



**AOTEAROA NEW ZEALAND ASSOCIATION OF  
SOCIAL WORKERS (ANZASW)**

SUBMISSION TO THE  
WELFARE WORKING GROUP

ON

REDUCING LONG-TERM BENEFIT DEPENDENCY:  
THE OPTIONS

prepared by Tumana Research  
for Lucy Sandford-Reed  
Chief Executive  
ANZASW  
DX Box WX33 484  
Christchurch

DDI: 03 349 0190 x 4  
Mobile: 027 349 0190  
[Lucysandford-reed@anzasw.org.nz](mailto:Lucysandford-reed@anzasw.org.nz)  
[www.anzasw.org.nz](http://www.anzasw.org.nz)

December 24, 2010

## Our Organisation

Aotearoa New Zealand Association of Social Workers (ANZASW) is a national collective of more than **4,000 social work professionals** who have day-to-day involvement with the most vulnerable people in our society, the vast majority of whom are the target of proposed welfare reforms. Our work is guided by a Code of Ethics that is aligned with the International Federation of Social Workers (IFSW). Our members work at the interface of human interaction with their environment and are well placed to make valuable comment on the implications, and likely effectiveness of, welfare reforms.

WHO is losing their job?
administrators
support staff
sharebrokers
educators
policy analysts
timber industry
miners
engineers
construction industry
meat industry
manufacturing industry
retailers
hospitality workers
social workers
community workers
managers
cleaners & caretakers

## Guiding Principles

Social work is founded on principles of human rights and social justice. We are guided by the Treaty of Waitangi and respect the equality, worth and dignity of all people. As stated by the 1988 Royal Commission on Social Policy, we believe *“social well-being exists when all members of the community have a reasonable expectation of achieving those things which are generally accepted as necessary for a healthy and happy life”*. Our mission is to enable people to develop their full potential, our skill-set is problem solving and facilitation of positive change in individuals, organisations and socio-cultural environments. We recognise the environment contains opportunities for people to be both agents of change and affected by the influences around them. As a profession, we strive to alleviate poverty, foster social inclusion and liberate those who are vulnerable or oppressed. Social work is evidence-based and draws on theories of human development, behaviour and social systems.

## Fields of Practice

Social workers respond to crises and emergencies along with the personal or social problems that arise from encountering barriers, inequities and injustices within our society. Our interventions involve problem solving, development of coping strategies, one-on-one counselling and therapy, family and group work, agency administration, community organisation and helping people to access services, resources and opportunities within their community. We work across government and non-government settings including community organisations, iwi agencies, private practice, youth justice, child protection, mental health, addictions and disability. We are involved in research, training, education, professional development, competency assessment, structural analysis and improvement of social policy.

snapshot of media-reported job losses in the last financial year	
n	where
590	Ministry of Health/DHBs
351	Air New Zealand
114	Pike River
27	Inland Revenue
136	timber industry
150	Ministry of Education
90	TVNZ
400	Christchurch retailers
300	hotel industry
2,700	local government
19	textile manufacturers
45	Mountain Buggies
300	PSA sector
200	ACC
5422	

Who is <b>least likely</b> to get a job?
Māori
Pasifikā
disabled
people with mental health issues
sole-parents/care-givers
youth
young adults
those without skills or experience
beneficiaries

## Our Experience

Insurmountable poverty is the day-to-day experience of people we see. There is no doubt, individuals and families are struggling to cope with New Zealand's rapidly escalating cost of living that, for our client base, means they are not able to buy basic necessities whether it be water, bread, milk, vegetables and meat or medicine, clothing, electricity, house rent, furniture, blankets, phone connections, school fees, car repairs and bus fares. It is not difficult to see the trickle-down effect of recent increases in GST and petrol prices has devastated families. A slight rise in the cost of living, or any unexpected expense, can overwhelm families already living hand-to-mouth, in never-ending cycles of poverty.

Far too frequently, we see:

- mothers and fathers who cannot afford to take their pre-schoolers to childcare;
- primary school students waking up and coming home to an empty house because their care-givers are working part-time jobs without any choice on hours;
- hundreds of rangatahi falling between the gaps - alienated from the school system, forced into makeshift alternative programmes, too young to receive income or training support, too old for pocket money, waiting for any chance to learn a trade, get a job, make something of their lives;
- unemployed youths and young adults applying for the jobs they want to do, then the jobs they could do, then any job at all ... initially optimism gradually giving way to feelings of rejection, hopelessness, low self-esteem;
- good, hard-working people unable to get on their feet again after redundancy or restructuring;
- thousands of people queuing to interview for low-paid, unskilled jobs;
- teenagers and youths struggling to get by, often already burdened with student loan, too ashamed to return home or ask their families for help, overwhelmed with a sense of failure because they couldn't find a way to provide for themselves;
- offenders, unable to get a second chance, slowly drifting back to previous lives;
- refugees, disabled, Māori, Pacificā, sole-parents being more disadvantaged than the rest.

It is difficult, as a social worker, to convince people who are living in poverty to stay positive and keep trying when job destruction rates are increasing, job creation rates are decreasing (Page, 2010) and governments are making it more and more difficult to get training or further education – dumping the Trades Training, introducing the student loan scheme, axing the Training Incentive Allowance, slashing Adult & Community Education, capping student numbers, raising the cap on fees. Various short-term schemes have, over the years, offered some relief - Access, Maccess, Restart, PEP and now Community Max – but these do not provide long term security. In our experience, beneficiaries want to work but the cold, hard reality is there are FEWER JOBS, LESS DEMAND FOR UNSKILLED WORKERS and NOT ENOUGH JOBS to go round.

**Filled Jobs and Annual Job Flow Measures**  
*Year ended March quarter, 2001–09*

	Year ended March quarter								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Number</b>									
Total filled jobs	1,466,380	1,544,350	1,567,570	1,629,050	1,719,150	1,719,720	1,761,960	1,816,700	1,788,210
Job creation	235,550	258,960	206,190	253,900	263,610	231,390	255,440	259,920	223,860
Job destruction	200,050	180,990	182,960	192,420	173,520	230,820	213,200	205,170	252,360
<b>Percent</b>									
Job creation rate	16.3	17.2	13.3	15.9	15.7	13.5	14.7	14.5	12.4
Job destruction rate	13.8	12.0	11.8	12.0	10.4	13.4	12.2	11.5	14.0
Job reallocation rate	30.1	29.2	25.0	27.9	26.1	26.9	26.9	26.0	26.4
Net employment change	2.5	5.2	1.5	3.8	5.4	0.0	2.4	3.1	-1.6

Source: Statistics New Zealand

We do not need the NZ Health Survey to tell us of an association between deprivation and despair. We know about the poverty trap from working in the communities we serve. Living with poverty, joblessness and hardship causes anxiety, stress and depression which eventually leads to sickness and life-long incapacity.

### Our response to WWG Options

Social workers are interested in public opinion about welfare reforms and particularly wish to understand how proposed changes may impact on the wellbeing of beneficiaries. We have read all

	n	% total submitters
academics/social scientists	6	5.31
advocacy group	15	13.27
beneficiaries	35	30.97
Business Round Table/industry	5	4.42
Crown entity	3	2.65
Trade Unions	1	0.88
financial advisers	3	2.65
Government Departments	6	5.31
GPs/health professionals	7	6.19
lawyers	2	1.77
Local Government	1	0.88
MPs/Political Party	3	2.65
service providers	26	23.01
<b>total</b>	<b>113</b>	<b>100.00</b>

**Table 1: Profile of public submitters on the WWG Issues paper (excludes on-line submissions)**

beneficiaries (31%). Submissions also came from representatives of the business industry (4%) including Business NZ and the Business Round Table as well as Trade Unions (1%), Crown entities (3%) and Government Departments (5%).

113 written submissions on the Welfare Working Group Issues paper (Welfare Working Group, 2010a) and note the collective views of at least 2,106 stakeholder groups and 816,443 New Zealand citizens have been represented (almost a quarter of New Zealand's working age population). ANZASW commends the submitters for taking the time to consider The Issues and would hope their submissions have genuinely informed the WWG's process for identification of Options.

We note the majority (74%) of submissions came from groups and individuals with first-hand experience of the benefit system, either as service providers (23%), health professionals (7%), advocacy groups (13%) or

Of submitters who commented on the objectives of welfare reform (n=85), three quarters (75%) said it must be **value based, compassionate, people centred and fair**. They talked of social equity, collective responsibility to protect vulnerable members of society and unconditional support for people during times of crisis or need. ANZASW joins the submitters who have said that social security is a fundamental right in which human dignity is valued and everyone has an equal opportunity to partake in a healthy life. Embedded within this is the notion of respect - respect for those who are sick or disabled, respect for those who give-up their own lives to care for others who are too young or too sick to care for themselves, respect for individuals who are unable to generate an income for themselves. Almost half of the submitters (46%) placed priority on the wellbeing of children and families, urging the need to acknowledge the additional hardship that is faced by sole-parents, and care-givers, as they strive to ensure their children have the same opportunities as everyone else.

ANZASW agrees with more than 60% of submitters who said the single-most important objective of welfare reform is to **address current poverty, prevent further disadvantage and remove the barriers to employment**. As stated in so many submissions - the cornerstone of New Zealand's welfare state is to promote and maintain full employment as a priority goal of public policy. In accordance with this goal, many submitters (64%) talked about the need to:

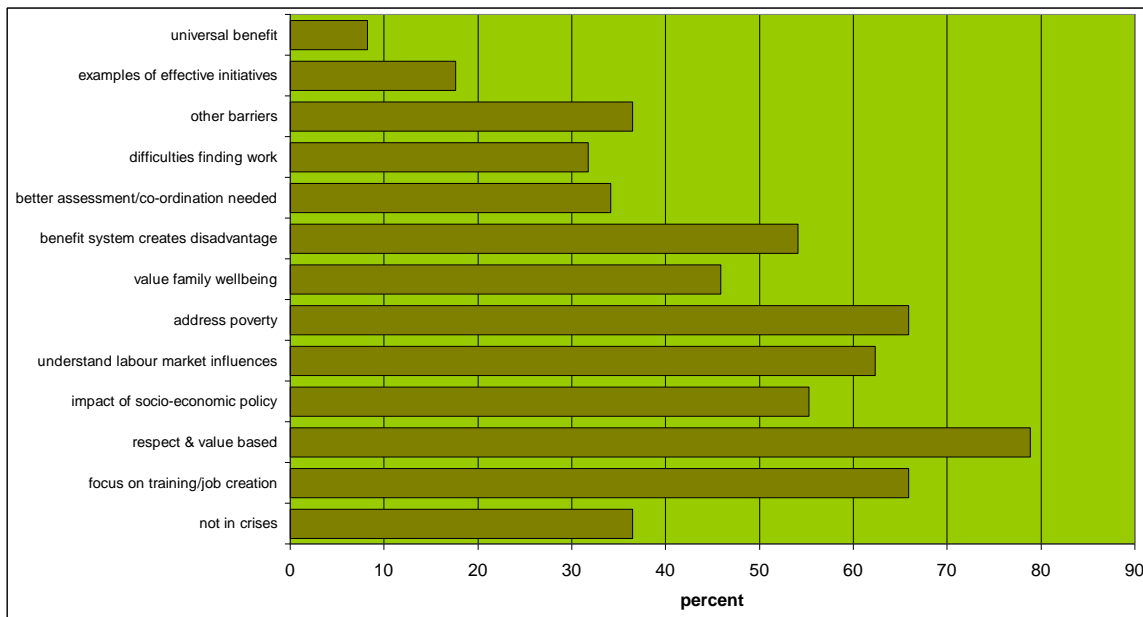
- focus on job creation and alignment of employer/employee needs
- work with local communities to foster regional development
- understand actual experience
- target training/education opportunities towards practical industry/realistic employment opportunities

Most submitters (54%) talked about the WWG Terms of Reference being too narrow, and inadequate, for proper consideration of the Issues or identification of the solutions needed for welfare reform. ANZASW is grateful for the historical information that has explained why today's relatively high rates of unemployment and sickness benefit receipt can be directly, and causally, attributed to past economic reforms (Dalziel, 2010; O'Brien, Bradford, Dalziel et al., 2010). There is an evidence-base which shows:

- the government deliberately abandoned their commitment to a public policy framework that ensured low rates of unemployment in the 1980s
- successive government's have knowingly and intentionally embarked upon economic reforms that would cause unemployment
- such reforms continue to involve various attempts to reduce inflation, manipulations of the exchange rate, extensive overseas borrowing, price freezes and tax cuts, withdrawal from involvement in state-owned enterprise and opening our markets up to greater domestic and international competition,
- since the 1990s, policy changes have aimed to lower the level of welfare income support

Over 60%, therefore, argued the need for welfare reforms to be informed by a broader, more realistic, understanding of the factors that have contributed to, and are associated with, current

patterns of benefit receipt, such as - regional, national and global socio-economic policy, labour market trends, the tax/benefit interface, superannuation, adequacy of benefit levels, overlaps with ACC and beneficiaries actual experience. In this regard, many submitters (67%) talked about the barriers and difficulties associated with finding work but specific qualitative, thematic work would clearly help to inform debate. Furthermore, policy-makers need to understand why welfare reforms have been constructed around the historical platform of 5 inter-related “planks”. No matter which political party happens to be in power at the time, notions of welfare, social wellbeing and social security must involve policies which aim to ensure full employment, adequate income, affordable housing, quality health care and accessible education. Various submitters identified the evidence-base which shows why none of these factors can be considered in isolation from the other four.



**Table 2: Thematic analysis of WWG submission themes**

ANZASW agrees with GPs and other submitters (86%) who identified inadequacies in the current system and felt that this, in itself, contributed to long-term benefit receipt. Many talked about a flawed or inadequate assessment process in which MSD/WINZ staff - including work brokers, case-managers and specialist assessors - did not have the skills and expertise to meet client needs. Appropriate training, personalised care, better alignment and co-ordination of services, flexible client-centred processes, focus on early intervention and clearer policy were among the suggestions to improve delivery. Various submitters (18%) cited examples of agency and community-based programmes or initiatives which had been successfully finding employment for beneficiaries, but had since had their funding withdrawn. Some also raised the possibility of introducing a universal benefit (7%) but also felt more work was needed.

Of those who commented on the proposed introduction of sanctions, time limits and thresholds (n=50), it is of interest to note the vast majority (78%) expressed opposition. Only 11 submitters supported this type of approach, comprising the Employers & Manufacturers Association, Huljich

---

such as discrimination, employers unwilling to risk taking them on, no chance to prove themselves, fear of stand down, financial penalties, abatement too low, cost to wellbeing, lack qualifications, lack of child care

Wealth Management NZ Ltd, Business NZ, Federated Farmers, Business Roundtable and a handful of individuals. The Business Roundtable was one of two submitters who also supported the introduction of an insurance-type model. Those who opposed the increased use of punitive measures were concerned they would further humiliate and disadvantage already vulnerable individuals and families - exacerbating poverty, hardship and social exclusion as well as reliance on foodbanks or emergency support. It was also felt this approach would discourage personal responsibility, not address the deeper socio-economic issues, force beneficiaries to take any type of work, widen the gap between rich and poor and foster opportunities for exploitation and unfair dismissal by employers. Submitters clearly felt the WWG needed to invest more time in researching the effectiveness of punitive reforms in other countries. In particular, a comprehensive review of England's recent welfare reforms has shown that pushing beneficiaries into low paid, insecure, health damaging work is neither cost-effective nor desirable for Governments (Strategic Review of Health Inequalities in England post-2010, 2010). At a societal level, compelling evidence has also shown it is more cost effective for government's to invest in closing the income gap, as the existence of large inequalities will damage the quality of life that is enjoyed by everyone (Wilkinson & Pickett, 2009).

In light of such findings, ANZASW was interested in the rationale which informed the WWG's suggestions for welfare reform (Welfare Working Group, 2010b). To gain some perspective on this, The Options were grouped into the following categories:

- may be beneficial (more information needed)
- likely to be beneficial (for beneficiaries)
- likely to increase poverty (for beneficiaries)
- contains a punitive element

ANZASW categories	# of options in this category
may be beneficial (more information needed)	14
likely to be beneficial	27
likely to increase poverty	60
contains a punitive element	59

**Table 3: ANZASW classification of The Options**

Excluding the 6 options listed under items 11<sup>2</sup> and 12<sup>3</sup>, the WWG has presented 89 options for public consideration. Our assessment suggests 14 of these 89 options may be beneficial for beneficiaries but more information is needed, 27 are likely to be beneficial, 59 contain a punitive element and 60 are likely to increase poverty. After thorough review of The Issues, Submissions and Options WWG have suggested, the Aotearoa New Zealand Association of Social Workers (ANZASW) will advise its members the majority of Options are unacceptable, serving to intensify the inequalities, poverty and hardship that is already experienced by beneficiaries, and will, therefore, be ineffective as solutions for reducing long-term benefit receipt. However, ANZASW believes some of the Options may be beneficial and is particularly supportive of the strategies that have been proposed for:

- removing barriers to employment for offenders
- investment in local training and employment solutions

<sup>2</sup>What Changes do we Need to Address Benefit Fraud and Abuse?

<sup>3</sup>How Should a New Benefit System be Introduced?

- supporting sole-parents into paid work and improving access to child-care/out-of-school programmes
- policies to support Māori and at-risk youth in the education system

For your information we attach a spreadsheet with the details of our analyses for this submission.

## References

- Dalziel, P. (2010). *Welfare Reform in New Zealand: the Issues - a personal reflection*. Retrieved 12 December, 2010 from <http://www.welfarejustice.org.nz/>
- O'Brien, M., Bradford, S., Dalziel, P., Stephens, M., Walters, M., & Wicks, W. (2010). *Welfare Justice in New Zealand: What We Heard - a Summary of Submissions made to the Welfare Justice Alternative Welfare Working Group*. Wellington: Caritas Aoteroa New Zealand.
- Page, M. (2010). *Annual Measures of Job Creation and Destruction in New Zealand: Using Linked Employer-Employee Data*. Wellington: Statistics NZ.
- Strategic Review of Health Inequalities in England post-2010. (2010). *Fair Society, Health Lives. The Marmot Review*. London, England: Department of Health.
- Welfare Working Group. (2010a). *Engaging with New Zealanders available at <http://ips.ac.nz/WelfareWorkingGroup/Submissions.html>*. Retrieved 10 December, 2010
- Welfare Working Group. (2010b). *Reducing Long-Term Benefit Dependency: The Options*. Wellington: Welfare Working Group.
- Wilkinson, R., & Pickett, K. (2009). *The Spirit Level: Why More Equal Societies Almost Always do Better*. London: Penguin.