



Community Speaker Comments: Our Children Our Choice: Priorities for Policy Wellington Launch

Presentation by Graham Howell
Spokesperson for Benefit Rights Service
St Johns, Wellington CBD, 9 September

The Elephant in the Room

I was asked to speak for five minutes based on my experience at the coalface, as a benefit rights advocate.

We see hundreds of clients a year, and have done so for many years. The over-whelming impression is of appalling bullying and shaming of beneficiaries by case managers and service centre managers. This process is driven from the top – the Ministers of Social Development. This has been the case for decades.

In my presentation I pointed to two areas of concern about service delivery by Work and Income and I also spoke about material disadvantage. These notes also address some other matters, such as a way forward.

Debt already owed to Work and Income impacts on how further requests for short-term hardship assistance is dealt with. The delivery of on-going hardship assistance by Work and Income is abysmal.

Debt to Work and Income and loan sharks

If a beneficiary has a debt to Work and Income of about \$2,000¹ – the cost of bond if you have needed to shift – they will be told by 0800559009 contact centre staff they have no entitlement even if faced with disconnection of power or the washing machine or fridge needs to be replaced. If the mother or father is brave enough to approach the service centre

¹ Most debt to Work and Income is from what is called an Advance of Benefit. The Social Security Act permits loans (advance payments of the benefit) if this is deemed the most economic way to meet a need. The Minister has provided a "directive" (guidelines to assist with the implementation). Those guidelines have progressively narrowed but still permit assistance if it is "immediate and essential". But it has caveats that if the existing debt is six times the weekly main benefit an advance will only be paid if the need is "exceptional". The meaning of that word in the minds of case managers and service centre managers is becoming more and more narrow.

after this advice they will be shamed into describing why they did not save for the replacement washing machine or fridge or asked, as they knew the power bill was coming, why they did not put money aside. This process is deeply disturbing for someone already under stress. It is little wonder therefore that people go to loan sharks.

The smiling loan shark will give the money, and in human terms this is better than the shame and humiliation.

On-going hardship assistance to the poorest in our land

I presented two tables. The first showed the take-up of the third tier form of hardship assistance, **Temporary Additional Support (TAS)**. The data is what MSD say are the numbers eligible but not getting it. The statistic was from June last year was 58%. Only small improvement has occurred since – it is now about 60%. In some parts of the country, the rates are below 40%. The figures also show a statistical significant ethnic disparity.

58% is disgusting. TAS is controlled by regulation. The figures are MSD's and are based on known information about beneficiaries. 33,000 households are missing out. This is about 50,000 children. And I estimate they miss out by more than \$1,000 a year. This shortfall could be fixed tomorrow but we simply do not have traction with the Minister and have not really had any since 2006.²

58%.

Let's translate this measure of delivering government policy in other areas of state provision. 58% immunization.

58% attendance at schools.

58% attendance at periodic detention.

Any Minister and their chief executive responsible for such poor delivery should and would be horrified.

Yet in the eight years since TAS came in, the rates have dawdled up from 30% to 58%. That is very sluggish improvement in public servants doing their job. There is no rebuke because in reality the Ministers have not cared.

Measuring Poverty: Material disadvantage and poverty lines

I mentioned that my concern was not so much academic measures of those below the poverty line, but those facing real material disadvantages.

In this regard I produced to a table, K-2 from Brian Perry's excellent work on income and material disadvantage. K-2 showed percentages of households missing out on basics, like not being able to afford contents insurance, thus use that to replace the washing machine.

More fundamentally K-2 shows:

² TAS was introduced on 1 April 2006. It replaced the Special Benefit. The Special Benefit permitted amounts to be paid based on actual circumstances whereas TAS is controlled by regulation. TAS is both capped (a maximum amount paid irrespective of need) and automatically deducts \$23 from accommodation costs. This deduction (a gap) reintroduced policies imposed by Michael Cullen in 1988. Nevertheless, if the circumstances are known, TAS should be provided but the process of getting and retaining it is very intimidating.

- ❖ Those going cold (staying in bed to keep warm (81%).
- ❖ Not eating well (66%).
- ❖ Not collecting prescriptions (88%).

These are just areas which are basic essentials, not frills. Among my clients the percentages would be between 90 and 95%.

The disconnect, or rather, the connection between missing out on TAS, or being denied a loan from Work and Income is having to go loan sharks to stop the power from being disconnected or replace the washing machine or fridge. Not getting TAS means getting deeper and deeper into debt or depriving the family of decent food, adequate heating, replacing blankets.

Inadequate heating, poor housing leads to child diseases of poverty identified in Our Children, Our Future.

It is not complex social policy issues but basic stuff any illiterate person would easily understand.

Conclusion

Delivering hardship assistance is a fundamental failing of Work and Income and its Ministers – and I mean Ministers – plural.

That failing has been going for many years. I alluded in my presentation to a Minister of Social Welfare of the late 1980s. Michael Cullen was his name. When I was writing my Masters thesis into the fore-runner of TAS – the Special Benefit – I came across his handwritten notes on policy documents to the effect he did not want to alleviate financial hardship of the poorest in New Zealand. He instead set up administrative procedures designed to deny help to those most in need. While some Ministers since have not been as mean-spirited, such as Peter Gresham and on occasions Steve Maharey, the over-arching message from Ministers has been to shame beneficiaries.

To shame beneficiaries.

This has direct results in the attitude from case managers and service centre managers about refusing to help for people needing to borrow to meet an immediate and essential need but being unable to show why they did not save for it.

It has a direct bearing on the appalling delivery of TAS.

It is why many of our clients talk of experiences of intense shame, of sobbing and begging their fellow citizens – case managers – for help for the most basic needs.

Our clients talk of fear. Being fearful about seeking one's legal entitlement is a horrific indictment on how we deliver welfare.

So, I make no apology naming the elephant.

Some ways forward

As for solutions – I did not get the chance to make public comments on Tuesday evening.

Civics: Teaching civics in schools, say at Year 9, is essential. Knowing what it means to be a citizen would actually mean we see ourselves as equals when it comes to citizenship and understanding our fundamental rights and entitlements – we have a phrase at BRS: Full and Correct Entitlement. It applies to implementing the Social Security Act as the right. It is the same as being deemed innocent until proven otherwise in a court. It is that fundamental.

UBI: I am a Universalist. I would love the main benefit system to be replaced by the Universal Basic Income. I have even drafted Private Members Bill redesigning the Social Security Act which I presented once to the Social Services Select Committee. Sue Bradford was prevented from moving it as amendments to the Bill they were considering. (I can provide this if people are interested.)

Targeting is needed in the meantime. We actually need the laws of our land better implemented, starting with making it easier for beneficiaries and those on low wages to borrow from Work and Income, and to get TAS up to 90%.

The advantages of better targeting and civics are very simple:

- ❖ Reduced hospitalisation.
- ❖ Children being healthier once they reach adulthood.
- ❖ Being better informed about rights and responsibilities.
- ❖ Greater chances of attaining success at school.
- ❖ Reduced tension in the home.
- ❖ And many many more