



27 January 2021

S20.14 oral

Oral submission to the Social Services and Community Select Committee on the Child Support Amendment Bill No. 228-1

Presenters Raewyn Stone and Bernice Williams.

Committee Members present: Glen Bennett (Acting Chair), Labour; Angie Warren-Clark, Labour; Karen Chhour, ACT Party; Emily Henderson, Labour; Teresa Ngobi, Labour; Maureen Pugh, National; Ingrid Leary, Labour; Penny Simmonds, National.

Introduction

Tena koutou i tenei ahiahi. Good afternoon.

I am Raewyn Stone and I convene the Public Issues Committee of the National Council of Women of New Zealand (NCWNZ). With me is Bernice Williams of the Parliamentary Watch Committee.

Thank you for the opportunity to speak to our written submission on this very important Bill.

The National Council of Women represents over 200 organisations and individual members, affiliated at either a national or branch. Collectively, we represent over 450,000 members.

General comment

Our submission was based on long-standing NCW policy reflecting our strong commitment to the wellbeing of children and families, the United Nations' Convention on the Elimination of Discrimination against Women and the United Nations' Convention on the Rights of the Child; so, we are generally supportive of the measures in this Bill to improve the fairness of the Child Support system.

However, we believe the Bill as stands is a missed opportunity to decisively tackle child poverty and the inequalities, anomalies and unfairness in the current Child Support system that particularly impact on women.

Our written submission details these points and makes 5 recommendations which I would like to focus on:

- 1. The Bill includes a statement that the best interests, rights and welfare of children underpin the legislation.**

As currently drafted, the Bill focuses on administrative changes and does not address the systemic inequity inherent in the current Child Support Act. There is no explicit statement in the Bill or Explanatory notes affirming the best interests and well-being of children are at the centre of the reforms, and indeed, no explicit link to the Government's Child Poverty Reduction Targets and Child and Youth Well-being Strategy.

NCWNZ believes an explicit statement should be included.

2. The Bill includes a pass-on provision for sole parents on a benefit.

We are particularly disappointed that the Bill does not introduce a pass-on provision i.e., all child support collected would be passed on to the receiving parent when they are on a benefit.

We note that other submitters like the Children's Commissioner strongly support this and it is a recommendation of the Welfare Advisory Group.

NCWNZ has long been concerned about the drastic drop in living standards of custodial parents and their children after the break-up of a marriage or long-term relationship. Sole mothers, low-income earning women and mothers caring for children with disabilities are particularly at risk.

We consider it a gross injustice that children living in households with a single parent on a benefit do not have access to the child support the other parent has paid; whilst children from higher from higher income households where their primary caregiver is not on a benefit would receive the additional child support payments.

3. The formula for assessing amounts of child support take into account the monetary value of unpaid work and opportunity costs of the custodial parent.

NCWNZ has for many years advocated that the substantial unpaid work of carers be calculated in dollar terms and included in child support and other calculations. Children's care needs and costs, are a major issue for women, especially sole parents with young and sick children or children of any age with special needs.

This is another missed opportunity. Although the new assessment formula in the Bill is based on empirical studies of actual expenditure on children by partnered couples, it takes no account of the opportunity costs of the parent's caregiving, especially for very young and disabled children. There is now a considerable body of work showing how these costs could be calculated (e.g., by Child Poverty Action Group).

We strongly urge the Committee to include this policy proposal.

4. The Bill (S30 4(a) should explicitly state long term illness or disability as grounds for modifying the assessment of child support and also for an exception from the 4-year rule.

The additional costs of disability and chronic illness are well established and should be explicitly recognised in the Bill.

We note that CCS Disability Action also makes this recommendation.

5. Public information and advice about the new requirements and methods of assessment is produced in plain language and in a range of languages and accessible formats.

Although a key aim of the Bill is to “reduce complexity,” the assessment criteria and calculations appear very complex. Public information and advice about the new provisions must be in clear, plain language and in a range of languages and accessible formats. Otherwise, parents without access to independent advice and advocacy, for whom English is a second language or who have learning disabilities, will be at severe disadvantage.

We note that the Law Society has also commented on the complexity of the proposed assessment and the current drafting of the Bill needs to be clearer.

Concluding comments

NCWNZ is generally supportive of the Bill, which should improve some aspects of the Child Support system. But critical systemic issues and inequalities have not been adequately addressed, and we urge the Committee to be bold and consider our recommendations- and those of other submitters-to tackle inequality even more for the benefit of children, women and families.

Questions and answers

- Q.** Ingrid Leary, Labour. Thank you for raising the issue of opportunity costs for carers, most of whom are women. This topic does seem to have been sidelined in the legislation. Concern that there is a cohort of middle-income women who are not facing poverty. Should such an approach to recognise opportunity costs be framed around fairness in order to focus on welfare of child?

A. (R.S.) Child support is one part, one area, but the problem is systemic. Monetaring the costs of caring should be implemented across legislation.

A. (B.W.) There are two points/issues here, and since this is the Child Support Amendment Bill, the focus should remain on support of children.
- Q.** Emily Henderson. Re. pass-on provision. Thank you for providing succinct explanation of this. Clarification on NCWNZ’s point – do you mean the liable parent payment should be passed on to the caregiver parent in addition to the benefit or as a top-up?

A. (R.S.) In addition. Caregiver parent should retain all in addition to benefit especially as the benefit payment amount is not brilliant.
- Q.** Emily Henderson. Would you care to comment on the debt recovery provision in the legislation; equity for the recipient parent?

A. (R.S.) Will get back to you regarding this.
- Chair:** Any further comments?

A (B.W.) Further comments on pass-on provision. Echoing Raewyn’s comments and acknowledging that all parents want to do best for their children, they should be given the opportunity to do so. Reference to national shame of child poverty numbers in New Zealand, and personal shame of parents who are unable to adequately provide for their

children. Importance of creating a welfare system that provides people with enough to live well on. (Providing an ability to thrive, not simply survive.)