

PATHWAYS to OPPORTUNITY

Ngā ara whai oranga



FROM SOCIAL WELFARE TO SOCIAL DEVELOPMENT





JUNE 2001

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INTRODUCTION



THIS GOVERNMENT STATEMENT OFFERS a new approach to social security for people of working age in New Zealand. It is an approach that actively invests in people so they can respond to the challenges and opportunities of our emerging knowledge economy.

The Government's objective is to give everyone the opportunity to benefit from the high skill economy that is developing in New Zealand. Rather than trapping people on a benefit or forcing them into unproductive work for the dole, this Government intends to build the skills and talents of all New Zealanders; to provide them with a pathway to opportunity so they can find meaningful work for real wages.

As well as providing security, the \$5.4bn we spend each year on benefits must become an investment in people's potential. Our social security system must be focused towards that end for those of working age, whilst ensuring that those, who for good reason cannot work, get the support they need.

In the past the social security debate has been an unproductive "more versus less" argument. On the one side are those who see benefit payments as just a drag on the economy; on the other there are the supporters who only want a constant injection of money, despite changing needs and times.

We must move past this fruitless debate and focus instead on the purpose of social security in our economy. Technological, economic, and social change makes a social development approach to welfare more, not less, important.

For New Zealand to compete successfully in the global economy we need skilled workers. The sense of security provided by an effective and properly-focussed social development approach can support people to develop their job skills, and provide a springboard for them to move to new opportunities.

This means seeing social security not as a fortnightly benefit cheque, but as a carefully considered social investment to lift people's capacity today, so they can look after themselves tomorrow.

We have made a good start. We are working with beneficiaries to support their families and children and genuinely address their job-related needs. A hallmark of the new approach is that it will respond to the needs of each individual.

Moving from social welfare to social development is an ambitious challenge for the whole community. Like all far-reaching social change, it takes time.

For its part, the Government is committed to working with New Zealanders to overcome inequalities and provide a foundation of security from which opportunity can grow. This is at the heart of the social development approach of the Government.

Rt Hon Helen Clark
PRIME MINISTER

Hon Steve Maharey
MINISTER OF SOCIAL SERVICES AND EMPLOYMENT

From Social Welfare to Social Development

THE TRADITIONAL SOCIAL WELFARE SYSTEM, focused on providing modest income assistance to people who were unemployed or otherwise prevented from earning a living, worked well for its time.

But over the years the structure of the economy and of families has changed. In a dynamic economy and society more passive forms of assistance are no longer sufficient. The modern social development approach recognises that helping the individual means addressing problems such as lack of skills or loss of confidence. Further, it recognises that this is best done by working in partnership with the communities in which people live.

	TRADITIONAL WELFARE	SOCIAL DEVELOPMENT
OBJECTIVES	Income assistance; little focus on lack of skills or other problems	Helping and supporting people while they lift their skills
FOCUS	The individual	The individual within their family and community (strengthening both)
DELIVERY	Centralised, impersonal	Local partnerships and individually-tailored assistance
AIMS	Income support to alleviate poverty	Poverty alleviated while participation skills are developed
SUCCESS MEASURES	Fast and efficient delivery of income support	People into sustainable work; others supported to participate; fast, efficient and responsive delivery of income support ●

Problems with the Existing System

OUR BENEFIT SYSTEM NEEDS AN OVERHAUL. It was designed 65 years ago and it has failed to keep pace with the changing needs of our population.

We are now a more diverse society made up of many different communities, families and cultures. The way we live and work has changed too, with more women than ever before in paid work and many people in part-time work.

The present system does not deliver what people want or need. It is overly complex with many layers and types of benefit. People do not get all the assistance they need because they do not know what to ask for or the administration of it is too complex to meet their needs.

The system often does not assist people to take on the risks of an entry-level job or take the first step towards a new career. It cannot give people certainty that getting a job will leave them better off. Nor does it respond quickly enough to changing individual needs.

At a time when there are skill shortages in some industries, we still also have many long-term unemployed. Our current system has failed to make the right social investments to bridge this gap.

Overall, it is outdated, complex and ineffective in helping people achieve independence. For example:

- Despite improved economic conditions, one in six people of working age rely mainly on a benefit.
- One in 10 people of working-age has been continuously on a benefit for more than two years.
- Nearly a third of people who leave a benefit to take up work, are back on a benefit within nine months.

We need a social security system that is modern, simple, flexible and more effective in supporting people to take up and stay in work. ●



A New Approach

A NEW SOCIAL DEVELOPMENT APPROACH will assist people to gain the skills that lead to a sustainable job, provide effective support to keep them in work, and make sure that taking a job always leaves them and their families better off.

OUR AIM IS TO ACHIEVE:

- A simple, flexible and more effective system to meet individual needs.
- More beneficiaries moving into sustainable paid work.
- Fewer families and households where no family member is in paid work.
- More beneficiaries earning income from part-time work and more beneficiaries increasing the amount they can earn.
- Every family being able to meet their basic needs.
- People enabled to be more involved in their communities.

We must ensure that current and future beneficiaries have sufficient to meet their basic needs, while simultaneously providing the springboard for them to move into paid work.

WHAT WILL BE DIFFERENT

You will see changes:

How we deal with people will be different. We will work with people to identify their strengths and needs, tailor services such as job placements and courses to the individual, and help people through the transition to work with ongoing assistance.

The system will be simpler and more responsive so that people get what they need and we can concentrate on getting those people able to work into jobs.

Communities will be at the heart of this approach. Government agencies will work more closely with groups in their communities and regions to develop opportunities and jobs.

Six New Strategies

THIS NEW APPROACH IS DESCRIBED IN THE FOLLOWING SECTIONS. IT FOCUSES ON SIX AREAS:

A Simpler System. We are moving towards a social security system that is both more easily understood and easier to deliver.

Making Work Pay and Investing in People. We are ensuring that a move into work is worthwhile financially. We are also investing in disadvantaged regions to help businesses create employment.

Supporting Families and Children. We want a system that supports families and children through difficult times, especially when no family member is in paid employment.

Mutual Responsibilities. We accept Government's responsibility to help those struggling to find paid work. However people must be prepared to take opportunities offered to them, and be aware of reasonable sanctions if they do not.

Building Partnerships. We are committed to working in partnership. It is only by joint action – with the voluntary sector, with local government, and with business – that lasting change will take place. Communities need to be 'backed' to find local solutions to local issues.

Tackling Poverty and Social Exclusion. We are building the capacity of New Zealanders to be part of the modern economy and addressing issues that trap people in poverty and prevent their full participation in society. ●



A Simpler System

A SIGNIFICANT PROPORTION OF WORKING AGE New Zealanders are receiving a benefit, despite economic growth. Many are recycling through the system, because they are having difficulty staying in a job.

- An estimated four in every 10 people of working age received a benefit at some point in the six years from 1993.
- Of all those who entered the benefit system in 1993, 73 percent had two or more spells on a benefit in the following five years.
- Of the 250,000 people who started on a working age benefit in 1993, a third spent a total of at least three out of the following five years in receipt of benefit income.
- Of all working-age benefit recipients whose ethnicity is recorded, Māori make up 39 percent and Pacific peoples, 8 percent.

While there are many causes to these problems requiring long term solutions, the design and delivery of social assistance is one area where Government can make a difference in the shorter term.

The system was developed to deal with a simpler society where needs were more likely to be short term. Benefits and allowances have been added and subtracted since then. Programmes have been constantly targeted and modified. The result is a multi-layered, complex system that is difficult to understand and use.

Fundamentally, people should know what benefits they are eligible for, and how to get them. They should be helped through the various stages, rules and requirements so they can be confident that they will get what they need when they need it. The social security system also needs to be more responsive to local needs and better tailored to individual circumstances.

THE NEW APPROACH

Ensuring eligibility information about benefits is easily understood and accessible

Information about entitlements is being improved. Benefit manuals are now available to advocacy and community groups. New technology is being used to help people establish whether they are eligible for benefits or allowances. More use may be made of the Internet for information on entitlements and jobs. Further down the

track, people may well be able to apply for benefits on line.

We are also rewriting the Social Security Act 1964 to make it more understandable and user friendly.

Making the system simpler and up to date

The Community Wage is being replaced from 1 July 2001 with a work-tested Unemployment Benefit and a non-work-tested Sickness Benefit. From 1 July everyone applying for a work-tested benefit will have a Job Seeker Agreement which will set out clearly their work test responsibilities, what the Department of Work and Income will do to help them into work and what they will do to help themselves. The sanctions regime is much simpler and easier to understand. The rules for getting a Special Benefit have also been clarified.

The Government will address issues around the work test for those on the Domestic Purposes Benefit. The aim will be to achieve a better balance between work and family responsibilities, while acknowledging that work must be the goal when family responsibilities allow.

Over time, we will work to:

- Remove unwarranted discrimination in the benefit system, such as discrimination on the basis of gender.
- Remove any unnecessary complexity from the current structure of benefits and supplementary assistance so that it better meets people's needs.

We question the need for five different benefits for people of working age – unemployment, sickness, invalids, widows and domestic purposes benefits. One option could include a move towards a 'universal' benefit with standardised eligibility rules and conditions that would greatly simplify the system for both the beneficiary and administration. Add-ons would be provided to recognise the particular needs of individuals, such as a care of children supplement, a disability allowance, and an accommodation allowance.

Such an approach would involve substantial policy, legislation and systems changes. Because it would involve major changes to the way income assistance is currently delivered, we will consider these issues carefully and consult with the public before any decisions are made.

Tailoring Services to the Needs of Individuals and Regions

A system that takes a 'one size fits all' approach cannot hope to meet the needs of our country. We need to make an effort

to understand the underlying causes of people's problems and genuinely address them.

People require different levels of assistance; some need little more than information, others may need a range of help.

Where people live often has a huge bearing on their circumstances and our system needs to become more responsive to local needs. The Department of Work and Income's regional commissioners are being empowered to do what works best for people in their region. More flexible regional plans are being developed which incorporate specialised forms of case management, alliances with local businesses and partnerships with community groups.

Rising to these challenges, the Department has introduced a new charter, which sets out its commitment to improving service standards.

Services are being tailored for particular groups such as Māori and Pacific peoples, and for those with particular difficulties, for instance mature workers, or those unable to

work because of sickness or family responsibilities.

Improving employment prospects for disabled people is also vitally important. The Government has consulted widely on the New Zealand Disability Strategy which, along with the review of vocational services, will provide enhanced opportunities for disabled people to participate in paid work, if that is their wish.

The Government is providing \$3 million over the next three years to pilot initiatives that will help Sickness and Invalids benefit recipients improve their opportunities to participate in the paid workforce. These initiatives, which will be entirely voluntary, are scheduled to be announced by the end of this year.

We have also allocated nearly \$4 million to support job seekers and school leavers with disabilities through the implementation of the interim findings of the vocational services review. The funding will go primarily towards the Job Support Programme and transition to work for disabled school leavers. ●

New Strategies for Mature Workers

An effective system must cater for the needs of particular groups. Three Department of Work and Income regions – East Coast, Nelson and Southern – are now piloting programmes for mature job seekers aged 40-64 years. People in this age group often face different employment problems and challenges than their younger counterparts. In some areas, mature job seekers can make up as much as 40 percent of the total number of job seekers.

These pilots are designed to provide mature

job seekers with practical assistance, such as job search skills, motivational training, and facilitated contact with potential employers.

Another pilot project is to be launched in the Christchurch area aimed at changing employer attitudes to taking on mature workers. It will be a partnership with the Canterbury Development Corporation that aims to actively raise awareness and promote to employers the advantages of employing mature workers. ●

Our service standards

Here's what you can expect from us

- We will
 - give you prompt and efficient service
 - tell you how about our services and how we can help
 - give you clear advice that is based on what you need
 - give you the assistance you are entitled to
 - provide clear signs and directions
- Our staff will help to
 - get you on to a course or training
 - support you to find a job
 - give you information about the services we offer
 - get you on to a course or training
 - get you on to a course or training



Services for Māori

Working with unemployed Māori is a priority area for the Department of Work and Income. It has a range of strategies for reducing levels of long-term unemployment for Māori and increasing participation in education, training and employment. These include the development of partnerships with iwi and Māori organisations for the delivery of services, implementation of early intervention and in-work support for Māori, introduction of whānau-based case management, and collaboration with other government agencies.

Examples of initiatives already underway include:

- E Tipu e Rea: A partnership with the Te Manuka Charitable Trust in South Auckland to give individualised employment assistance to whānau groups.
- Ngāti Maru Ki Hauraki Inc has been contracted to deliver intensive case management in Hauraki through the RIMU (Rurally Isolated Māori Unemployed) programme that targets young unemployed Māori.
- Experienced Department of Work and Income staff are spending time in Māori communities and on marae in places as diverse as Wainuiomata, West Auckland, and the Whanganui River, providing crucial information on entitlements and work opportunities. ●

Regional Flexibility in Action

There are a range of initiatives currently underway to ensure greater regional responsiveness, for example:

‘SUPER 7’ CLIENT ASSESSMENT

In Nelson, case managers assess seven factors to identify any barriers to work a person may have and a detailed plan is created for each person to overcome those barriers identified. An Intranet is used so staff have full information on the range of options available.

BLenheim YOUTH TEAM

The Youth Team, comprising several case managers and a work broker, aims to place youths into sustainable employment. A plan is negotiated with each youth and local programmes (e.g. Outward Bound, TOP) provide them with the skills and experience to enter the workforce. Good relationships with employers and providing on-job support are crucial to young people securing stable employment. The Youth Team also helped to organise a successful ‘youth expo’, where 300 young people met with a wide range of training providers and learnt about the opportunities available.

JOB TRACK – WAIMEA COLLEGE RICHMOND, NELSON

This programme caters for up to 70 students under the age of 19 who are not suited to academic study. The programme encourages them to develop a positive work ethic and provides a range of work experience.

WESTLAND HOSPITALITY

The Glacier country on the South Island’s West Coast is one of New Zealand’s fastest growing tourism areas. Employers at Franz Joseph and Fox Glaciers are finding it increasingly difficult to recruit seasonal workers. The Department of Work and Income is working with employers to address these issues. One initiative will see it work together with Skill New Zealand, Tai Poutini Polytechnic and Scenic Circle Hotels to develop a Hotel Training School in Franz Joseph.

TRANSPORTING SEASONAL WORKERS IN NELSON

During the pipfruit season in the Nelson region, the Department of Work and Income hires two mini-buses to transport seasonal workers to orchards for job interviews. Lack of transport is a major barrier for those seeking work, as many of the orchards are some distance from main centres and away from public bus routes. This initiative has proved very successful, with everyone on board usually having a job by the end of the day. ●

Mahi Tea – Making It Happen

It is important to use existing expertise in the community to address local needs. Those closest to the issues are often best placed to deliver the solutions.

An excellent example of what can be achieved is a course in Wairoa which motivated long-term unemployed Māori men to work with unemployed young people.

The men had been unemployed for four years or more and one had not had a job in ten years. Until the course, most had been content to sit at home and receive a benefit. They had lost the will to look for work or undergo training.

This group now calls itself “Mahi Tea – Happenings”, and is set up as an incorporated society. Group members completed a financial management course through the Department of Work and Income. A number of the group now have welding certificates and others have completed computer training. Some have found full-time work, others part-time positions. All are still members of Mahi Tea.

Now Mahi Tea has turned its attention to helping the young people of Wairoa. It is providing them with recreational activities and it has received strong community support. ●

Tailoring Services for Pacific Peoples

In South Auckland and Wellington, the Department of Work and Income is ensuring that Pacific peoples have better access to training and skill development opportunities, to assist their move from the benefit to work.

The Department also provides In-Work Support Coordinators to help Pacific peoples and Māori when they start a new job. They answer questions about working and deal with issues that arise from starting a new job. ●



Making Work Pay

PEOPLE WITH LIMITED WORK EXPERIENCE, SKILLS and qualifications struggle to find work that pays a decent wage.

Too many people feel that they are better off with the security of a benefit rather than moving to the insecurity of a low-paying and uncertain job.

When they examine their options, they often find that going to work simply does not pay. This may be because they are in a low paid or unstable job.

The monetary gains of being in work can be minimal once other costs, such as childcare, are included. Furthermore, job opportunities in areas where rents and housing costs are low, are often limited. The availability and cost of transport is another big factor in making low-paid work an unattractive option.

In some areas seasonal work is the only unskilled/semi-skilled work available. Wages for these tasks are often low and the work is short-term. Current benefit rules do not always help people take on seasonal and other casual work.

The Government is determined to develop a system that actively assists people to make an effective transition from the benefit to the workforce.

First and foremost, such a system must provide security for people when work is low paid or uncertain. At the same time, it is vital that the system encourages and provides opportunities for beneficiaries to improve their levels of education and training so they can aim for higher-paying jobs.

Many beneficiaries also do not realise what help is available to assist them enter the world of work.

How we assist people to make the transition to work and to make work pay also needs to reflect the realities of where people are living. In Auckland it could mean help with transport, housing or childcare; in Gisborne, the assistance might come in the form of an initial income supplement to on-the-job trainees or an 'into work' grant. This flexibility is important if we are serious about addressing people's individual needs.

THE NEW APPROACH

The Government will help make work pay by:

- Spending \$9.4 million over the next four years on a package of initiatives to extend current assistance to beneficiaries with transition-to-work costs, streamline access to family support payments, and provide information on in-work assistance. It will double the maximum payment of the Work Start Grant to \$500 and extend the New Employment Transition Grant to married people with children. It also provides up to \$500 a year for people who are required to take unpaid leave during their first six months in employment.
- Reviewing the rules that govern access to the benefit system (e.g. stand-down periods, treatment of holiday pay, payment of benefit in arrears) to ensure that they are not discouraging people from taking up work opportunities.
- Looking into the amount that people can earn before they lose their benefit (abatement).
- Improving the current complicated linkages between the taxation and benefit systems.
- Reviewing current arrangements around seasonal work to reduce barriers to taking on this kind of employment.
- Investigating ways to stem the rising tide of benefit debt. Our first focus will be to prevent new debt being established, and then to see how we can help those already struggling with debt to improve their circumstances.
- Seeing what others are doing overseas – what works and what doesn't to better make work pay.

This Government has increased the minimum wage and lowered the age of eligibility for the adult rate from 20 to 18. It has increased the earnings of an 18-year-old worker on the minimum wage from \$4.20 to \$7.70 an hour, an increase of \$140 gross a week. For an adult working 40 hours a week and earning the minimum wage, the increase in the minimum wage to \$308 gross represents an increase of \$28 a week. ●

Investing In People

One of the best way to make work pay is to ensure that all New Zealanders have the skills to participate in the labour market, and to keep those skills current. By building people's capacity to work, they will be in a much stronger position to take advantage of opportunities as they arise.

This Government has made upskilling the nation one of its highest priorities. This recognises that a skilled workforce is vital to our economic growth, our standard of living and our international competitiveness. Disturbing numbers of New Zealanders do not have even the basic levels of literacy and numeracy essential for most jobs. This situation must be addressed.

The Government is implementing economic and employment strategies that are designed to promote steady growth and a better matching of skills and jobs. This is already well underway and it is vital that the benefits of this growth are shared throughout the community.

Even when they have skills, we recognise that beneficiaries may need other assistance to make a successful, sustainable transition to employment. This may take the form of job placement services, and in-work training and support.

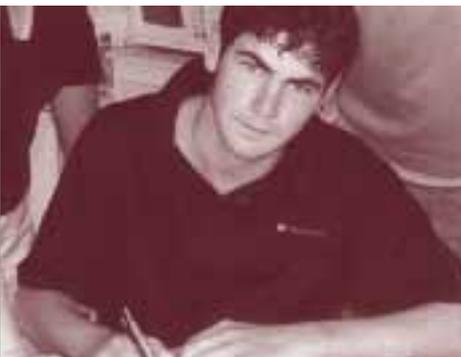
THE NEW APPROACH

Voluntary Work Recognised: Doing voluntary work can help beneficiaries get ahead. There are many voluntary jobs in the community that can help beneficiaries build up work skills and experience while they look for paid work. From April, voluntary work that helps towards the goal of finding paid work has been acknowledged as meeting part of their work test.

Modern Apprenticeships: We are providing more opportunities for young people to gain the skills they need to enter the workforce. We are expanding the Modern Apprenticeships programme and expect to have up to 3,000 young people in Modern Apprenticeships by the end of 2002.

The Training Opportunities Programme (TOP) is being reviewed so we can improve the education and employment prospects for those with low skills and qualifications.

Raising the skill levels of New Zealanders is an important focus of the Industry Training Review and the work of the Tertiary Education Advisory Commission. Resulting initiatives will make tertiary and workplace learning more accessible to a broader range of New Zealanders. ●





Addressing Adult Literacy Needs: An Urgent Priority

A 1996 SURVEY OF NEW ZEALANDERS FOUND THAT:

- Over a million adults have a literacy level below the minimum level of competence needed to meet the demands of everyday life.
- Within this group, one in five adults were found to have very poor literacy skills.
- Almost half of all unemployed were at the very lowest level of literacy.

The Government is to spend \$3.6 million over the next four years on helping job seekers in greatest need improve their literacy skills. This is expected to particularly help Māori, Pacific peoples and migrant job seekers. This initiative is part of the Government's \$18 million Adult Literacy Strategy. ●

Helping People Find Work – Recognising Community Activities

The Government's focus is on helping job seekers find real jobs.

From 1 April we have introduced a voluntary new programme called Activity in the Community. Taking part in these community projects is a good way to gain experience and make contacts that can help people find paid work.

There are also many other voluntary jobs in the community that can help beneficiaries build up work skills and experience while they look for paid work.

From 1 July this year we are introducing a negotiated Job Seeker Agreement which will set out the steps the job seeker will take to find work, as well as the assistance they will get.

People will be able to include activity in the community and suitable voluntary work in their Job Seeker Agreement. ●



Supporting Families and Children

BEING ON A BENEFIT LONG TERM IS NOT GOOD FOR PARENTS OR THEIR CHILDREN. We need to find the best ways to encourage and support parents in work and help them bring up the next generation of New Zealanders.

The Government is committed to a fair, transparent social security system for parents and families. This will support families through difficult times and help them to achieve independence.

We recognise that all parents want to do the very best for their children and that working parents, whatever their income, face the daily challenge of combining their work and family commitments.

We accept that good quality childcare is central to ensuring that parents are able to balance their work and family responsibilities. However, childcare and out-of-school care services have not kept up with demand. Recent New Zealand research has identified that:

- The cost of childcare is one of the biggest barriers to parents accessing childcare services.
- There is an unmet demand for out of school care, with an estimated 31,000 parents wanting this type of care.
- Only 400 of the estimated 1000 OSCAR (Out of School Care and Recreation) programmes in operation meet standards set by the Department of Child, Youth and Family Services (there is no requirement that all programmes meet these standards).
- Many OSCAR programmes, particularly those in low-income areas, are struggling to maintain financial viability.

Another worrying trend is that fewer families are claiming family assistance than we would expect. Family assistance, largely received as tax credits through the Inland Revenue Department (IRD), is intended to ensure adequate incomes for low-income people with dependent children.

The system of tax-based family assistance does not link well with the benefit system. Without help of this type, it is difficult for people to move in and out of work without falling into the poverty trap of benefit or tax debt, sometimes both.

Sole parents moving from the benefit to the workforce face particular challenges. They need a decent working income and they need confidence that support is there to relieve the load when times get tough.

The Government sees support for parents as a key part of the social development strategy. Support for families, particularly families in work, is a good and necessary investment in New Zealand's future.

We do not believe, however, that the Government alone should be responsible for providing this support. The Government expects parents who do not have custody to take greater responsibility for their children and to play a greater role in their upbringing.

THE NEW APPROACH

Childcare

The Government has increased parents' access to affordable quality childcare services, so parents can be confident their children are well looked after while they work.

It has invested an extra \$20.6 million over the next four years to continue the maximum number of hours that may be claimed for childcare and OSCAR subsidies at 37 hours a week, and extended development assistance for a further year for OSCAR services that were threatened with closure because of financial problems. The measures provide increased government support in this area to ensure there is a stable supply of quality services for parents.

Family Income Assistance

The Government will be setting in train a broad review of the family tax credit system. The aim is to better meet the needs of low-income families and improve the returns from paid work.

Review of the DPB Work Test

The Government is currently reviewing the work test for Domestic Purpose Beneficiaries, those on a Widows Benefit and the spouses of beneficiaries to ensure an appropriate balance between work and family responsibilities – with paid work being the goal when family responsibilities allow.

The Government is to trial active early assistance for around 4,500 Domestic Purposes Beneficiaries. They will be given the option of a home visit from Department of Work and Income staff where, for example, advice about getting or keeping a job will be given.

Paid Parental Leave

The Government has made a commitment to introduce a paid parental leave programme within the next year. ●

Working More For Less

Here's an example of how the current benefit and tax systems provide no financial incentive for beneficiaries to join the paid workforce.

Julie, a sole parent with one school age child, is working 25 hours a week at the minimum wage, which brings her \$161.03 net (after tax) a week. When her family tax credit, family support and child tax credit, and accommodation supplement are added to this, her net weekly income is \$439.50.

When Julie is offered a full-time job at the minimum wage paying \$250.90 net a week, she is going to be \$1 worse off, despite the fact that she

is going to be working considerably longer hours. This is because the family tax credit 'top-up' reduces by \$1 for every net extra dollar earned, and the accommodation supplement reduces by \$1 because of the increased wages. The result is that her total income will be \$438.50.

Working full-time also means Julie needs someone to look after her child after school. If Julie uses an approved OSCAR programme, she will be eligible for a subsidy. But there will still be costs, making full-time work an even less attractive proposition. ●





Mutual Responsibilities

OUR SOCIETY IS BOUND TOGETHER BY A NETWORK of different relationships and responsibilities – between individuals, families, communities, government, institutions, and business.

The Government has a critical role in promoting a strong economy with plentiful job opportunities. Most people will find their own jobs within that economy, but some will struggle. The Government accepts its responsibility to help those having difficulty finding paid work. In return, people will be required to take up the opportunities offered to them.

Voluntary work can often be a vital stepping stone towards full-time employment. The Government recognises and supports work done in the voluntary sector.

The Government is also mindful that in some circumstances responsibilities are complicated, as in the case of parents with caring responsibilities or people with disabilities seeking employment. These people merit additional assistance.

There are responsibilities on employers to do their utmost to ensure equal employment opportunities. The Government recognises the importance of dealing with people according to

their circumstances and of proactively addressing any barriers to employment they face.

THE NEW APPROACH

Clear responsibilities

What is required is a planned approach, which clarifies the responsibilities of Government and the individual. Each person who is on a work-tested benefit will now have a Job Seeker Agreement. This Agreement will set out clearly their work test obligations, what the Department of Work and Income will do to help them move into work, and what they will do to help themselves, including voluntary jobs.

Clear consequences

This Government will not support unemployment as a lifestyle option. We are making the benefit system simpler and fairer, but for those who do not accept their responsibilities, there will be sanctions. Those who fail to take up suitable jobs that are offered to them will not receive taxpayer support. ●

Mutual Responsibility

The Job Seeker Agreement sets out a person's employment-related responsibilities while at the same time outlining the assistance the Department of Work and Income will provide to help the beneficiary get a job.

If a person fails to meet the agreed responsibilities in their Job Seeker Agreement, they will need to discuss the reasons for this with their case manager.

Where it is clear that they have not acted responsibly, then their benefit is suspended until they re-comply with the terms of their agreement. The job seeker will have their benefit suspended again if they fail to comply a second time.

However, if they are persistent and fail to comply for a third time, their benefit will be suspended for 13 weeks. They can get their benefit back sooner only if they agree to take up and complete a work-related activity lasting for six weeks or longer.

Sanctions are rarely applied but their existence sends a clear message to people who are unemployed and receiving a benefit that they have a responsibility to make every reasonable effort to meet their Job Seeker Agreement responsibilities. ●



Building Partnerships

THIS GOVERNMENT IS WORKING WITH COMMUNITIES to ensure services respond to local needs. We are identifying the key players, and supporting them in finding local solutions to local issues.

There are a number of key participants in reforming our social security system. These include the community and voluntary sector, businesses, local government and the communities themselves.

Our approach is designed to foster a community ownership of solutions. Effective co-ordination is also required to avoid wasteful duplication of effort and to share best practice among the partners. The Government is actively working towards these goals through agencies such as the Community Employment Group.

THE NEW APPROACH

- The Third Sector** (the community and voluntary sector). Third sector organisations contribute strongly to building our communities and are a rich source of talent and ideas. The sector already employs more than 80,000 paid staff and draws on thousands of volunteers. People who are unemployed or unable to undertake full-time work can use opportunities in this sector to reconnect with their communities and gain valuable skills and experience. The Government is working closely with the sector to ensure this happens.

The Government is committing \$3.6 million over the next four years to support the work of social entrepreneurs – people who possess the skills, energy and insight to make a real difference in their communities. By giving these people better training and support, we will ensure that they make an even greater contribution to their communities.

- Communities.** Community Employment Organisations have been introduced to assist communities to develop niche businesses that fill in the gap between Government and the private sector and meet social and community needs. The Department of Work and Income is also working with communities, for example in Dunedin, where help is being given to a social agency to create nursery and horticulture jobs for young people to improve their chances in the job market. In Lumsden, residents have been helped to set up a hostel in the town so young people can live there cheaply and commute on a sponsored bus to work in Queenstown.
- Businesses.** In partnership with business, we will create new jobs and help disadvantaged people access those jobs. Businesses can also play an increasing role in promoting strong and vibrant communities. The Business Council for Sustainable Development provides an example of businesses working together for broader ends.
- Local government.** We will work with local government to address the social and economic concerns of communities. We recognise that local government is in a unique position to identify the concerns in their community and address them. For example, the Government is supporting Actionworks, a Canterbury Development Corporation service that operates in partnership with business, social and health agencies to ensure that all young people in Canterbury are fully participating in paid work, training or community activities. The Government is providing another \$2.8 million over the next four years to continue and expand this programme. Also, the Government has a Memorandum of Understanding with the Mayors Taskforce for Jobs that reflects a commitment to ensure that all people in our communities will have the opportunity to be in work or training.

Heartland Services

Government services are working together better and being brought closer to people in rural areas through the Heartland Services initiative. The Government is committing \$2.3 million over the next four years for the establishment of centres as a base for government services to rural communities.

The first of approximately 10 Heartland Service Centres planned for provincial locations around the country before Christmas this year opened in Dargaville in May.

Heartland Services improves the face-to-face access to a range of government services for people in small rural towns across New Zealand. ●

Mayors' Taskforce for Jobs

Central Government has signed a Memorandum of Understanding with the Mayors' Taskforce for Jobs.

It states that the Mayors' Taskforce is committed to two goals:

- By 2005, no young person will be out of training or work in our communities.
- By 2009, all people in our communities will have the opportunity to be in work or training. ●



Tackling Poverty and Social Exclusion

THE GOVERNMENT'S REFORM OF SOCIAL SECURITY is part of its overall approach to tackling poverty and social exclusion.

Extending opportunities so no group is excluded from society or is denied the full rights, benefits and responsibilities of citizenship is a key challenge being addressed by the Government. These rights include the right to fair treatment, the opportunity for everyone to achieve their full potential and the right to security when in need.

We understand that people and groups feel excluded when they are unable to participate and belong to society. This may be because of financial hardship, poor health, crowded and poor housing, unemployment, and poor education.

Importantly, many of these social issues are inter-connected. For example, crowded housing may lead to poor health that may in turn make it harder for a child to do well in school, or hinder a person's ability to work. This Government is committed to tackling these issues head on by:

- Investing in education and health services.
- Investing in the people themselves to develop their capacity to play a full part in our economy and society.
- Providing people with the opportunities they need to move ahead.

We have assisted this by:

- Introducing income-related rents for over 50,000 state tenants from December 2000. More than 85 percent of State tenants now benefit from income-related rents, with most saving between \$20-\$80 a week.

A secure and affordable home increases children's chances of better health, giving them a greater opportunity to realise their potential. We have increased funding for community housing and are moving to extend or modify state houses where there are particular worries about crowding or health issues.

- Promoting the availability of the Special Benefit to assist people in cases of real hardship and removing the standard \$5 deduction.
- Making sure benefits rise to take account of increased living costs.
- Reducing unnecessary hardship by reviewing the recovery rate of debts owed by beneficiaries to the Department of Work and Income, where the rate was over \$40 a week. We are also looking into new measures to prevent debts being established.
- Restoring the level of NZ Superannuation.
- Increasing funding for health and education services, and improving equality of opportunity in education through the abolition of bulk funding of schools.
- Making access to tertiary education more affordable through changes to the student loans scheme.
- Investing significantly in skills development and capacity building, including programmes so Māori and Pacific peoples communities can take greater control of their own development.

We are also moving to ensure there is better information and co-ordinated social policy to address the connected problems of exclusion and disadvantage.

The Government is seeking improved information and research to guide our decisions.

Two areas of work underway are research into people's living standards and social indicators reporting to build a picture of the quality of life in New Zealand.

Social reporting is important as it provides direct information about living conditions and quality of life, and whether these are improving or deteriorating over time. It can provide advance information about issues

we ought to be concerned about or where action is needed and how we compare to other countries.

Through this it is also possible to identify groups or regions that are experiencing particular disadvantage.

By making information publicly available through social reporting, we enhance the ability of government, people and groups to make decisions, set priorities and generally participate in society.

To better co-ordinate services, we are forming the Ministry of Social Development which will become the Government's primary advisor on strategic and cross-sectoral social policy, while still delivering a range of income support, employment and other social services to the community. ●

Practical Capacity Building

The Department of Labour's Community Employment Group has identified Pacific peoples as one of its priority groups for development services.

For example, it has helped set up Enuamanu Vainetini – a group of 30 women in Mangere from the Cook Island of Enuamanu who meet regularly to create intricately-designed and crafted tivaevae (Cook Island quilts). The Community Employment Group will also be helping them to market their tivaevae. ●

Measuring Living Standards

There are no official measures of poverty or deprivation in New Zealand. However, we are currently conducting research that will provide us with a clearer picture of the living standards of New Zealanders. ●



THE WAY FORWARD

IT IS IN ALL OUR INTERESTS TO BUILD A BETTER, FAIRER and more productive society with opportunity for all.

A system that provides security, encourages people to realise their potential and assists them to make the difficult transition to work is a cornerstone of social development.

A great number of New Zealanders need short-term support at some point in their lives. It is therefore important that our social security system is simple, fair and can respond to the needs of ordinary people.

This publication has outlined our vision for a more effective system attuned to the needs of all New Zealanders and their communities.

Some parts of our programme will be challenging to implement. They will require

difficult choices between equally worthy goals. Other parts are more straightforward and are already well underway.

We seek the whole-hearted support of community organisations, local government, the business sector, employers, and of course beneficiaries themselves, all of whom have a major stake in social development.

The Government is determined to usher in a new era of social development which will set more New Zealanders on the path to independence. Along the way, it will not be afraid to take some risks and to try some new ways of doing things.

This Government will provide a springboard of opportunity and endeavour, and provide security for people when they need it most. ●

