


WHERE TO FOR WELFARE? RECENT AND PROPOSED WELFARE REFORMS IN NEW ZEALAND


Who is on welfare and what does it mean for them?

Donna Wynd
University of Auckland




Why do we care?

- New Social Security Amendment Bill
- Aimed primarily at Sickness and Invalids beneficiaries.
- Imposes sanctions on those who do not participate in job seeking or training.



The new paradigm

- The 2005 Speech from the Throne referred to: a “new benefit structure focused on providing work opportunities for all New Zealanders.”
- Social and economic inclusion comes through working



Social Security Amendment Bill – Purpose

"(a) to enable the provision of financial and other support as appropriate---

"(i) to help people to support themselves and their dependants while not in paid employment; and

"(ii) to help people to find or retain paid employment; and

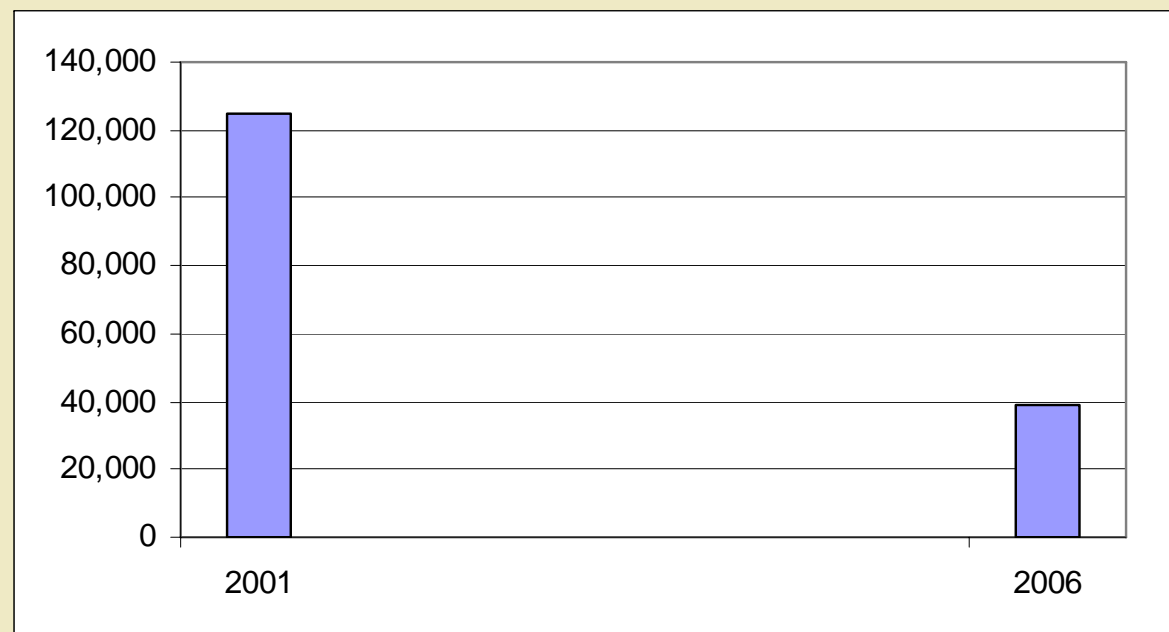
"(iii) to help people for whom work may not currently be appropriate because of sickness, injury, disability, or caring responsibilities, to support themselves and their dependants:

*"(b) to enable **in certain circumstances** the provision of financial support to people to help **alleviate hardship...**"*

Who is on a benefit?

- The number of unemployed has fallen steadily since 2000.

Unemployed, December 2001 and December 2006.



Source: Ministry of Social Development



BUT

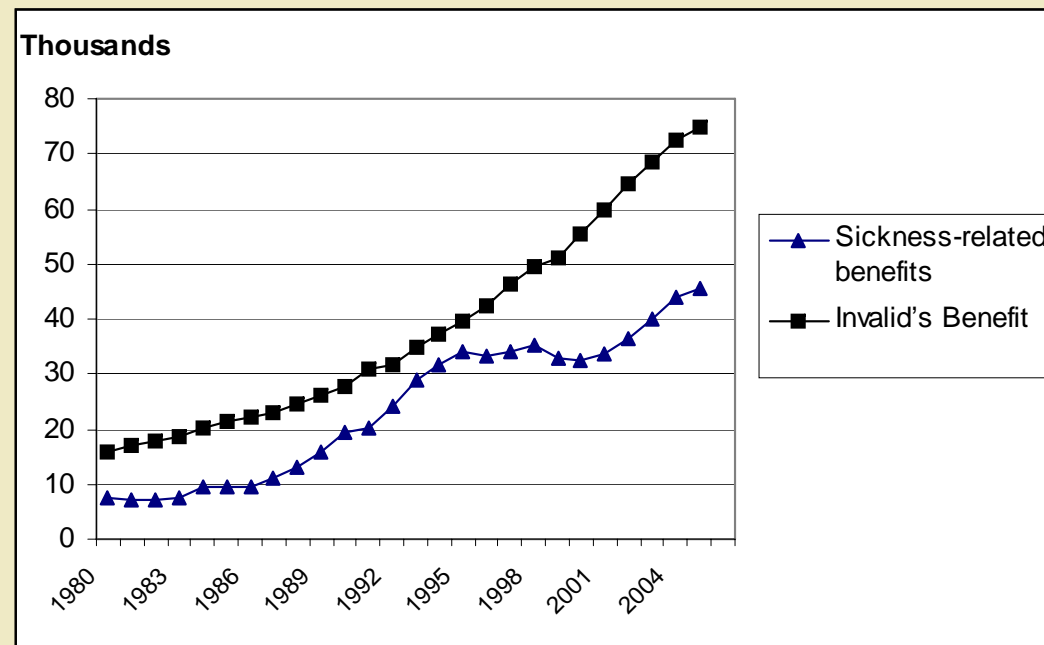
We see a change in the make up of those on the UB

- In December 2001 31% were Maori and 14% were 55-64 years old.
- In December 2006 these proportions had increased to 36.5% and 21% respectively.


The Not-So-Good news

The number of Sickness and Invalids beneficiaries continued to increase.

Number of sickness and invalids beneficiaries, 1980-2005



Source: Ministry of Social Development



The composition of those groups has changed too

	Number of Sickness beneficiaries	Proportion identifying themselves as Maori	Proportion aged 55-64
Dec 2001	36,191	22.7%	17.4%
Dec 2006	48,650	26%	21%



	Number of Invalids beneficiaries	Proportion identifying themselves as Maori	Proportion aged 55-64
Dec 2001	61,369	18.3%	30%
Dec 2006	76,816	21%	33.1%

- Women went from 44.6% to 47.1%.
- These increases do not reflect changes in the general population.

What about DPBs?

	Number of DPBs	Proportion identifying themselves as Maori	Proportion aged 40-64
Dec 2001	109,047	37.5%	25.6%
Dec 2006	100,309	40.4%	31.1%



Who is on a benefit?

- The most marginalised groups – Maori and Pacific people, older workers, the sick and disabled.
- And their children.



In December 2005 about 230,000 children lived in households receiving benefit.

TOTAL	NZ European	82,973
	Maori	93,423
	Pacific Island	27,854
	Other	23,939
	Unspecified	3,091
	All	231,280

181,000 of these children were in DPB households.

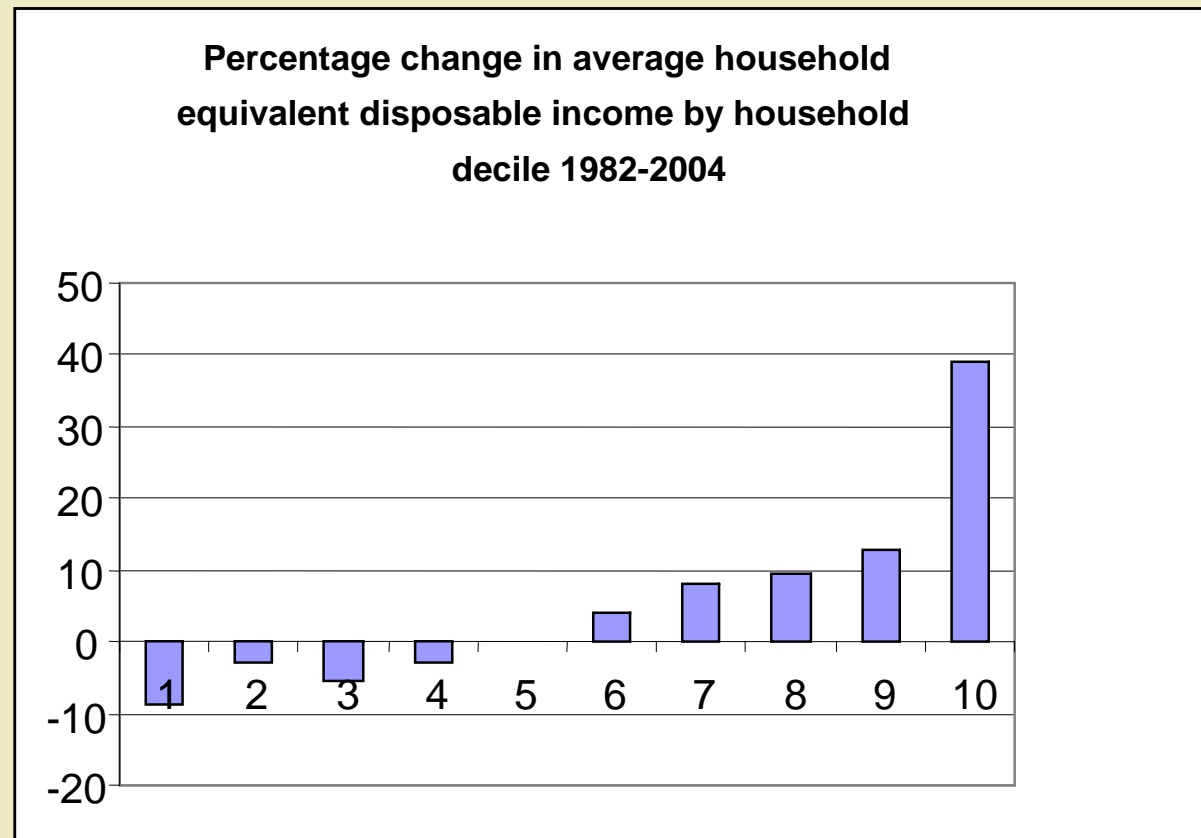


Possible issues

- Care of children with special needs
- Care of the sick and disabled while their spouses work
- Will the new requirements simply become “arbitrary hoops for the unemployed to jump through if they expect to receive benefits”?

What does being on a benefit mean?

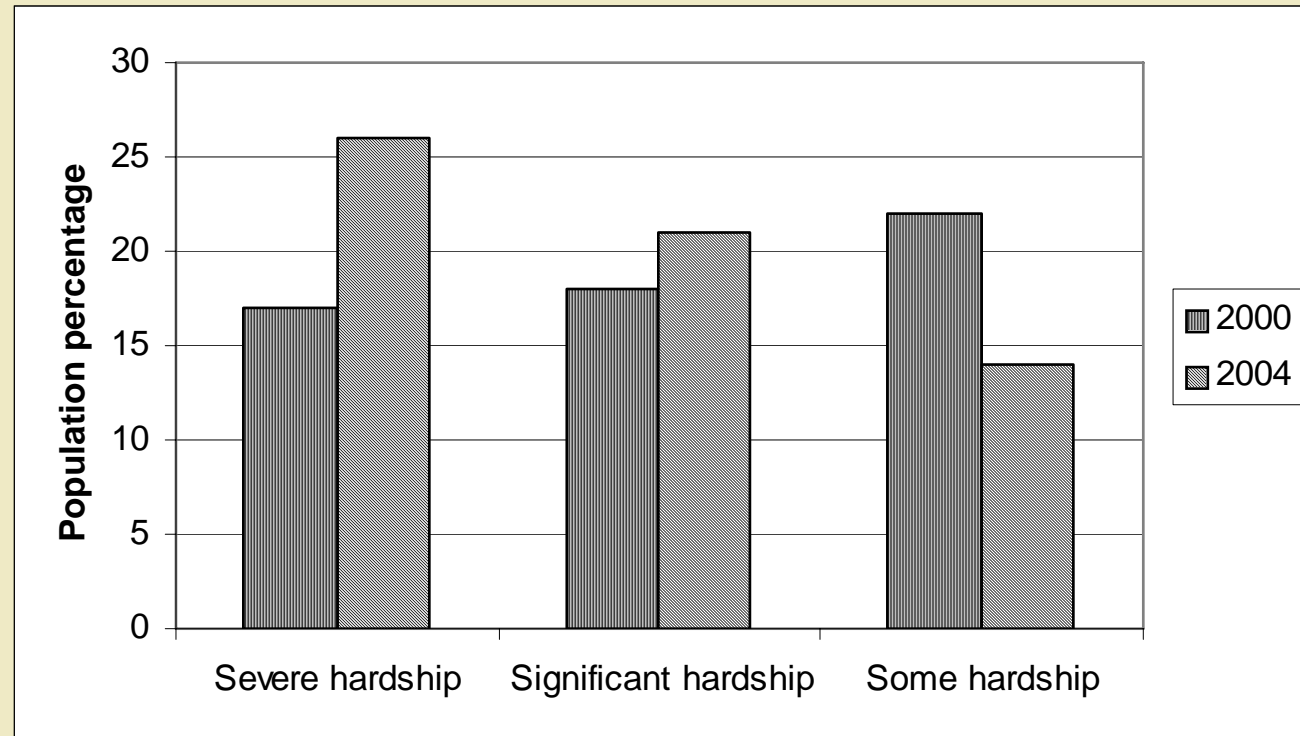
Fall in real incomes from 1982 – 2004. Some beneficiaries incomes were further reduced under WFF.



Source: Ministry of Social Development

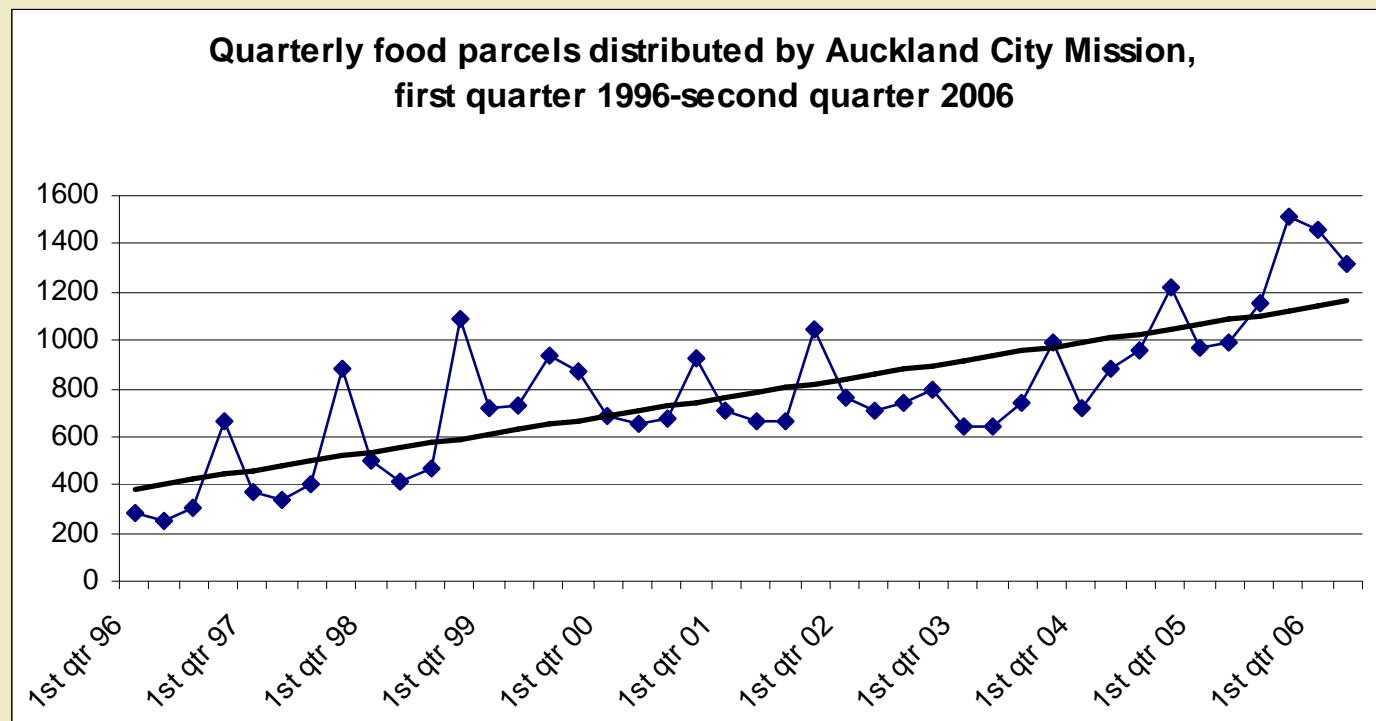
Beneficiaries and low living standards

- Living standards of families on income-tested benefits, 2000 & 2004.



Source: Ministry of Social Development

Food is a discretionary expense



Source: Auckland City Mission

Foodbanks in South Auckland and Wellington continue to report record demand.

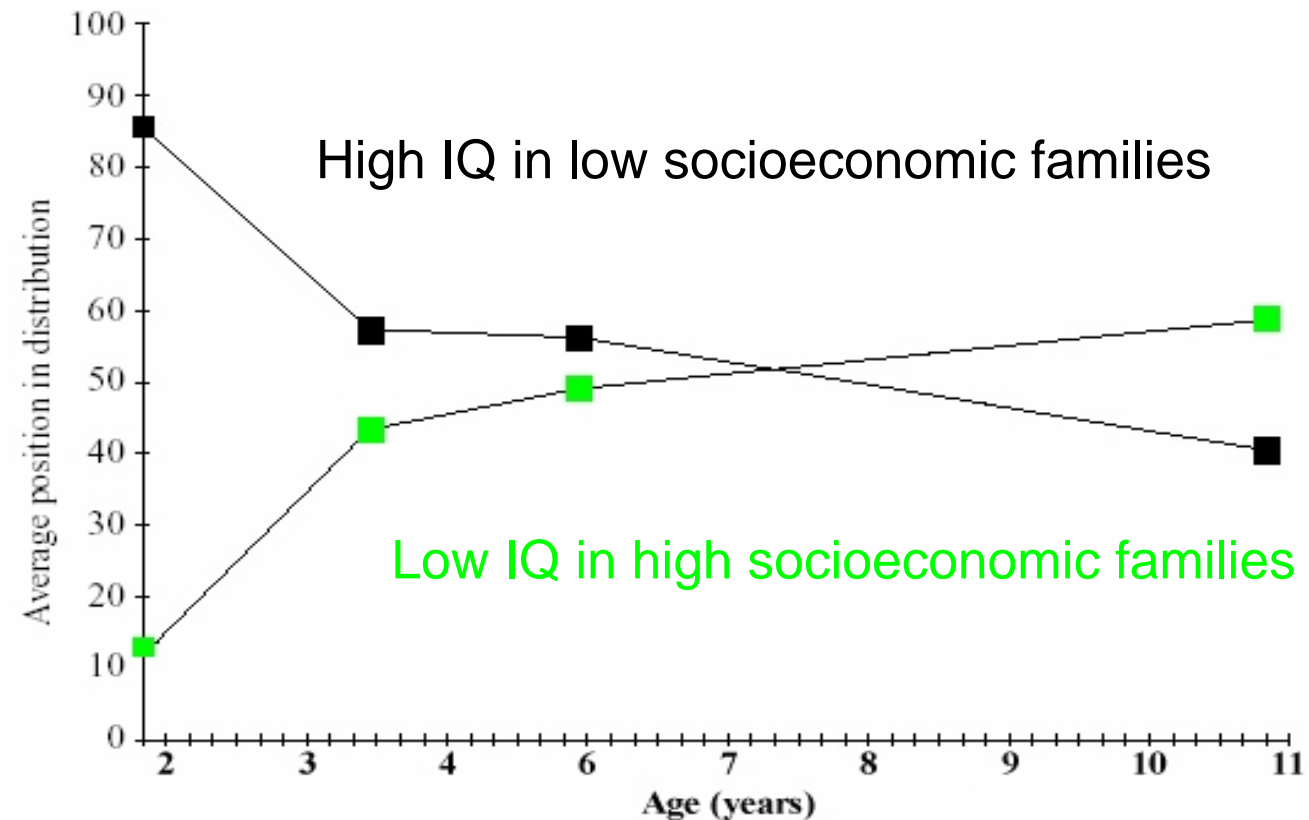


Relationship between housing conditions and health

	Infectious diseases	Respiratory health	Other chronic conditions	Injuries & poisoning	Psycho-social health	Cultural health
Substandard housing	X	X	X	X	X	X
Crowding	X	X	X	X	X	
Cold		X	X	X	X	
Damp & mould	X	X	X		X	

Source: Chiefly Ministry of Pacific Island Affairs, *Scoping report on status of housing for Pacific Peoples*

Relationship between low income and educational achievement



Leon Feinstein. Economica 2003; 70: 73-97.



- Those on benefits will start to fall further behind their peers.
- More diseases of poverty, including obesity-related diseases.
- Some children may become too ill to work, giving rise to the next generation of Sickness and Invalids beneficiaries.
- Is this what we mean by investing in social success?