

Date: 12 November 2018

To: Welfare Reform Expert Advisory Group

From: Birthright New Zealand

SUBMISSION: Welfare Expert Advisory Group Submission

A. INTRODUCTION

Birthright has been operating in New Zealand as a national organisation for over 60 years. We work to strengthen and enrich the lives of children and families. We specialise in working with families led by one person. Our vision is for nurtured, resilient, inspired children and families.

Our submission to the Welfare Reform Expert Advisory Group focuses on addressing the shortcomings of the current welfare system for families led by one person.

Families led by one person are no longer the exception in New Zealand but they have unique needs. While these families are child focused, the welfare system is adult focused – the system loses sight of the primary task of a family led by one person – and instead imposes expectations that are more easily met by other family structures.

We outline nine key areas of change for reforming the welfare system to address the inequity faced by single parent families, as outlined in section C.

In section D we provide the background story. Single parent feedback on the current system has been collated. Some of these parents have also co-designed what a fair and equitable welfare system would look like. We include their ideas on what change should look like.



B. THE CHANGE NEEDED

Birthright welcomes the Government's focus on creating an accessible and fair welfare system for everyone - one 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.

The review is well overdue.

As an organisation that has specialised in working with families led by one person for over 60 years, we have watched over the decades changes in policy setting and the impacts these have had on single-parent families. While many families flourish, there is a growing percentage who face a complex array of challenges that hinders them from living with dignity and feelings of living a meaningful life. The current welfare system is a major contributor to this hardship.

We recommend change in the following areas:

1. **Increase in the core benefit rate:** the benefit rate and accommodation supplement are insufficient. The real value of benefits has not kept up with the cost of living and does not provide an adequate income to support a family. People should not be incurring debt with WINZ when they access supplementary benefits. We believe supplementary benefits should be a rare occurrence if the base level benefit was sufficient. But for many these supplementary benefits have become a regular necessity due to the inadequacy of the core benefit. Many individuals have significant debts to MSD that are recovered via abatements to their core benefit, further impacting their ability to get by or build up any level of savings to cope with the next crisis let alone thrive.
2. **Reduction in abatement rates:** abatement rates are a disincentive for people to enter work. Being a sole carer of children reduces the ability to work full-time and parenting as a job is highly undervalued in the current system. The working for families abatement rate should be reduced and the permitted level of part-time income when on a benefit increased before abatements are applied. The rules around abatements need to be simpler to ensure families are clear on the financial implications.
3. **Remove sanctions for parents caring for children:** sanctions are a punitive measure that offer no advantage to the children who are impacted by the sanction. A child-centred approach would not punish children by seeing minimal family income further reduced through a sanction.
4. **Removal of asset testing:** The level of assets able to be held to be entitled to additional supplements is too low. It should either be removed or increased significantly to support and encourage families to save and set a better future for their family.



5. **Improve the respect and treatment of individuals:** continue to work on the culture and approach of WINZ staff. Every individual should be treated with respect and without judgement. Trust needs to be built in the system to ensure people feel they can access support when needed.
6. **Value the role of parenting:** the move to devalue parenting and place a high emphasis on paid employment has added unnecessary stress to families. The focus should be on the wellbeing of children and their caregivers as the number one priority. Many will want to move into work, let them determine the right time for this based on their family circumstances.
7. **Pass child support payments to the lead caregiver:** remove the offset of child support payments from the benefit, instead see this as other income received and form part of income for abatement rates.
8. **Support people into real jobs:** a fundamental shift in focus is required – away from an emphasis on getting people off WINZ books to one focused on supporting a parent into a job they want and feel passionate about. Training support should be offered to help people achieve their aspirations.
9. **Review of the status of relationship and related benefit fraud:** what constitutes a relationship needs to be reviewed to fit the 21st century nature of relationships. People must not be financially penalised for moving in and out of relationships. Further the repercussions of relationship fraud that could see someone end up in prison is unnecessarily punitive and detrimental to child wellbeing.

C. WHY CHANGE IS NEEDED FOR FAMILIES LED BY ONE PERSON

We take a particular interest in the 27 percent of New Zealand families led by one person. Around one in two mothers have spent some time as a single parent by the time they reach 50, and a third of children have lived with a sole mother for some time by age 17.(Superu 2018)¹. Single parent families are projected to increase from 230,000 (2013) to 279,000 (2038). (StatsNZ)² A family structure report for the OECD has New Zealand with the highest projected increase (71 percent) in single parents by 2025 – 30.3 percent.

Sole parents in New Zealand have a diverse demographic make-up, in part because of the variety of pathways into sole parenthood. These range from beginning parenthood as a sole parent, through to transitioning to sole parenthood following separation or divorce; bereavement; imprisonment of a partner; or moving to a long-distance relationship. The diversity of pathways into sole parenthood mean that sole-parent families differ in the

¹ SUPERU 2018 Family and Whanau status report

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http://archive.stats.govt.nz/browse_for_stats/population/estimates_and_projections/NationalFamilyAndHouseholdProjections_HOTP13base-2038-update.aspx

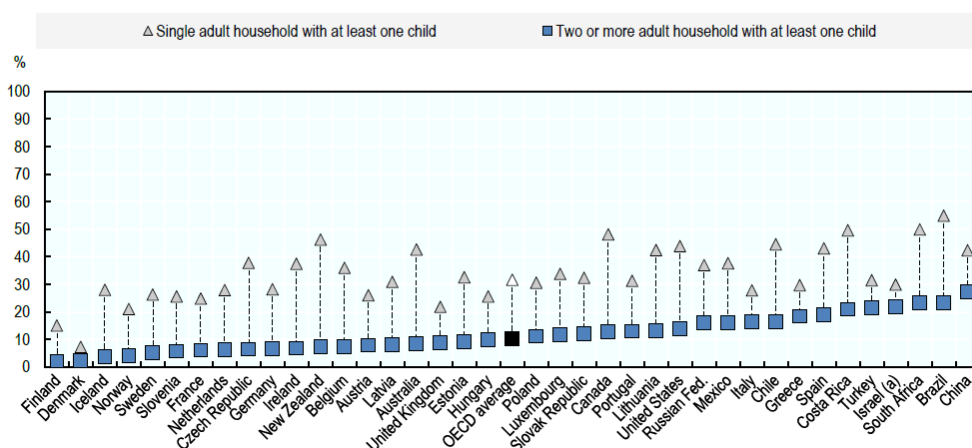


levels of personal, financial, and social resources they can draw on to overcome disadvantage. (Superu 2018).

The changing makeup of our families and associated projected growth in single parent families highlights the importance of getting the welfare system right. While many families led by one person thrive, a disproportionate number (when compared to two-parent families) face disadvantage. Single parents tend to have lower rates of employment than two parent families leading to lower incomes, more beneficiary recipients and high child poverty rates.

In 2013, around 90 percent of sole-parent families had incomes below the median household income for all households, with or without children. For two-parent families the proportion was 50 percent. The poverty rate for children in single-parent households was high at 69 percent. (Perry, B)³. New Zealand performs particularly poorly against other OECD countries for its child poverty rates for single parent families.

Chart CO2.2.C. Poverty rates in households with children by household type, 2015 or latest available year
Relative income poverty rates (%), individuals in working-age households with at least one child, by type of household



Families led by one person face multiple barriers to enter work. With one set of hands taking responsibility to raise children well, it is difficult to manage the myriad of jobs in raising a family alone let alone finding work. Our current system undervalues the role of parenting and is punitive in its drive to move people into work, despite single parents doing an important job of raising their family. In 2017 36 percent sole parents turned

³ Perry, B. (2017). Household incomes in New Zealand: Trends in indicators of inequality and hardship 1982 to 2016 Ministry of Social Development Wellington. Wellington. Retrieved from <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/monitoring/household-income-report/2017/2017-incomes-report-wed-19-july-2017.pdf>



down paid work and 33 percent stopped searching for paid work (19 percent, 15 percent parents two-parent families, respectively) (Stats NZ, 2018). It is not that single parents do not want to work, they are working raising their family and managing all responsibilities on the home front. Often they find employment conditions and abatement rates work against them working. Sole parents are more likely to experience difficulties (27 percent) than two-parent families in getting childcare. Forty-four percent of sole parents reported their main difficulty was care not being available when needed. (Stats NZ, 2018)⁴

To achieve the Government's goal for a modern and fairer New Zealand that genuinely values children, policy changes are urgently required to ensure our most vulnerable children are parented in a supportive environment. It is only with appropriate levels of financial/income support that single parent families will be able to flourish and in doing so reduce the poverty experienced by children.

The SUPERU statistics point to an urgent need for major reform to ensure children of families led by one person achieve the same rights to wellbeing. To reform the welfare system well we need to ensure a single-parent lens is considered for any proposed changes and to keep the single parent voice central to establishing what might work.

⁴ <https://www.stats.govt.nz/news/childcare-a-challenge-for-1-in-6-working-parents>



D. WHAT SINGLE PARENTS SAY

This section of the submission draws on stories and feedback from single parents. It builds the picture of their experience of the system and how they believe the system could be improved.

1. Single Parents Reality

What Parents Aspire Towards

My children are at the center of everything I do

I want to own a home

I aspire to be happy

I want a good job



I want to get beyond living day to day

Financial independence

I used to be free and I'm trying to get back there.

What Parents Experience

I'm working endlessly, always juggling multiple things. I am responsible for everything, things will only happen if I do it.

My life is emotionally draining

My role as a parent is not valued

It is so hard to understand what you are entitled to.

It is hard to be creative when you are in survival mode

I do 99% of the parenting

Everything feels like I have been at war for a long time.

Pressure to go to work and when you do get a job you get penalized, it is so hard to understand

I feel judged, we're not all the same.



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2. What is happening currently with the welfare system

I am too tired to deal with the WINZ office. Every time I get different information.

I've been filling in forms for years. You need to fill in so much it erodes your personal history.

"When I see a form, I have a panic attack"



Lack of skill and empathy
– admin focus versus
people focus

Once I asked for help and I am never coming back again.

I moved away from an abusive partner. You have to tell your story so many times, it is painful, it is so hard. Every time you walk in you feel like you are going in to battle.



Lot changed since shooting, feels awful going in.

Environment not conducive to Māori. It is not private, they don't like someone going with you, you have to pass through security.

WINZ Office environment need to rethink play area, toilets, nappy changing space, healthy food vending machine.

Security guards are over the top, it needs to be scaled down. If you have been through domestic violence at home, some of these people are really scary and intimidating the way they look at you



We don't all sit in the same box. We have gone through life with lots of different experiences.

We all have unique struggles. As a single mother we have to deal with these struggles on

Remove the judgement so we don't feel belittled.

DON'T JUDGE MY PATH
IF YOU HAVEN'T
WALKED MY JOURNEY.

Someone else's pain is not my pain. Remove the judgement, maintain independence

Everyone is an individual and should be treated that way.

Lectured when go in and they check you aren't sleeping with someone. Aren't we allowed to have sex? Obviously, we must have been promiscuous to be a single mother!



I go to WINZ, come out, go home, lie on bed and cry as I don't know how I will pay the bills. We still get up and put on a smile and continue.

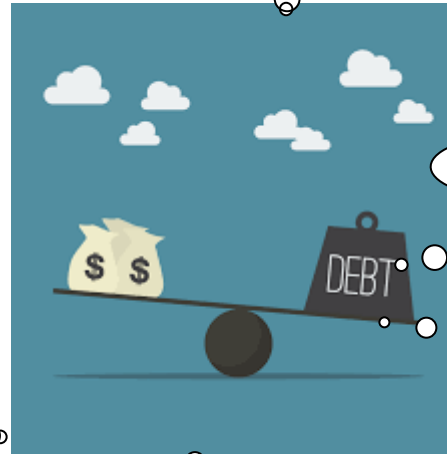
Raise the level of the benefit. I simply don't have enough to live on.

I want my own place. I work 20 hours per week but as a single mother I won't be able to get my own place. It seems impossible, but it is till my goal.

I want to start my own business, but how do I fit it in the government boxes? How will I fit and still be able to pay the bills?

Home help subsidies from WINZ make it hard to get practical help. We are given so little you can't pay someone properly.

You are told what your entitlement is and you feel so ashamed. How are we meant to live on this?



Many people are thousands of dollars in debt. Realistically most won't be paid back. There is nothing extra in our kitty to pay back the debt.

I couldn't understand it when I got some work they started taking money of me.

Same for me, I don't understand numbers and didn't understand how it works.

I care about my son's wellbeing, I need money to pay for it

Now I am back at work and in debt. Every year you need to give WINZ an overview of what you have earned. I am so afraid I might have earned more than I thought and be penalised.



3. How can we get beyond day-to-day living

In small groups single parents designed a model and talked to what the welfare system would look like if it was working well. Four different models are presented below.

Group One: Multi-pronged approach



- Everyone should have an advocate who is independent. The case manager would have to answer to the advocate and wouldn't be able to make decisions based on their personal opinion. Every experience would be positive. The advocates would be government funded and specialise in particular areas. They would have an

extensive knowledge of the system.

- Work flexibility – support job sharing as there aren't many part time jobs that pay adequately. Job sharing would mean we had access to skilled roles.
- We need to understand the system better. Work and Income could offer seminars tailored to different group's needs.
- Case managers need to be qualified and empathic.
- Offer work experience to build qualifications, networking, confidence and learning.
- Better incentive to work – cheaper day care, address abatements.

Group Two: Everyone is an individual

- Staff training and policy review to address internal bias.
- Addressing the issue of women being forced to be dependent on men if they begin a new relationship – our benefits stop and men are forced to become fathers.
- Reform tax system, for example have no tax on the first \$10k of income.
- Address debt, reduce and wipe certain debts, it should be a grant not a loan.
- Practical help such as 50% off beneficiary card, rates rebates, public transport concessions, flexible roles in government, more flexible training allowances, family leave, full costs for after school care.
- Proactive meetings with case managers every six months that are informative and supportive.
- Work and Income offices should be friendly and child safe. Security guards are threatening for women who have been in violent relationships.
- Increase sick leave, so you don't need to use sick leave to look after child
- Base allowance should be enough to cover food costs, food grants should only be needed in special circumstances. Link allowance to food component to changes in food prices.
- Childcare subsidy should go up to 15hrs/week to provide more of a break and give us the space to think about work.
- Introduce a paid expert advisory group for sole parents.



Group three: Focus on wellbeing

When you focus on the day-to-day it's hard to be creative, you get isolated and low, you're focused on how you're going to feed your kids.

- The focus needs to be on children and wellbeing
- Look at how we could enjoy life not just survive
- Increase support for childcare so it matches working hours
- Raise level of income before it is taxed
- Affordable transport
- Look at the needs of our kids – to take part in sport, creative activities



Group four: Child-centred – everyone in the family is supported

Get rid of the idea that people have to suffer. People should thrive, lead full lives and do great things.

- A consistent case manager who knows you and sees your progress, recruited for their people skills, with a small case load. Ensure they have oversight and supervision.
- Apply the index of child wellbeing and children's rights to all policy.
- Greater transparency on what you are entitled to
- The call centre needs to communicate through to the case manager and read notes before seeing client.
- Have a relationship-based approach so the difficult times can be managed well.
- The father's contribution should go to the family.
- Connect across the system – the increase in the accommodation supplement was taken away.
- Change the way the case manager is employed and trained



E. CONCLUSION

Birthright New Zealand commends the Government's ambition to reform the welfare system. We support the Government's vision 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 this, major reform is necessary. We have outlined nine key areas of reform, developed through feedback received from single parents and from our experience of working with families led by one person.

We urge the review to be bold in its recommendations.

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