went around the country to train to talk to their MPs about the need to reform our welfare system. Now what we've also done is we've built this tool, which enables people to email their MPs to talk about the need to support the WEAG recommendations and rather than emailing this to the MPs, we are actually printing them out and sending them as letters because we want to get them across the desks of MPs and ministers because they have to sign the reply letter.

It's also a way that we can bring these group of volunteers back together (folding letters and stuffing envelopes is a low bar way to stay connected, but it keeps people connected and working towards the kaupapa). Because what we're trying to do is also to give people a community where they can take action because action in isolation is not great. Whereas working with people is much nicer.

So that's what we've been doing for the last three months and what we're going to be focusing on for the next five months in the lead up to the Budget We are going to be focusing on driving the media agenda using lived experience and expert voices based on those tested messages.

One thing I want to add to that though is, this time around we're going to have funding to provide care and support to people with lived experience sharing their stories in the media. Because one of the things that we've learned from the last three years of driving the media with mental health stories or sexual health stories is that it's really important to provide care, and it's not enough to point them to underfunded services. So this time around, we are lucky we got a little bit of funding to be able to provide support to those folks in the form of supervision or counselling or advocacy or whatever they need. We're going to be providing a lot more return support to the folks who are so courageous in sharing their stories.

We're also going to be focusing on community organising, training volunteers to have persuasive conversations online. Some of you may have seen that ActionStation have been running a program called Tauwi Tautoko where we train non-Māori to challenge and address racism in comment sections online through a pretty comprehensive 10-week long program. After that they are expected to do one hour a week of going into comment sections.

We are going to be doing the same thing, but a shorter, more succinct version of that training around welfare. And the idea is it's a way for people who don't necessarily



have lived experience of welfare (and of course, people with lived experience are invited to as well) but a really key part of the program for us is lifting the burden of work off those with lived experience onto those who don't in a way that's helpful and informed by their voices. So, we're going to be running a smaller version of that for volunteers to go and have persuasive conversations in the comment section to defend the right of people on benefits. Because as all of us have seen, there's a lot of ugliness out there and that needs to be challenged. It's also a way for us to be protecting the people who we're asking to share their stories in the media. It's a layer of protection to say, "Yeah we're asking you to share your story, but we've got this cavalry of people who are really to have your back when the comments inevitably turn ugly".



We're also working with Child Poverty Action Group to create a video which will be coming out on Mother's Day. I won't go into detail about it because I've run out of time. FinCap are also going to be leading some work to cancel out the economic arguments against increasing welfare and providing the media with a new and different angle to cover.

That's some of the work we're doing over the next little while. If people are interested in collaborating, I would love to have a conversation with you. And I just want to reinforce the call to action that Ricardo said earlier about the [open letter](#): we are looking for individuals and organisations to sign on to that open letter which is about individualising benefits. I really appreciate your support on that.

2. Khylee Quince - Next steps, where to from here? Galvanising action points and priorities

Between Len Cook and myself, we will provide a wrap-up of what happened today and what we heard. I like the fact that this session is called “galvanising action points and priorities”. Galvanising means to shock or excite people in action. So it's really great that we finished with my friend Laura O'Connell Rapira giving us some tools for how we might activate our call to arms in this kaupapa.

Innes Asher provided a good framing question for the day, which was: "What is it that we need to do now to give the Government the confidence to take the urgently-needed, bold steps both to make change?" And Innes finished that question with, to make change to implement or enact the recommendations of the Whakamana Tāngata report. But actually, some of what we heard today went above beyond that. So, I'd say it's inclusive of the Welfare Expert Advisory Group report, but also beyond that.

I'll talk for a few minutes about what I saw and identified as the common themes to draw from our presentations today. Feel free to give me a grade at the end!

First thing, starting with our friend, Judge Becroft. I'll do a very short summing up and then talk about some particular action points that were identified by our speakers as I understood them. Jump in if I didn't appropriately synthesise those understandings.

The 'New Zealand specific vision'.

Judge Becroft, I think really appropriately, talked about making this 'New Zealand specific'. Laura again, talked about the messaging starting with the vision, and so did Judge Becroft. So that was nice to start and finish at the same point - which is to have a vision, but to have a vision that is New Zealand-centric. This is about New Zealand, about our particular people and values that are important for us and our road ahead.

Hold the Government to account and lead them to make change

Hold the Government to account for current obligations and lead them to make change. So that's two different things. One is for us to hold the Government to account for what is already there: they do what they're supposed to do. But it's also for us to lead them in terms of that New Zealand-specific vision.

Whakapapa

Whakapapa is another theme. Obviously, I talked about that. But whether it was in Te Reo Māori or Te Reo Pākeha, it was a common theme throughout the day. The idea of connectedness, the idea of respecting dignity of people, to connect with others, to connect with communities and ways that are meaningful to them, the acknowledgement of the dignity and mana of all citizens, the relevance of

acknowledgement of the inherent dignity of people to positive life pathways, and meaningful participation. These were commonly repeated themes throughout the day. Wellbeing and social capital, all [of which are] extremely important.

Starting with the right values

If we start from the right values; the Minister referred to that, she started talking about a 'fit for purpose system'. But that begs the question as to what those purposes are, what are the values that should be driving this? She talked about that really, in terms of a timeline - I think it was really on the never-never, sort of four-to-five years wasn't it? It's re-jigging the foundation.

So again, we could be leading that. What are the values that we think we should be evaluating a system against? And again, it was an ongoing thing. What is fair? What do we think is a functional happy, healthy life for people to be living, whether on welfare or otherwise? If we start with the right values, that underpin our system of welfare, that's a good start, right? That forges positive whakapapa, positive connectivity between citizens, and our community.

So, what do I take from the sharing today as to what those values might be? **Inherent dignity** was the first one. The second value, the provision of **adequate support** to enable that; to recognise inherent dignity. So, adequate levels of benefit support and income. The third thing - the **valuing of unpaid work**.

Thinking about work generally, about participation, whether it's paid or otherwise, whether you are looking after children, whether you are volunteering. It's actually just participation in the community - not whether it's for money or otherwise. That's what's good for people's mental health and wellbeing. So, 'valuing of unpaid work'.

Another common theme was, the idea of **choice and flexibility**, to recognise changing economies, changing patterns of work, recognition of the Treaty relationship, and the ongoing impact of **colonisation** and the relationship that those phenomena have to poverty and marginalisation. So those are some of the values I thought might under pen the sort of shift in foundation.

What do we do next?

How do we action those values? In other words, what should we do next? First thing again, something that's not particularly radical at all in terms of holding people accountable for what is already there, is: 'ensuring that people receive their entitlements'.

Culture change needed

Barriers to that include the shift in culture change at [WINZ] and at MSD. So that, as several people mentioned, particularly Moira [Lawler], John [Zois], Ricardo [Menendez March], this idea of addressing the fear, judgment and the takahi of the

mana of people that turn up in their interactions, their appointments and investigations with WINZ.

So, culture change to change those interactions, those particularly the kanohi ki te kanohi - the face-to-face interaction - so that people aren't fearful of open, engaging conversations with those people.

Raise benefit levels

Second thing to action, of course, just straight out - raising benefit levels. That was clear across the day - lift the basic level.

Reform the delivery process

And as Michael [Fletcher] mentioned, reform the delivery process. Flexibility - this came through with Susan [St John] Janet [McAllister], Moira, John, Ricardo and Michael - flexibility and the calculation of entitlements. So, some quite specific recommendations in relation to the Accommodation Supplement for example. Disentangling different things: individualisation of entitlement, and the untangling of Accommodation Supplement from people's income so it's not tagged to housing specifically.

So again, that theme and the actions that could come from the theme tended to point towards a common theme of 'review, simplification and prioritising of benefits'. The classification approach several people referred to.

Boundaries between transitions and a 'whole-of-government approach'

A couple of people talked about the boundaries between transitions. So whether that was transitioning from homelessness to being in a home, transitioning from moving into work from being out of work (and vice versa), transitioning into relationships and out of relationships, we need better connectivity between the processes and agencies that are there to facilitate those transitions.

So those are much bigger picture, 'whole-of-government' approaches if you like. And Bill [Rosenberg]'s mention of the three-legged stool, in terms of the joined-up responses between industry, policies, laws, and state capacity to do those things appropriately.

Data

Another big theme is: 'How do we know what's happening?' It was quite obvious to me that a lot of the data we looked at on through the day, some of the data that was sourced was more than 10 years old. So better data and more recent up-to-date data is really important. And data gaps. I remember Judge Becroft talking about data on household levels of income for example. That's obviously predicated on people being in a 'household'.

Re-visioning the social contract

One of the things I wanted to say about valuing people, there also seemed to be some appetite for really re-visioning the social contract. The language and values upon which our system is based. So, if we want to go back to thinking the language and philosophy of the 1938 legislation, for example: are we talking about Social Security or are we talking about the post-Mother of all Budgets very bare minimum safety net philosophy? What is it that we think is that we think is fair?

I was reminded of something Tui Ah Loo of PARS said recently. This again pegs back to what I was sharing about the distinction between mana atua (as your birth right) and mana Tāngata (as to what happens during your lifetime which is dynamic and goes up and down as your life experience goes up and down). Well Tui Ah Loo talks about this idea of everyone being born with a credit card with a certain amount of credit on it. And that credit really determines our ability to navigate life, to organise ourselves, but also to transact with others. And that's from birth right through to your entire lifetime. And the less credit you have, obviously, the more those abilities and competencies to navigate and to live healthy functional lives are compromised.

Conclusion

As people were talking, I was reminded of another young man. One of my clients is due to be sentenced in Manukau District Court tomorrow. He's 18 years old. I went to interview him and his whānau on Wednesday of last week. He is looking at a six-year lag for very serious criminal offending. I went to visit him and his Mum and several family members in the emergency housing in which they were placed, which was - his mother told me - costing \$2500 a week for a very, very average town house in Manurewa, which is not one of the 'salubrious' suburbs of Auckland.

Everything about this young man's life was characterised by poverty: material poverty, and social and cultural poverty. He did not know his birth father's last name. He came from the same tribal area of South Hokianga as myself but he had never been there. He was born and raised in raised in Manurewa and I asked him if he had ever been to has marae and he said, "I've never been across the Auckland Harbour Bridge." 18 years old, and that's 30 minutes away.

So, his entire life has been characterised by disconnection. Early disconnection from school, no relationship with grandparents, cousins or wider whānau. His life was incredibly small, physically small, so his credit card was nowhere near in credit. And to explain that to the judge, about the limitation of all of those characteristics in his life was really quite heart-breaking. I finished my report to the judge, which will be heard tomorrow, by saying, "If this young man is sentenced to prison, which he is highly likely to [be], he is likely to be sentenced to serve that lag in Ngawha (because of security classification) which is Kaikohe, which will be his first journey into our tipuna whenua - into our tribal territory. And that is an absolute disgrace that we have allowed the lives of people like that young man to be that small and to be that affected by lack of opportunity because of his family's disconnection from pro-social identities in a number of different capacities."

So that's a cautionary tale, if we don't get this right, then that's where those children are likely to end up.

Exciting work, so very much looking forward to see how we can use some of those tools, particularly the messaging that Laura spoke about. The challenge is on - karawhiua! Go for it!

3. Len Cook, CBE - Closing Remarks

Len Cook, CBE, was invited to close the summit. He reflected on the day and highlighted the following points:

- We had an extraordinary mix of presenters who are right at the sharp end of thinking. Not only in terms of the knowledge we have about ourselves as a society, but also how it fits with people's lived experience.
- As a public servant, Len read Kathryn's Story and was "embarrassed to read a piece of work about how government could function." Pieces of work like this bring a deep analytical understanding and draw attention to the importance of the knowledge we have.
- We have the knowledge base to make monumental changes to our society. We have more knowledge about our society now than Michael Joseph Savage and Norman Kirk, Keith Holyoake and Rob Muldoon.
- We no longer have a sense that the government is the central knowledge base about ourselves as a society. We need to make the State much more accountable for the non-use of evidence. Organisations like CPAG play a critical role in that; challenging how we think.
- How we operate with policy frameworks can be more important than the frameworks themselves. There's a "capacity to distort and mis-manage our relationships with citizens" so that "the perverse effects of policy can be completely amplified by the way in which that policy is delivered".
- We have gone right back to the 1950s for abatement rates of income-tested benefits, this is a return to when Len's grandmother lost a pound for every pound she earned.
- Public servants manage processes and decide if people meet criteria. By judging people's means (marital condition, work relationship, how they use resources), we have turned the state into "an incredibly intrusive body".
- The benefit-to-work connection is important; it has framed our society since the workers wage of 1893, for better or worse (it hasn't helped women work, or the tax system).
- We've created a lot of myths; one of them is that effective marginal tax rates are tremendously important for people at the bottom in terms of incentives, but at the top they're quite low and don't really matter.
- We've got data and experiences, but connections are made in different ways. What happened in the past still lives with us. In the 1970s, when we put one in fourteen Māori boys into the care of the state, Māori children under 15 were half the Māori population - and the group we put in was double the size of the previous one.

- When we talk about legitimacy, connections and history, we have to understand where people get their knowledge and ownership from. Today's young mothers might not have experience dealing with Oranga Tamariki, but their grandmothers or great-grandmothers would have (because in the 1970s, the rate of association was so high).
- Māori demography and the demography of the New Zealand population as a whole is dynamic.
- Ideology is important. The best articulation of the ideology of the individual was Mrs Shipley's code of social responsibility; the best manifestation analytically was the social investment model that Minister English supported. Now there's predictive modeling in New Zealand public agencies.
- The issue of respect and trust is critical, as well as how we withdraw trust. People have to trust the system they're in - but how do we withdraw trust? It could be through civil disobedience. The Springbok Tour and Bastion Point led to fundamental change; by putting pressure on the police to uphold a political choice, we ended up with an independent police complaints authority.
- We haven't got an independent body in the welfare area to review penalizing decisions made on individuals by public servants. In almost any other field, these decisions would be made by a member of the judiciary. We should have at least a judicial oversight.
- You can challenge legitimacy, and you can challenge knowledge. One of the critical things about today is building up a richness in the ability to challenge.
- We shouldn't be surprised about the Oranga Tamariki uplift. We forget about the "inherent meanness in our attitude to the New Zealand public". In the 1950s-70s we took about 87,000 babies off teenage mothers into enforced adoptions. This is our history. We've put people in mental hospitals. When Māori soldiers came back from the Second World War they weren't allowed to join the RSA.
- One of the disappointing things is the inertia that information seems to give people. We are at risk of political and analytical inertia: "However many ways you weigh a pig, it's still a pig".
- Onora O'Neill, a British philosopher, said, "To be accountable is not merely to carry out a range of tasks and obligations...it's also to carry out a further range of second-order tasks and obligations to provide an account of...". In other words, whatever we do, we need to be overseeing.
- Tamariki should be able to have a good period as tamariki - and that should be an important mantra. Turning tamariki into pakeke too young is a "disaster for our society and for the individuals".
- We need to keep putting things in the face of the public. This isn't a private gathering of right-minded people - it's a way of accumulating something to fire off next. The capacity to do things is really important.

CPAG resources

Summit Proceedings

CPAG Summit 2015, [Welfare fit for families](#), Proceedings.

CPAG Summit 2016, [Investing in children](#), Proceedings.

CPAG Summit 2017, [Beyond Social Investment](#), Proceedings.

CPAG Summit 2018, [Rethinking the welfare system for the 21st century](#), Proceedings.

Working for families

[Will children get the help they need? An analysis of effectiveness of policies for children in the worst poverty in 2018](#) (May 2018)

[Progressive universalisation of Working for Families](#) (March 2018)

[Priorities for family income support](#) (June 2017)

Welfare system reform & inadequacy of welfare benefits

[Relationship Status and the welfare system in Aotearoa New Zealand](#) (July 2019)

[The Accommodation Supplement: The wrong tool to fix the house](#) (May 2019)

[The further fraying of the welfare safety net](#) (Dec 17)

[Barriers to Support: Uptake of the Child Disability Allowance in Otara](#) (Nov 2016)

Benefit sanctions

[Benefit sanctions and children: an urgent need for greater clarity](#) (Sept 2014)

[Benefit Sanctions: Children not seen - not heard](#) (June 2014)

[Benefit Sanctions: creating an invisible underclass of children?](#) (Oct 2013)

Relationship status in the welfare system

[Kathryn's Story: How the Government spent well over \\$100,000 and 15 years pursuing a chronically-ill](#)

[beneficiary mother for a debt she should not have](#) (June 2016)

[The complexities of relationship in the welfare system and the consequences for children](#) (Dec 2014)

Budget

[2018 CPAG Budget Analysis](#)

[2019 CPAG Budget Analysis](#)