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S21.11 oral

Oral submission to the Social Services and Community Select Committee on the Social Security (Subsequent Child Policy Removal) Amendment Bill

Presenters:

Bernice Williams and Beryl Anderson, via zoom

Social Services and Community Committee

Angie Warren Clark, Chairperson, Labour; Glen Bennett, Labour; Emily Henderson, Labour [zoomed in]; Anahila Kanongata'a-Suisuiki, Labour; Ricardo Menéndez, Green; Terisa Ngobi, Labour; Maureen Pugh, National; Louise Upston, National.

Committee members not present

Karen Chhour, ACT

Introduction

1. Ata mārie. Good morning. My name is Bernice Williams, and my colleague is Beryl Anderson. We are members of the Parliamentary Watch Committee of the National Council of Women of New Zealand (NCWNZ).

NCWNZ's views

2. We welcome the opportunity to convey our organisation's views to the Committee and wish to record NCWNZ's support of the proposed amendment to the Bill. We wholeheartedly approve of the removal of the subsequent child policy which has not supported the original aims of the legislation to reduce a beneficiary's time on a benefit and to improve financial and social outcomes. Instead, it has reduced an infant's time with its parent in the crucial early years of its life and added considerably to the stress of the sole parent. NCWNZ would be pleased to see Section 121 (a) of the Bill changed to "a person who receives sole parent support and whose youngest child is under the age of five years."
3. Managing a household and caring for pre-school aged children is a busy and challenging time for any parent, well-resourced or not. Removing adequate resourcing and adding in a

requirement to seek paid work when the youngest child turns three creates a recipe for disaster. The existing legislation is punitive and the level of resourcing, demeaning.

4. NCWNZ acknowledges the recently announced benefit increases and applauds the current Government's attempts to ameliorate a system of welfare support that has been inadequate for some years now.
5. The budget allocation for increased benefits, however, is simply not enough and does not align with WEAG's underlying philosophy of Whakamana Tāngata, restoring dignity to social security in New Zealand. In essence a sole parent receiving a benefit is living in poverty, and there is no dignity in a parent struggling to provide the basics for their family. With rental prices soaring, most beneficiaries will spend the bulk of their weekly benefit on accommodation costs. Even with a strict budget, decisions prioritising spending on other essentials – food, clothing, health care, utilities – will need to be made daily by a parent, often with one item sacrificed for another in an ongoing stress-inducing juggling act.
6. The truth is, it is expensive to be poor. With the best will in the world a sole parent benefit of around \$400 per week will not cover all the costs of a household, and shortcuts are taken that inevitably keep an individual trapped in the poverty cycle. Think about purchasing a new pair of shoes. It makes sense to buy a decent pair of good quality leather shoes that will last a number of years, but with the cost beyond the reach of a beneficiary, an individual will likely end up spending more money purchasing shoes of poor quality that do not last long, paying to replace them every six months or so. The same false economy applies to medical and dental treatment. A minor problem that is left neglected because it is too expensive for any preventive or initial-stage treatment, invariably becomes more expensive to treat when it has advanced, perhaps causing long-term damage to the individual and incurring significant costs to the public health purse.
7. The psychological impacts of poverty and its associated stressors on both parent and child have been well documented, and also give much cause for concern. UNICEF notes: "For children who grow up in poverty there are impacts that go way beyond the fact of material shortages. Children experience poverty as an environment that is damaging to their mental, physical, emotional, and spiritual development."
8. For parents the impact of stress from poverty is significant and can be damaging mentally and physically, taking a toll on cognitive function, psychological functioning and decision-making, and immune system function. Operating under constant stress and living with a perpetual underlying level of concern, an individual's state of existence is impaired, reasoning is compromised, and a parent's emotional availability for their children is diminished.
9. NCWNZ members recommend allowing further time for work preparation while a sole parent is caring for pre-school aged children. Taking part in online training and education courses while receiving a sole parent benefit is seen as a more sensible option than requiring the parent of a young child to be seeking both paid work and childcare for their children. Advancing the education status of a beneficiary is seen as beneficial in terms of increasing an applicant's job-seeker opportunities when re-entering the paid work force, permitting individuals to move away from low-paid, low-skilled, casual employment roles. Wāhine Māori, Pasifika women, and

women with disabilities continue to feature poorly in employment statistics especially since the arrival of COVID-19. This remains a concern for our membership.

10. Other members note the need for increased availability of caring or parenting when children start school. There are school holidays, teacher-only days, paid union meetings for school staff, and other occasions when children will need to be cared for away from school. Childcare hours that are both affordable and available do not always match paid work hours, and the dearth of quality childcare is a concern. Removing choice from parents who wish to be meaningfully engaged in their children's lives beyond the age of three years is a punitive approach.
11. NCWNZ notes the benefits to both a parent and child when a parent is able to be engaged in the child's school, schooling, and wider community.
12. Our membership is concerned at the lack of value and status given to parenting and caring. The existing Social Security legislation that mandates a return to the paid workforce of a sole parent when their youngest child turns three infers that making money is more valuable to society than nurturing the country's future generation. NCWNZ membership notes the additional costs and pressures on parents of children with disabilities and would be pleased to see social security support that is tailored to the disabled child's unique requirements. Investing in our children makes good economic sense. A well-nurtured child is able to flourish physically, emotionally, and educationally, and will be in a position to contribute socially and economically as a citizen in later years. Reversing the decline in potential output to the country's economy and the erosion of social cohesion should be a priority for the Government.
13. Providing equitable resourcing, ensuring that every child is adequately housed, clothed and fed, and ensuring that parents are supported to care for their children will mitigate long-term social and economic costs. The foundations to ensuring a collective wellbeing for the country's citizens will be strengthened by promoting the value of parenting and caring, and adequately funding a child's early years.
14. NCWNZ notes the challenges of parenting and the needs of children to be nurtured and guided do not diminish as individuals pass through childhood and adolescence. With the known – often negative – impacts of social media, peer pressure, the presence and availability of drugs and other substances in teenage years, the value of having parents physically and emotionally available to their children at this time is not to be underestimated.
15. NCWNZ would be pleased to see the Government explore alternative funding methods for resourcing social security benefits such as the establishment of a Universal Basic Income and indexing benefits to wage growth.
16. NCWNZ recommends to the Committee an expansion of the amendment to the Bill that will see the requirement to move from Sole Parent Benefit to Job Seeker Benefit when the youngest child in the household begins school, usually at five years of age.
17. Thank you for the opportunity to convey NCWNZ's position on the proposed amendment to the Bill.

Questions

Q: Ricardo Menéndez. My questions is around the effectiveness of work test obligations more broadly. I see your recommendation about extending the time for parents to require training.. Would you agree with a policy that automatically threatens to remove someone's income if that don't fill the obligations.

A: That would seem very punitive. I believe it has been discovered that even though there are obligations that have to met and there is a consequence, they haven't been followed through.

Q: Maureen Pugh. What do you see, if not followed through, what are the consequences for not fulfilling obligations?

A: The obligations have to be looked at to consider if they are something that fits with a parent looking after a young child – is it something that is realistic? That might be the angle to take rather than trying to enforce the consequences no matter what.

Conclusion

Third question cut off as out of time. Chairperson Angie Warren Clark closed by saying that they always enjoy NCWNZ submissions.