



## **Submission to: Welfare Expert Advisory Group**

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### **Contact Person:**

Jayne McKendry  
National Advisor Policy and Operations  
Phone 04 471 2735  
Email: jayne@cab.org.nz

### **Background**

Citizens Advice Bureau New Zealand (CABNZ) Ngā Pou Whakawhirinaki o Aotearoa welcomes the opportunity to comment on areas of improvement to the welfare system.

We work to empower individuals to resolve their problems and to strengthen communities. The person-to-person service provided by over 2,300 Citizens Advice Bureau (CAB) volunteers is unique in New Zealand. From 84 locations around New Zealand, the CAB provides individuals with a free, impartial and confidential service of information, advice, advocacy and referral.

In the 2017/2018 financial year we had over 508,000 interactions with clients, including over 190,000 in-depth enquiries where we offered information, advice and support across the gamut of issues that affect people in their daily lives. People used our website to find out about their rights and access services over 1,910,000 times last year.

Every time we interact with a client, our volunteers record the nature of their enquiry and the information and options we provided to them. We use our experience with clients to seek socially just policies and services in Aotearoa New Zealand.

In 2017/2018, the CAB received 6,687 enquiries from people who are either in receipt of income support or needing this. In addition to these enquiries, we have received over 5,000 enquiries each year for the past 8 years from people seeking food parcels.

In 2015 we identified that people coming to us in situations of homeless had doubled in 5 years and often we couldn't find them somewhere to stay for the night. We also identified that very vulnerable people were in this situation including children and pregnant women. Often there was nothing we could offer as there was no emergency housing available. This situation has changed little in the intervening years.

## Our submission

This submission has been informed by a survey of our CAB volunteers and staff, and a review of our client enquiries. Identifying details have been removed from the reflections from CAB volunteers and staff and from the client examples provided but the essence of the client's circumstances remains.

As CABNZ participated in the Wellington Roundtable, we have limited comment to the areas of the consultation which CABs have specific experience of and which were either not specifically discussed during the roundtable or which we wish to make additional comment.

### What isn't working well?

#### 1. *The level of income one can earn while in receipt of income support.*

Several CABs have reflected on their experiences assisting people who are also clients of Work and Income and who want to get off the benefit but struggle to find a way to do that without further disadvantaging themselves. Restricting people on a benefit to earning only \$80 / \$100 per week on top of their benefit alongside the system of abatements means they often end up with less money to live on. This is a perverse process given MSD's stated intentions to improve the effectiveness of support.

#### 2. *Sanctions on sole parents who do not name the father of their child(ren)*

Some mothers are unable to name the father of their child for very real reasons. Sanctioning them by reducing their benefit harms the child by reducing the funding the parent has available to support their child. This is totally contrary to the government's stated aim of making New Zealand the best place in the world to be a child.

#### 3. *Processes for receiving and investigating allegations of fraud*

CABs have witnessed situations where it seems that alleging fraud (by the beneficiary neglecting to inform MSD of a change in circumstances) has been used as a means to extract revenge on an ex-partner. This forces the beneficiary into a situation of immense stress and uncertainty as they work through the process of proving the allegations false.

It has been suggested that a change in practice is needed to require those alleging fraud to provide evidence of their allegations, or at least to advise the source of information on which their allegations are based, prior to MSD initiating their investigation process.

#### 4. *Culture of Work and Income reflected in the manner and attitudes displayed by staff*

Firstly we acknowledge that MSD has recently taken steps to employ a more customer-centric approach. This is demonstrated through changes in messages to customers eg, <https://www.workandincome.govt.nz/about-work-and-income/our-services/our-commitment.html> and in the recently completed pilots improving user experience of Work and Income front of house. However, the experience of many people who come to the CAB remains negative. Many people feel intimidated and unable to interact with Work and Income staff unsupported. It is also apparent that when a CAB helps a client in their interaction with

Work and Income, the outcome for those clients are often superior to the outcome they can achieve without third party support.

“The general consensus around our office from the conversations I have had is the negative culture around accessing welfare. Many of our clients are intimidated to attend/meet case workers and are often looking for advocacy. They are also wanting to know what their ‘rights’ are as they are often asked very personal details in relation to their health etc even when they may have a doctor’s certificate. They feel judged and nervous and often have multiple issues going on for them”

“Failure to inform and assist people to receive all the benefits to which they are entitled seems a fairly common occurrence.”

*Client is having financial problems. She is paying off a car that she is critical to her needs but is unable to get any more help from Work and Income. We did an assessment of what she is currently receiving against what she appears to be eligible for, estimating that she was not receiving all she is entitled to. We phoned Work and Income on her behalf. They confirmed that our assessment of her entitlement was correct and arranged an appointment for her. We also gave the client information about the Work and Income complaint process, a budget sheet and information and contact options for budget advice and support.*

#### 5. *The push to interact electronically*

Although Work and Income asserts that electronic communication is only one way for client’s to interact, it appears to be the preferred mechanism. While this works well for some people, it does not suit everyone. Even though a person may own a smart phone, they may only use it to text or call person, or possibly email. Completing forms or updating information may be beyond the client’s functional capability. Online communication can also be problematic for people for whom English is not their first language.

“I’m aware of at least one person who did not get a job seeker benefit for two months because WINZ told him he had to do the application electronically and he was computer illiterate - he was too intimidated by the situation; so he did nothing for two months until someone in the community heard of the situation and helped him.”

“Many people can interact electronically but WINZ is dealing with people who are anxious, angry etc and need to talk. Also I think that lots of people can use electronic media for quite a narrow range of activities and find that the nature of communication needed in dealing with big bureaucracies is very intimidating.”

“Language is often an issue, lack of literacy and language skills. We are talking about people who are often upset, distressed, hungry, desperate, needy, with children in tow, they may have lost their accommodation etc , how on earth can an application online serve someone desperately seeking help.”

“We get a lot of clients of all ages coming in for help with filling out forms let alone completing them online... This will affect most age groups of our clients who cannot use a

computer and in fact can't afford a computer. While there are computers at the library they are reluctant to go there to use them because they don't know how."

### **What level of support should be available?**

#### *6. Increase the level of income one can earn while in receipt of income support.*

Increasing the amount of income a person can earn without negative impact on the level of income support they receive would have the outcome of a realistic transition to work as the sole source of income (excluding assistance available through the tax system eg working for families). It would also take into account the deficit situation many people on benefits are in when they start work eg, they may have to get new clothes and pay for additional transport, but they may already have debts they need to service on top of the costs of working.

Other options to address this issue, alongside an increase in the level of income before a benefit is affected, includes non-recoverable grants for clothing, supplementary support for transport costs related to employment (which may include increased transport costs related to getting children to school, childcare, other costs incurred to meet care responsibilities (not necessarily of children) etc while the caregiver is working).

Just as it costs to work, it also costs to be at home (power costs for example). For couples, if one party is not able to work, or is only able to work part-time, the other party must secure employment that provides an income greater than their combined benefit in order to be able to meet the living costs of them both (increased costs related to work for one person alongside costs for the second person of being at home).

#### *7. Food parcels / grants*

"The limit of 3 food parcel cards/top-ups per year seems way too limiting - and if there is some discretion which WINZ can apply, it appears not to be applied." (CAB Manager)

*Client has fallen behind on rent, power and phone due to a drop in income. Work and Income have cancelled his accommodation supplement and he doesn't know why. He has an appointment at Work and Income soon, but is worried he and his family will run out of food before then. Work and Income told him they can't have any more food grants. We arranged a food parcel to tide him and his family over until the meeting with Work and Income. We attended the meeting with the client as support, helping him to explain the reason why he has fallen behind with his bills. Work and Income re-instated the accommodation supplement including back pay so all his debts will be covered within a short period of time. Client was extremely happy with the outcome and very relieved.*

### **What are the values that should underpin our welfare system?**

Each year many people approach the CAB because they are struggling to make ends meet. Some of these people are in employment, sometimes working several jobs, some of them are clients of Work and Income (Ministry of Social Development), some are students, some are single people, some have families they are also supporting. The common factor for all of these people is insufficient income to meet their costs of living. ***These people need either more income, or reduced costs.***

In 1978, the NZ Government ratified the International Covenant on Economic, Social and Cultural Rights. Article 11 of this Covenant states:

*The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right...*

Ensuring that these basic needs are met for every person living in Aotearoa New Zealand should not be aspirational for our country. Yet it is apparent we do have poverty, homelessness and deprivation in New Zealand today.

One of the tasks the Expert Advisory Group has been charged with is to “provide insights and recommendations about the work underway within MSD on achieving meaningful and lasting change within Work and Income to ensure that beneficiaries are treated with dignity and respect in all their interactions with the system” (Terms of Reference). If treating people with dignity and respect was a core value of the welfare system, then all components of that system would address the issues we have identified.