

## **Sisters of Mercy Wiri**

22 June 2016

Secretariat  
Social Services Committee  
NZ House of Representatives  
Parliament Buildings  
**WELLINGTON**

### **Submission on Social Security Legislation Rewrite Bill**

This submission is made by **Sisters of Mercy Wiri** to the **Social Services Select Committee**.

#### **Introduction**

Sisters of Mercy Wiri belong to Nga Whaea Atawhai o Aotearoa Sisters of Mercy New Zealand, a Catholic religious congregation of women. We live and work in Wiri, a small largely state housing area immediately south of the Manukau City Centre. The Gospels, Catholic social teaching and the charism of the Sisters of Mercy inform our mission.

We are a community based agency involved in raising awareness of local issues and concerns, encouraging neighbourhood and community participation and supporting local initiatives. We work from a social justice and community development focus. Services include advocacy, housing and tenancy concerns, responding to immediate need, supporting family/whanau and children, home visits and visiting those in prison, information and referral.

The mission of Sisters of Mercy Wiri is to work with the poor, especially women and children, to build positive relationships that strengthen families and communities and to work with others for a just and compassionate society.

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We request an opportunity to appear before the Select Committee.

#### **Part 1: Purpose and Principles of the Act**

Sisters of Mercy Wiri acknowledges this initiative by the Government to improve accessibility to social security legislation by bringing together 3 Acts and many amendments spanning a time of well over 50 years. It is recognised that in the interests of clarity, coherency and

consistency this is well overdue, and the updates in drafting style and language as well as structure are noted.

It is the belief of Sisters of Mercy Wiri that **all** New Zealanders have the right to share in the benefits of our society, and that Government has the responsibility to ensure that this happens. Therefore we disagree with the basic emphasis in the Bill. The establishment of the investment approach, as it has been interpreted by the writers of the Bill, as the basis of social security in New Zealand we fundamentally oppose. Financial assistance is not the only type of assistance that is required just as people at risk of “long term welfare dependency” are not the only people who require assistance.

From our perspective the principles that underpin any social security or social welfare are those which are reflected in the original 1938 Act. This is “to provide an income which allows people to have a standard of living that allows them to be part of the community.” In our view, Section 4 of the Bill, which outlines the Principles of the Bill, relies too heavily on work in paid employment as the solution for people who require assistance. This is a too meagre, limited and restricting view.

The approach outlined in “Welfare Justice For All” the final report of the Alternative Working Group sponsored by the churches in 2010 as a response to the narrowly focused Welfare Working Group’s review of social welfare, presents a more liberal/generous, humanising approach which aligns more closely to the values of the Sisters of Mercy Wiri.

We acknowledge that it is indisputable that **meaningful** employment enhances the lives and well-being of people. Further, it can allow people to feel included in society and to feel as if they are making a contribution to society and the national good. It must be pointed out though that, “**Wellbeing** is not simply about access to income and resources. It is also related to health, education, social, cultural, environmental and political outcomes. For example, well-being includes **free and open participation** in family, wider kinship and community groups. It includes participation in formal and informal political processes that constitute governance at all levels in society, and also involves **participation** in cultural processes that create and sustain **individual group and collective identity.**” (p42 Welfare Justice for All)

The idealised principles of this Bill do not address these aspects of wellbeing. The struggle to be in paid employment can be costly, demoralising and time consuming for those who require a benefit. Looking for non-existent work day after day, working long hours at a low paying job that has few rewards, having to travel long distances to work, having no transport, being in a job in which the employers or their agents are discriminating or unfair, or having to work while unwell, and having little time for relaxation or to spend with family are some of the negative influences of being in paid employment for the poor.

“Social security:

- Requires investment in the well-being of all members of society
- Ought to properly reflect Maori aspirations for full citizenship and rangatiratanga
- Ought to protect the vulnerable from adverse conditions
- Ought to be financed by general taxation rather than individual contributions
- Should encourage opportunity for all citizens to participate in our society
- Ought to facilitate the achievement of paid employment as well as other beneficial types of work
- Should provide an adequate standard of living

Social security should be simple, transparent, consistent and consistently applied.

A comprehensive social security system should be linked with good economic, employment, housing, health, education and social services.” (Welfare Justice For All, p8-9)

**Recommendation:**

**The principles of the Social Security Legislation Rewrite Bill 2016 be expanded and enhanced to include principles that apply to the total wellbeing of all New Zealanders in line with what has been written above.**

**Part 2: Assistance**

**S.82 – 84 Temporary Additional Support**

In granting Temporary Additional Support the practice of claiming back \$25 per week for a person requesting assistance to meet his/her essential needs is unreasonable and unfair. The Rewrite presents an opportunity to address this unhelpful practice.

**Recommendation:**

**The Temporary Additional Support be the full amount between essential costs and income thus abolishing the \$25 deduction**

**Part 3: Obligations**

The Bill, in indicating the obligations of people receiving a benefit and the obligations of MSD, has a much heavier hand concerning the obligations of those receiving a benefit as opposed to the obligations of MSD. There are approximately 70 sections spelling out the obligations of people receiving a benefit as opposed to only 2 setting out MSD obligations.

**Recommendation:**

**The Ministry of Social Development has a duty to inform people applying for assistance of ALL they are entitled to under the Act.**

**S. 98:** Another area of concern perceived by Sisters of Mercy Wiri is the question of communication. What does the phrase “in writing” mean? Does it mean communication by electronic means and texting only or does it include postal mail? We see that these methods of communication are not always reliable, especially for people who are illiterate or who do not have easy access to computers, or much practice in using them, for example.

**Recommendation:**

**There is a section in the Bill clarifying the meaning of the phrase “in writing” outlining MSD’s obligation to ensure that the person requesting assistance receives the communication.**

**Part 4: Factors Affecting Benefits**

While one of the stated, basic principles of the Bill is supposedly investing in people, the Sisters of Mercy Wiri suggest that the punitive emphasis evident in the Bill together with the aim of moving people “off the books” in order to reduce statistics and “to prevent Welfare dependency” is counter-productive to the wellbeing of many of those people receiving a benefit together with their families.

**S.176 – 178:** Sisters of Mercy Wiri advocate strongly for the deletion of these clauses from the Bill. In our experience the effect of the deductions imposed on sole parents (mainly women) under section 70A of the 1990 Social Security Act were punishing and difficult to get withdrawn. While this part of the Bill is intended to ensure that the name of the non-custodial parent is known, and there by ensuring that child support payments can be collected from them, it results in a heavy censure which affects the custodial parent (usually mother) and the child or children, rather than the non-custodial parent, who is the person being sought.

While Section 177 lists the occasions in which the sanctions should not apply, historically, even with a letter from a lawyer it has been difficult to get the sanctions lifted. In our experience, the custodial parent does not decide that she is not going to say who the father is to protect him. The reasons outlined in section 177 make it clear that there are legitimate reasons for a woman not to be able or not to be willing to name the father of her child. It is not unknown for a woman not to know who the father of her child is.

One example of this, a sole parent the workers from this agency advocated for, admitted that when she was sixteen and seventeen she often went to parties and slept around with men at these parties. Her description of herself was that while she thought she was smart, in reality she was so stupid. Maybe she was, maybe she was naïve. That's not the point. She was surely abused and used and she became pregnant on one of these occasions. Her child was almost 5 when she came to this agency. The deductions had made life very difficult for her and her child. As is the case in most of these instances the mother on this occasion was not aware that \$28 per week was being deducted from her benefit weekly. She did not therefore know that she had a valid reason to have the deduction lifted. Neither did she know how to go about getting the deduction lifted. This instance is not unusual.

**Recommendation:**  
**Sections 176-178 be deleted from the Bill.**

### **Part 5: Enforcement**

**S.215 – 230:** Rather than assisting people receiving benefits to comply with their obligations and to be clear about what they need to do in order to comply, this Bill emphasises punishments and sanctions as the only way forward.

In our experience every process and communication from MSD to those receiving a benefit can be so open to miscommunication and misunderstanding. People who have English as a second language, or who are not very well educated, perhaps illiterate, who do not have the means to charge their phones, or who do not have a phone or computer, for example, are prime targets for miscommunication. They rarely have the ability or skills to present their case coherently or in a satisfactory manner. Punishing them by sanctions is often unfair and brought about by the subjective judgement of the MSD worker.

**Recommendation:**  
**The Bill makes clear what ‘good and sufficient reason’ means so that every person who is in need understands all of his or her entitlements and obligations.**

### **Part 6: Administration:**

#### **S.318 Redirection of Benefits without consent**

Redirection of money from a benefit for an essential payment, with the consent of the person can be very helpful. To act without the person's consent is a violation of their rights and could lead to extreme hardship.

**Recommendation:**

**Redirection of a person's benefit without their consent be removed from the Bill.**

**Part 8: Other Provisions**

**S.421 and S427(3)** We question the role of the Regulatory Review process in ensuring fair and appropriate scrutiny of the regulatory process. Because a change in regulations does not have to be taken through Parliament it necessitates a lower level of scrutiny from the public than a change in legislation would require. Social Security should always be transparent.