

Senior Courts Judges Conference **Stability/Instability**

Christchurch
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Session 3 Poverty and Justice

Susan St John BSc MA PhD QSO
Hon Associate Professor of Economics
Auckland Business School
University of Auckland
Economics spokesperson, Child Poverty Action Group
Director of the Retirement Policy and Research Centre
s.stjohn@auckland.ac.nz



CPAG fights for better policies for families and children

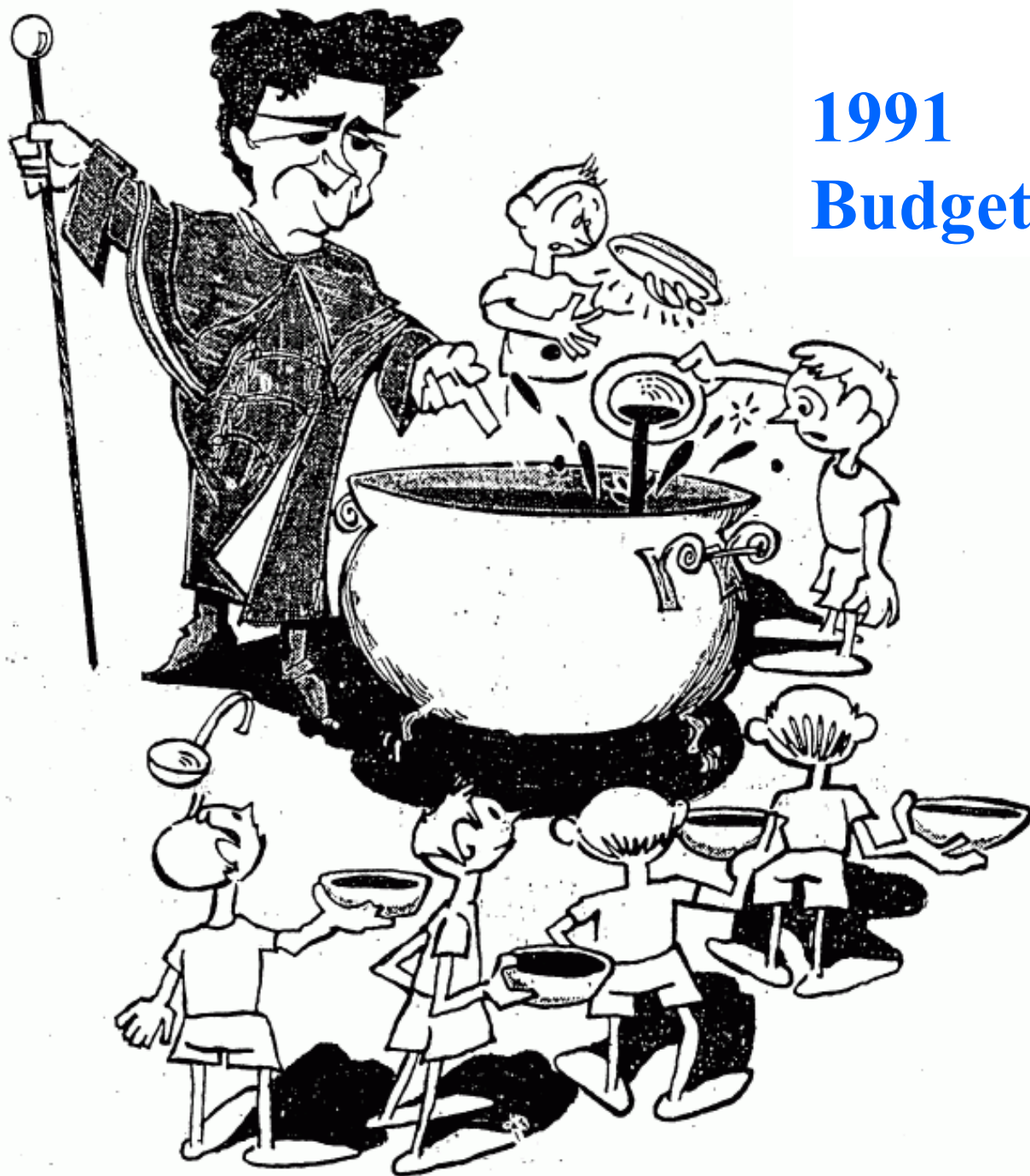
- Large data base, regional branches, social media reach
- Submissions on bills and policies, lobbying politicians
- Annual Budget analysis and breakfasts
- Annual welfare summits
- Multiple events and publications–
- Advocacy and activism backed by credible research
- Involved in [Human Rights and welfare policy cases](#) going through the appeals processes.

CHiLD POVERTY ACTION GROUP



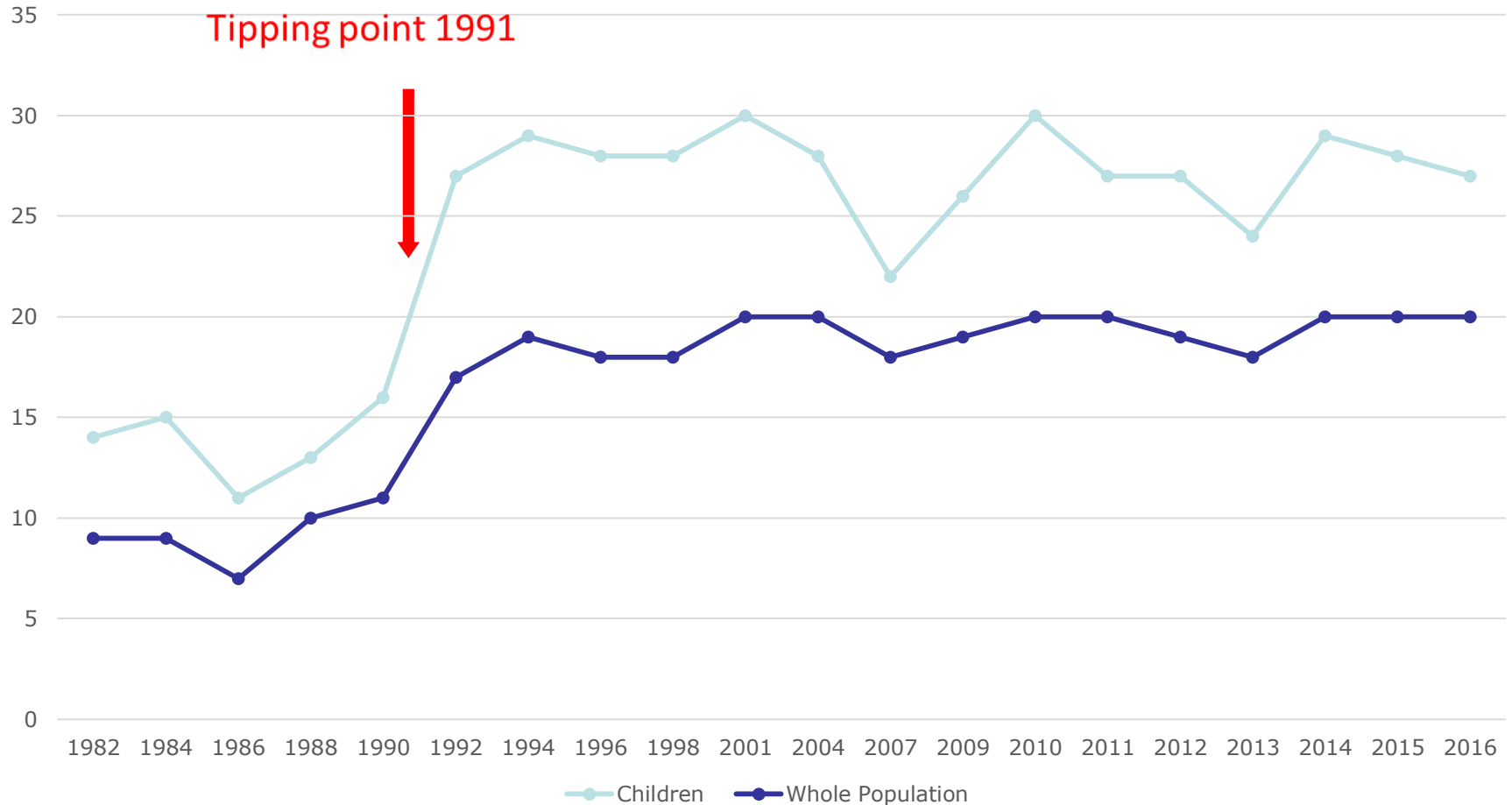
- Why CPAG?
 - From post war egalitarianism
 - Policy shift 1984
 - Neoliberalism of the 1990s- captured hearts and minds
 - 25 years ago CPAG foresaw the progression to
 - social instability
 - Working poor and poverty traps
 - Tragic social statistics
 - Self-perpetuating poverty and abuse
 - Intractable inequality and poverty
 - Growth of the charity model

1991 Budget



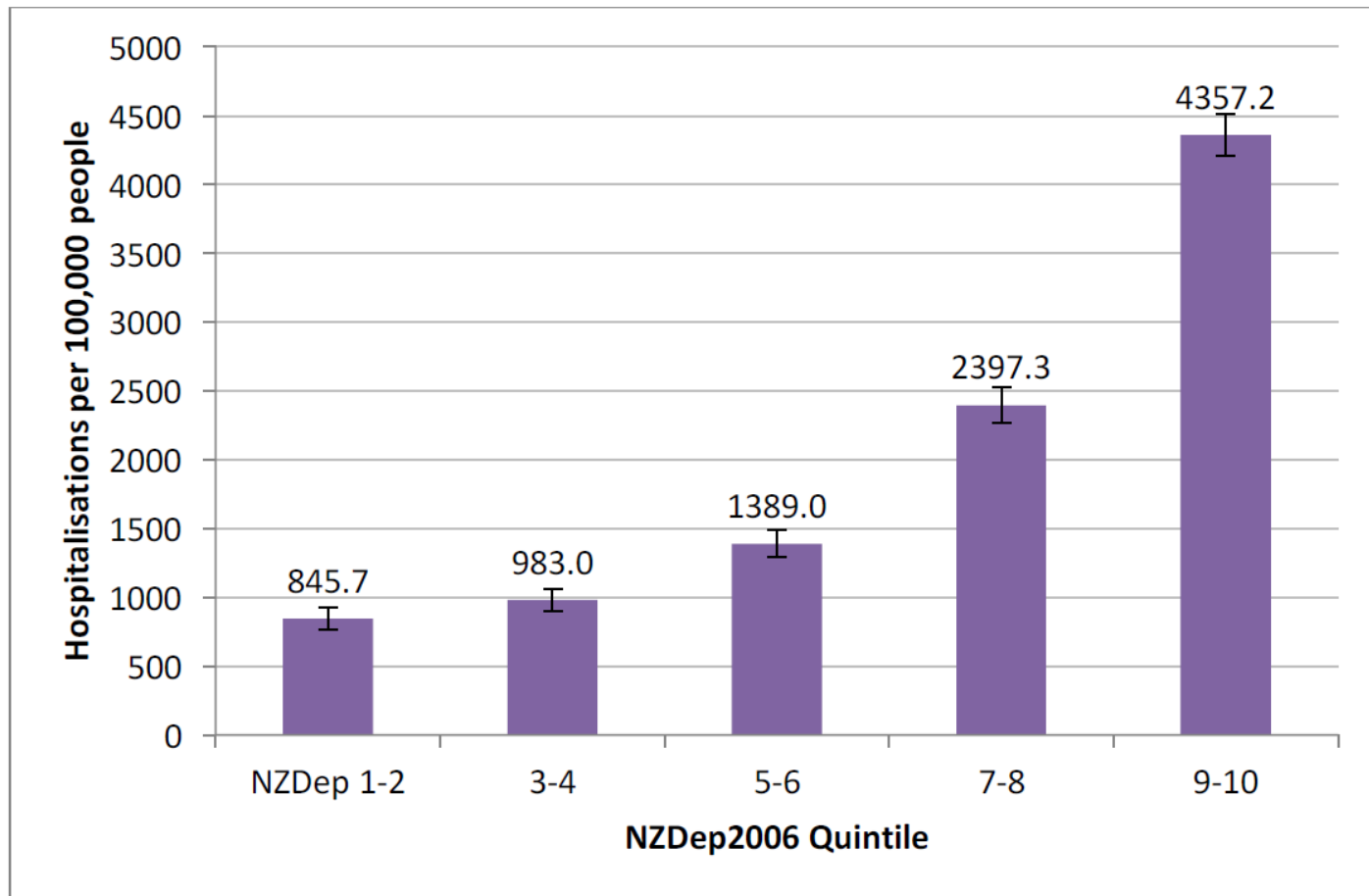
NZ Poverty*: child vs whole population 1982-2016

* <60% median disposable household income after housing costs (AHC)



1990s rapid rise in third world diseases

Children hospitalised with bronchiolitis (2015) by deprivation index (age adjusted)



19th century thinking- the role of stereotypes

Corporate
Welfare



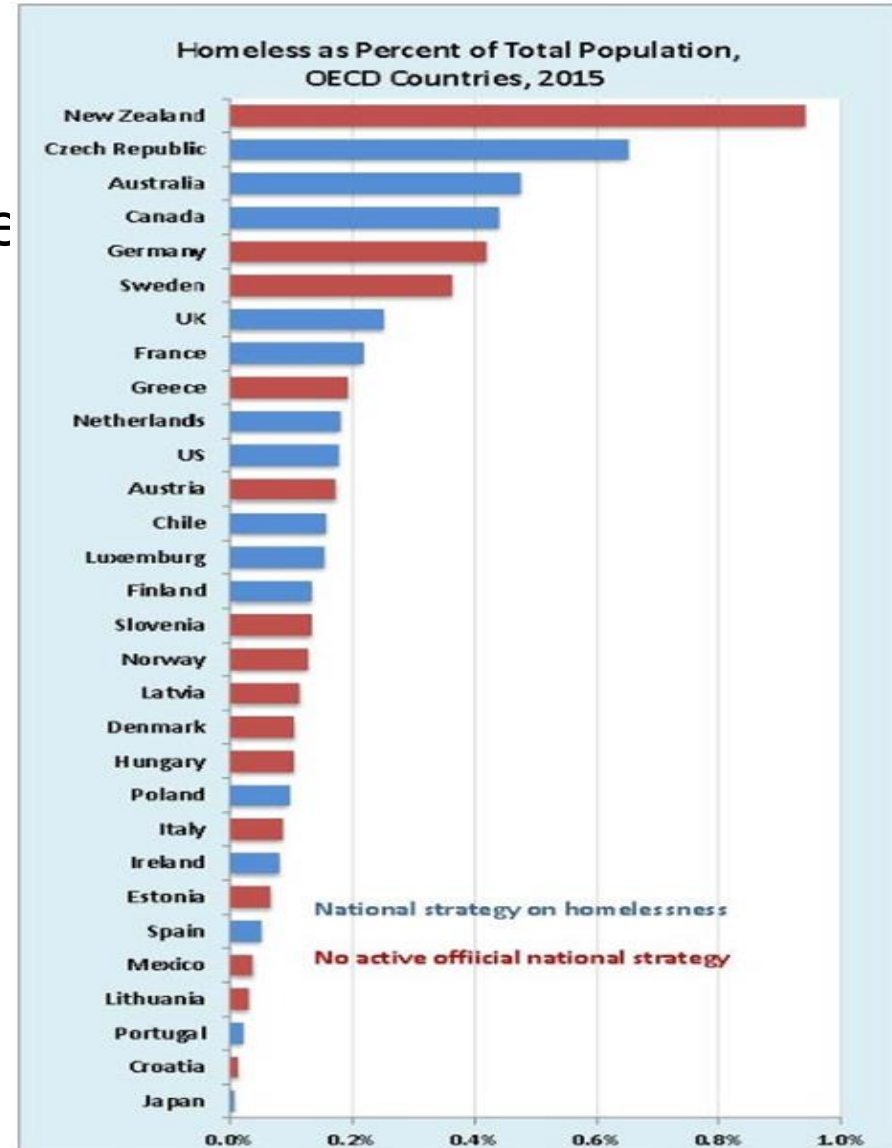
Social
Welfare



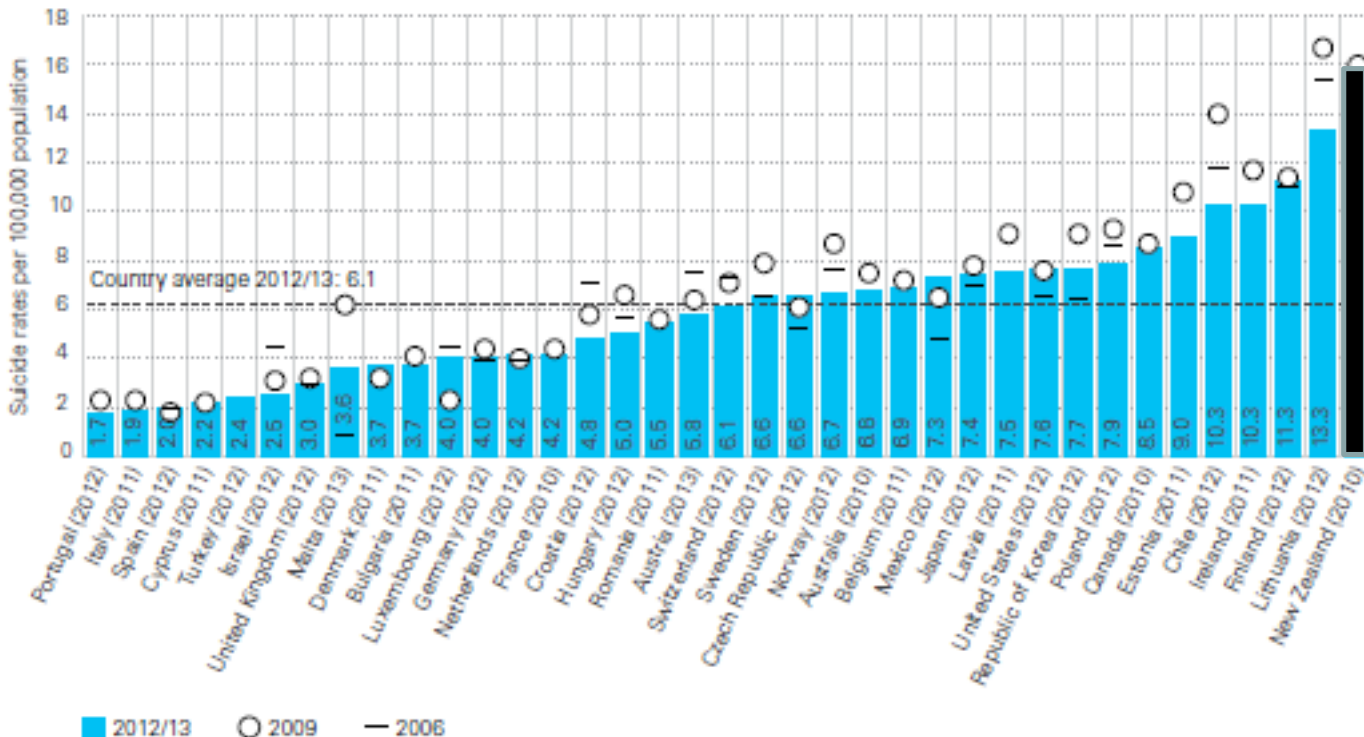
- Poverty is the individual's fault
- Paid work is the way out of poverty
- Paid work is the best source of well-being- Social Security Amendment Act
- Private charity is the proper response to poverty
- The rich are needed for job creation
- The poor should provide low wage labour
- Women are breeding for money
- Sole parents must be punished for relationships

Fiscal surpluses while large social deficits emerge

- Growing property/wealth divide
- Growing household debt
- Growing homelessness
- Growing poverty
- Negative indicators
 - Suicide rates
 - Hospitalisations
 - Family violence
 - Incarceration
 - **FOOD HUNGER**



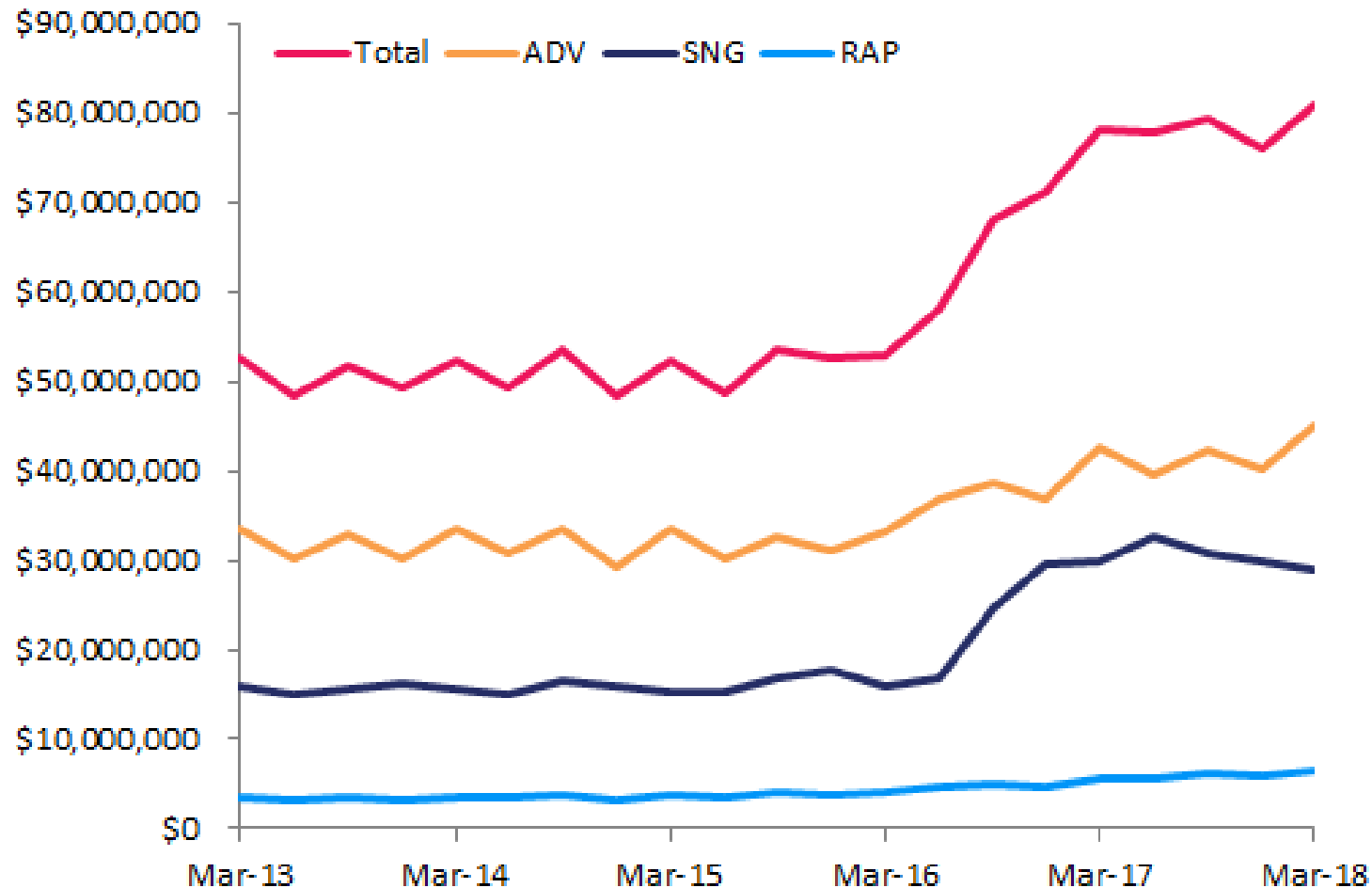
NZ Youth suicides 15-19 yrs – highest in OECD



UNICEF innocent report card 14, 2017

Food insecurity in a rockstar economy?

Figure 2: Amount of quarterly hardship assistance payments, March 2013 to March 2018



Food has remained the main reason for needing hardship assistance over the last five years.

Food insecurity in a rockstar economy?

Canterbury residents struggling to make ends meet_ Dec 2018



- 44% increase 2017-2018
- Most increase is working families



Closing The Gap - The Income Equality Project

May 23 at 4:45 PM · 🌐

...

'There's been a 28 percent jump in demand - to about 1 million parcels.

Chris Farrelly from the mission said while they were used to providing food, there is currently a huge demand.

"It's winter that really hits people, often health takes a bashing, something really happens," he said.... [See More](#)



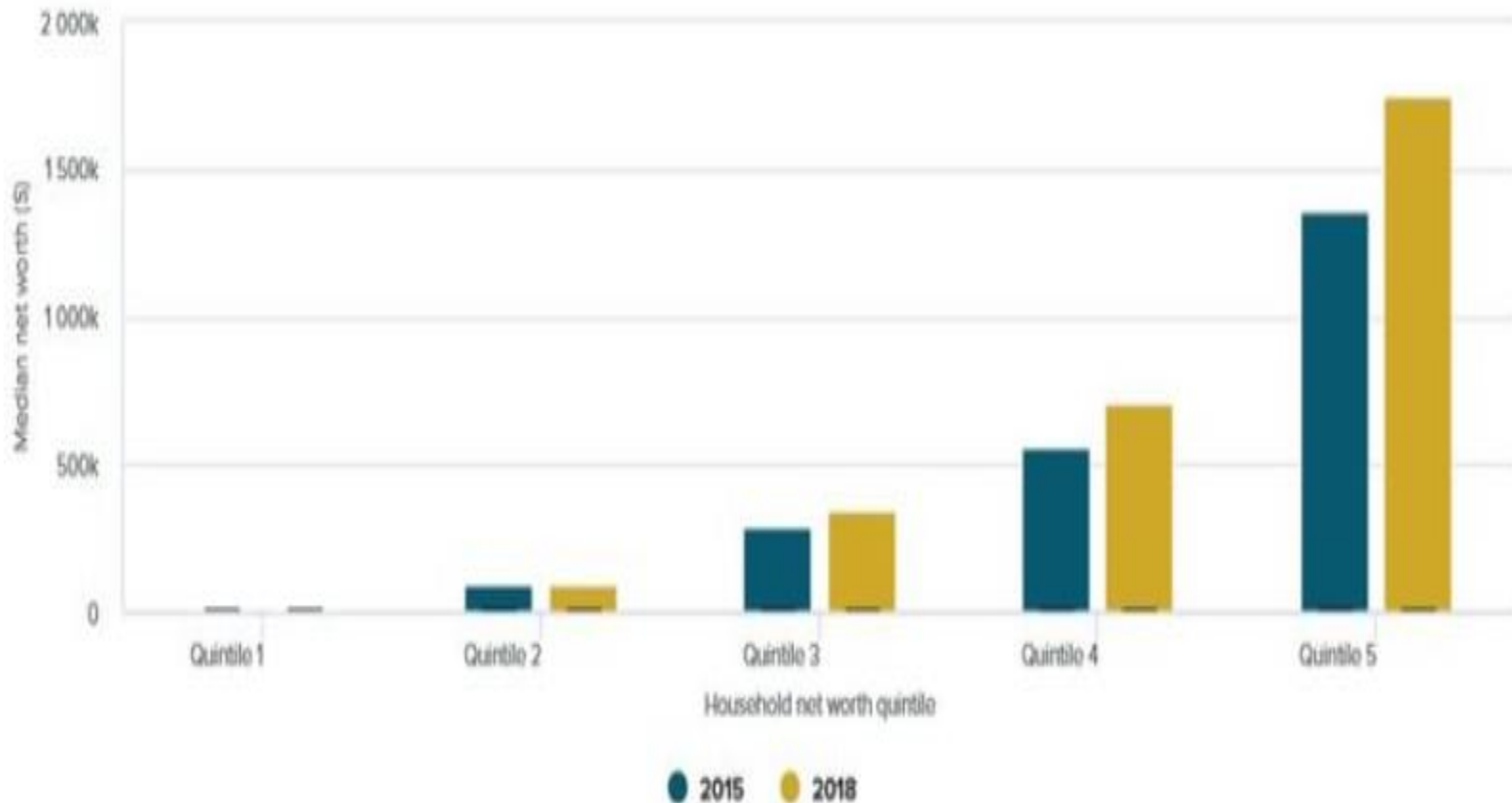
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Food parcel demand rises: 'Food can become a discretionary item'

High and compounding inequality

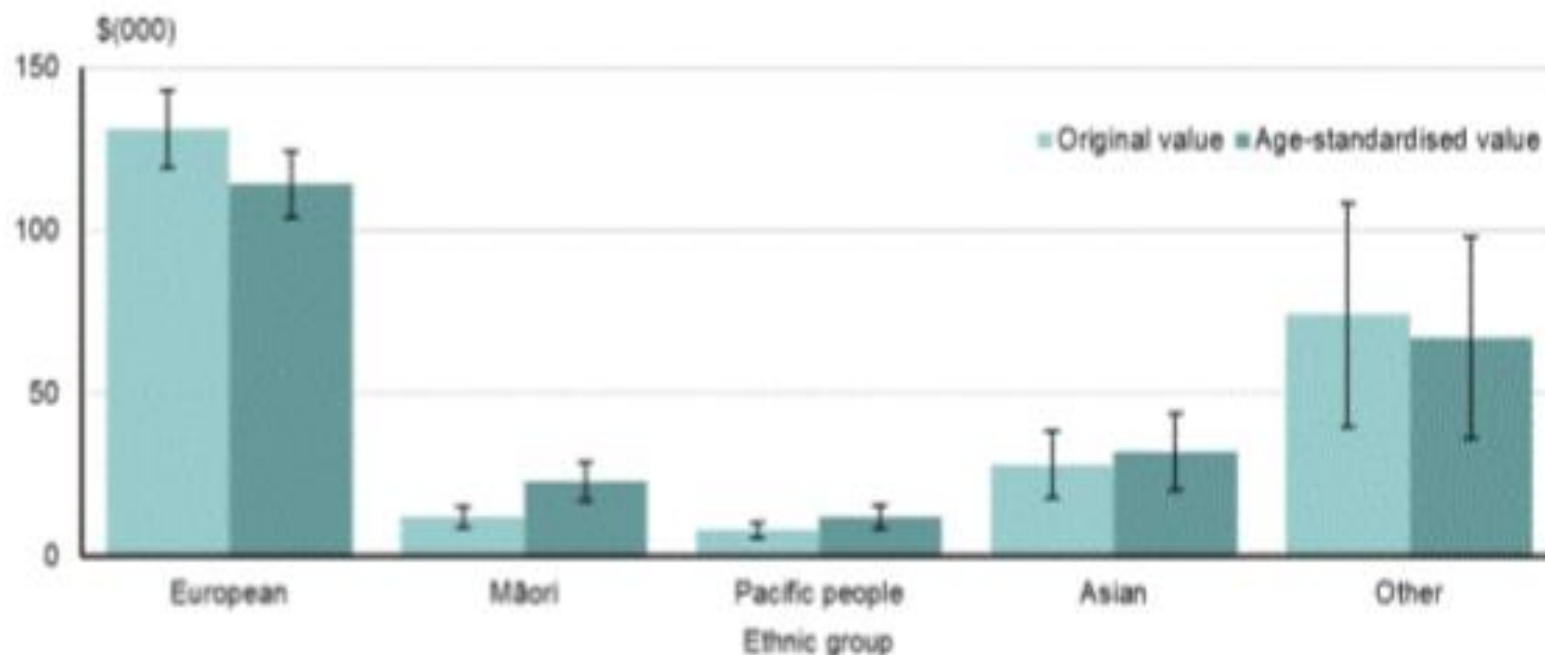
Median net worth (\$) by household net worth quintile, year ended June, 2015 and 2018



Top 20% have 70% of wealth

The ethnic dimension

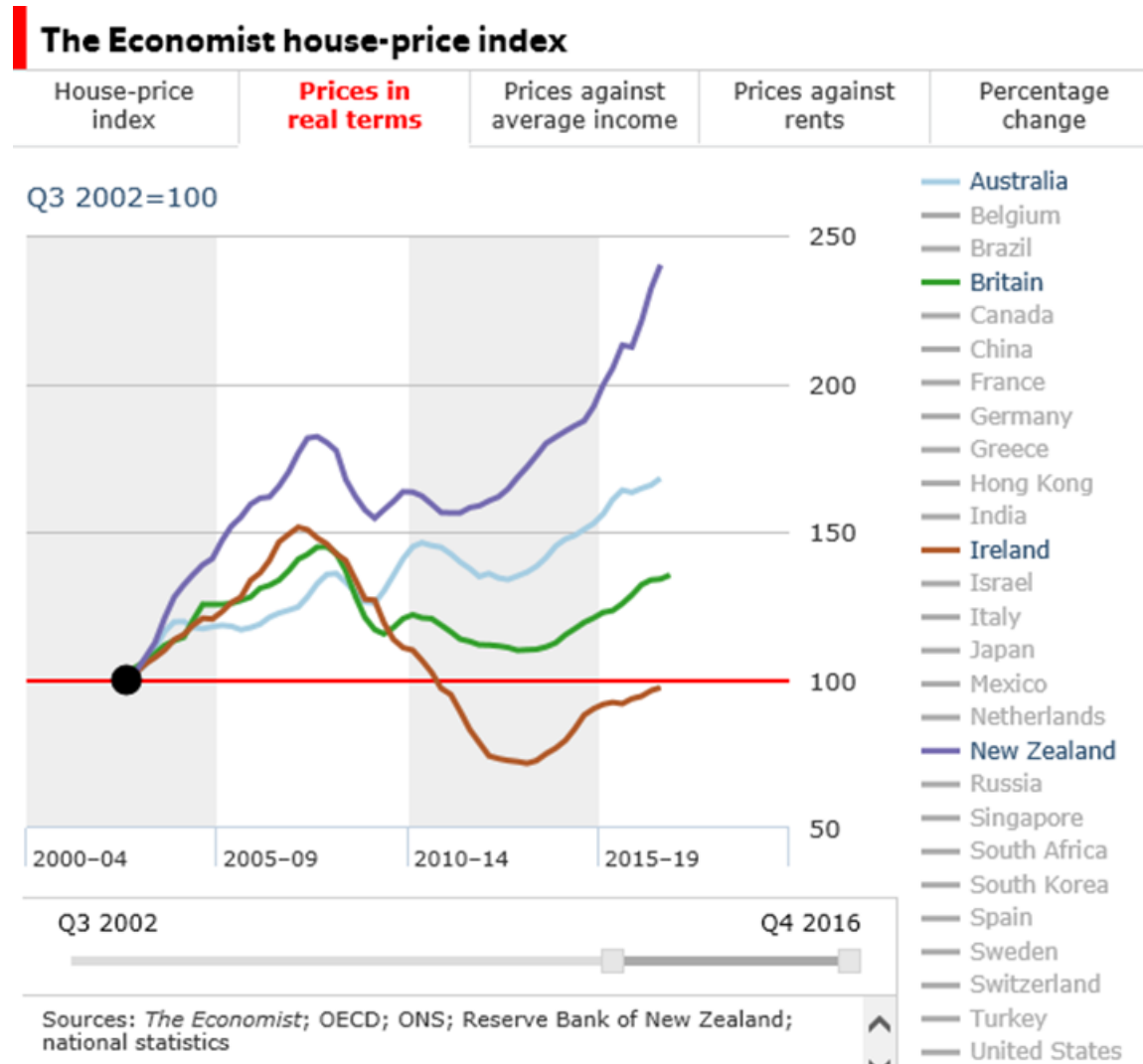
Figure 14: Median net worth by ethnic group, actual and age-adjusted, 2015



Note: The 'Other' ethnic group includes the 'New Zealander' responses, MELAA (Middle Eastern, Latin American, African ethnicity responses) and all other ethnicities not included elsewhere.

Source: Statistics NZ

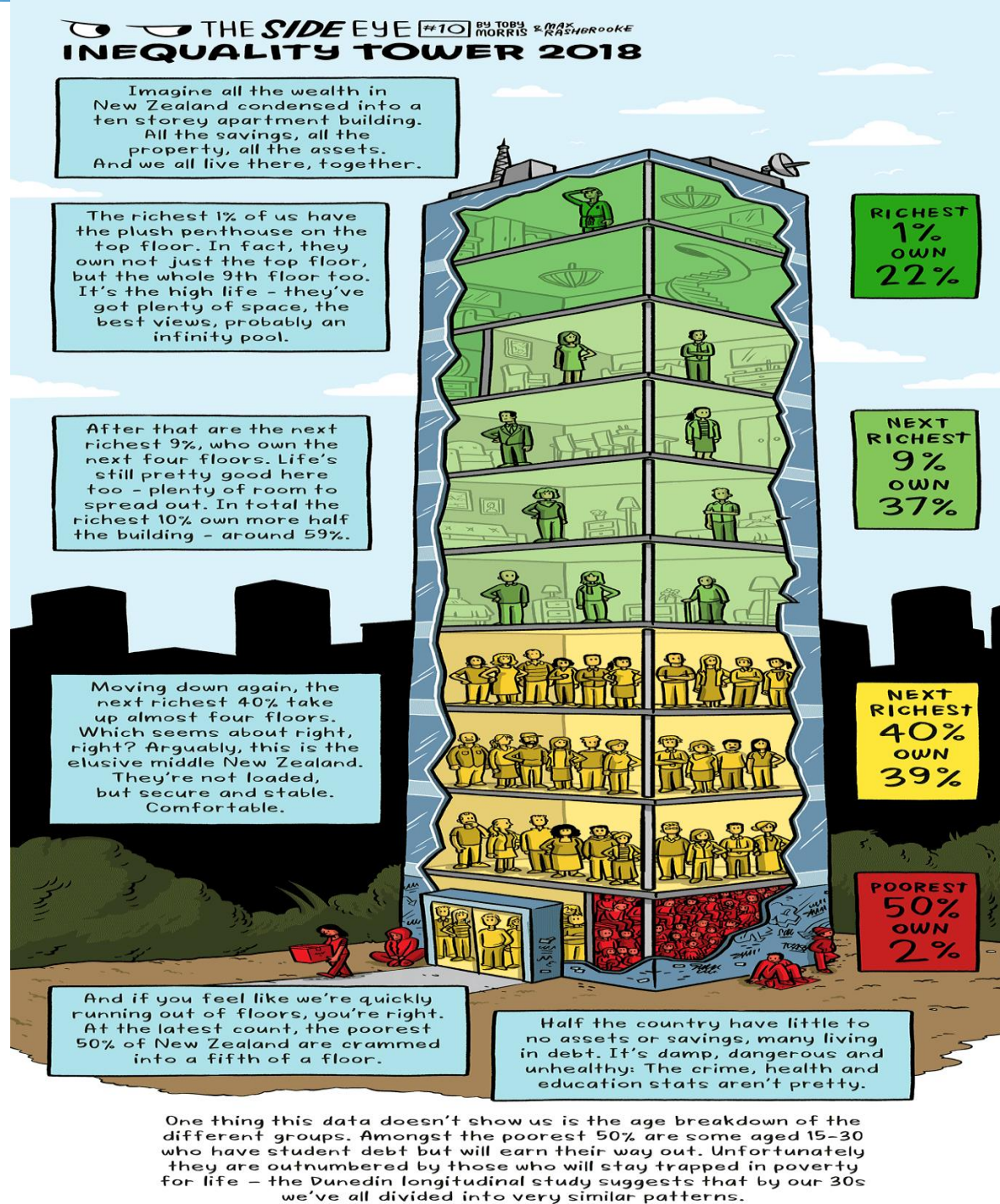
Tragedy of the housing bubble



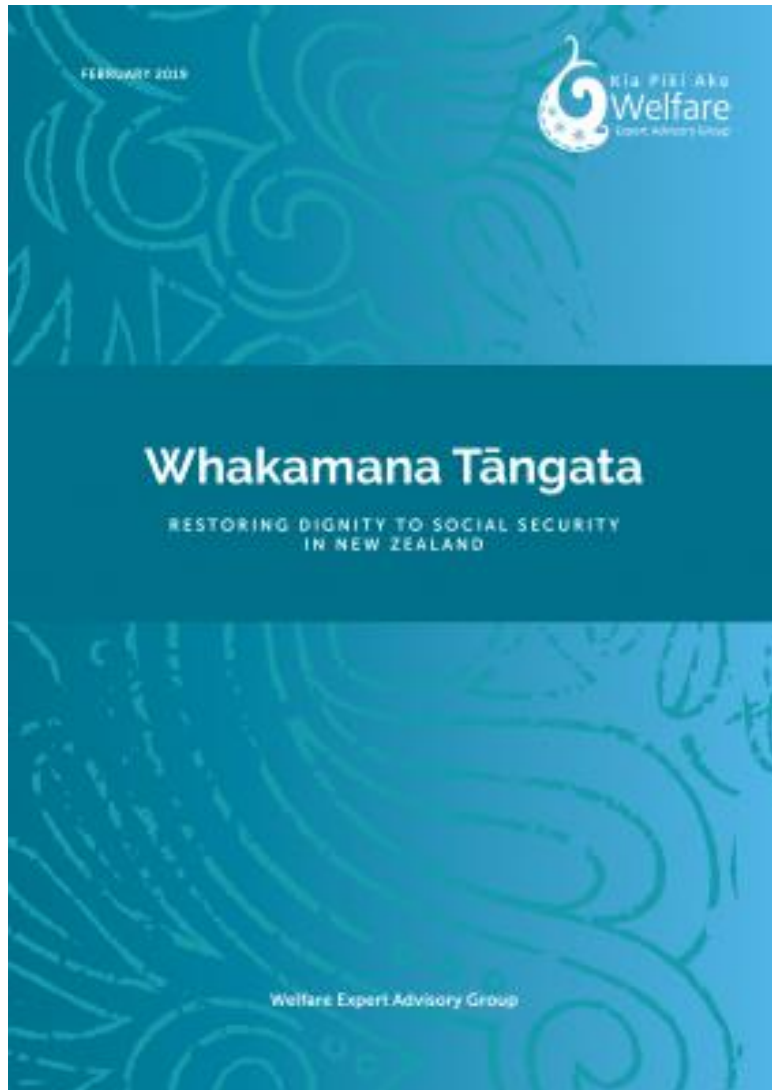
The Side Eye: Inequality Tower 2018

Toby Morris

Imagine all the wealth in NZ as a ten-storey apartment building. Imagine half of NZ crammed in a tiny corner of the bottom floor.



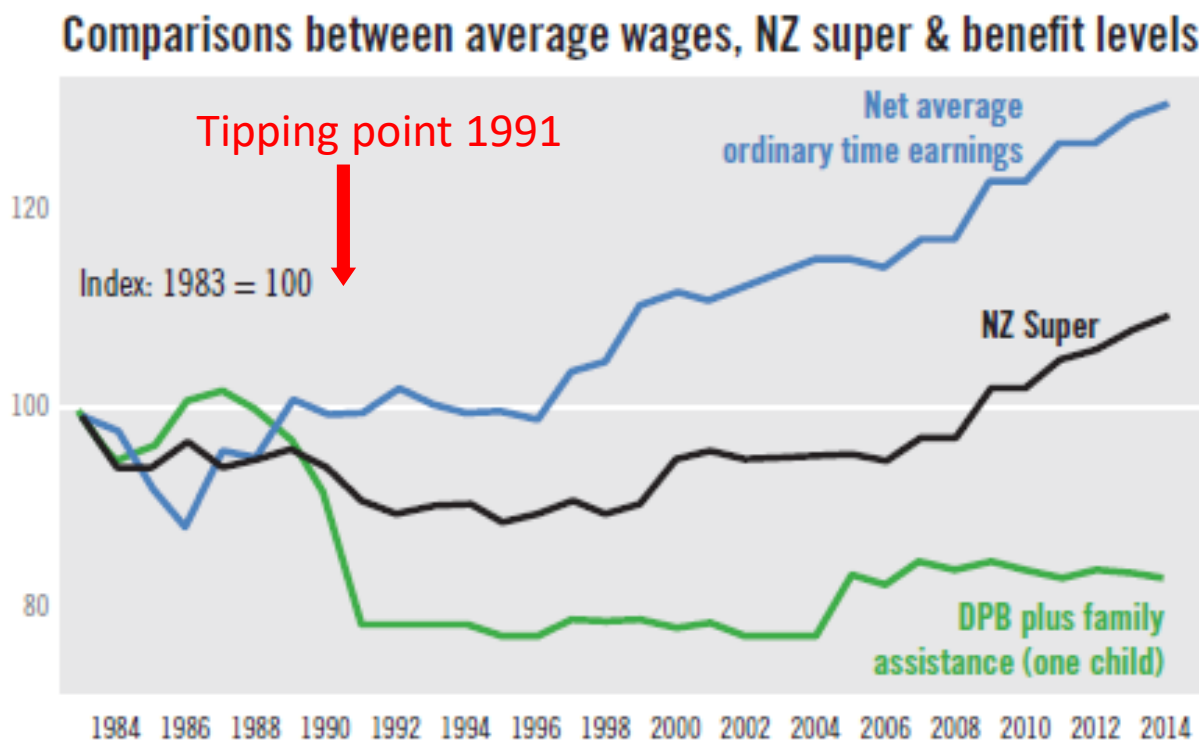
The Welfare Expert Advisory Board 2019- the system is broken



"We heard from people who had interacted with the system in some way at some stage in their life and had a deep and profound knowledge of the system.

" Their stories were often harrowing, and we were shocked and saddened by the extent of the suffering and deprivation that is occurring."

How did the safety net become so inadequate?: relativities 1983-2013



Poverty traps

- Only very small amounts can be earned on benefit
- Jill is a sole a parent she gets SPS \$340
- Jack is her boarder. He gets JS \$218

Oops

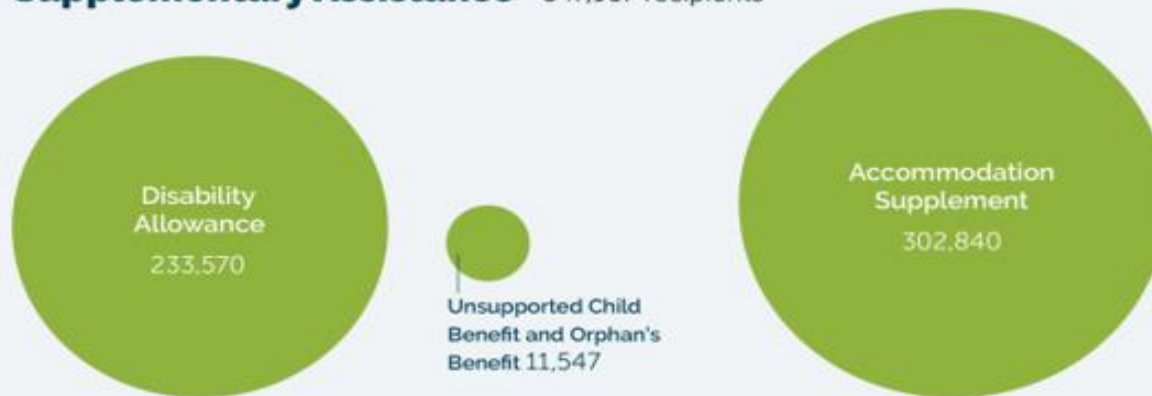
- “relationships could develop quickly, and some people might not be aware of their obligation to tell Work and Income.” former MSD Minister Tolley.

Coupled they get \$204 each- **\$150 less** pw and have a joint income test of 70% on earned income over \$80

Main Benefits 306,512 recipients



Supplementary Assistance 547,957 recipients



Hardship Assistance 449,831 grants granted



Reliance on second and third tier benefits

Brutal poverty traps

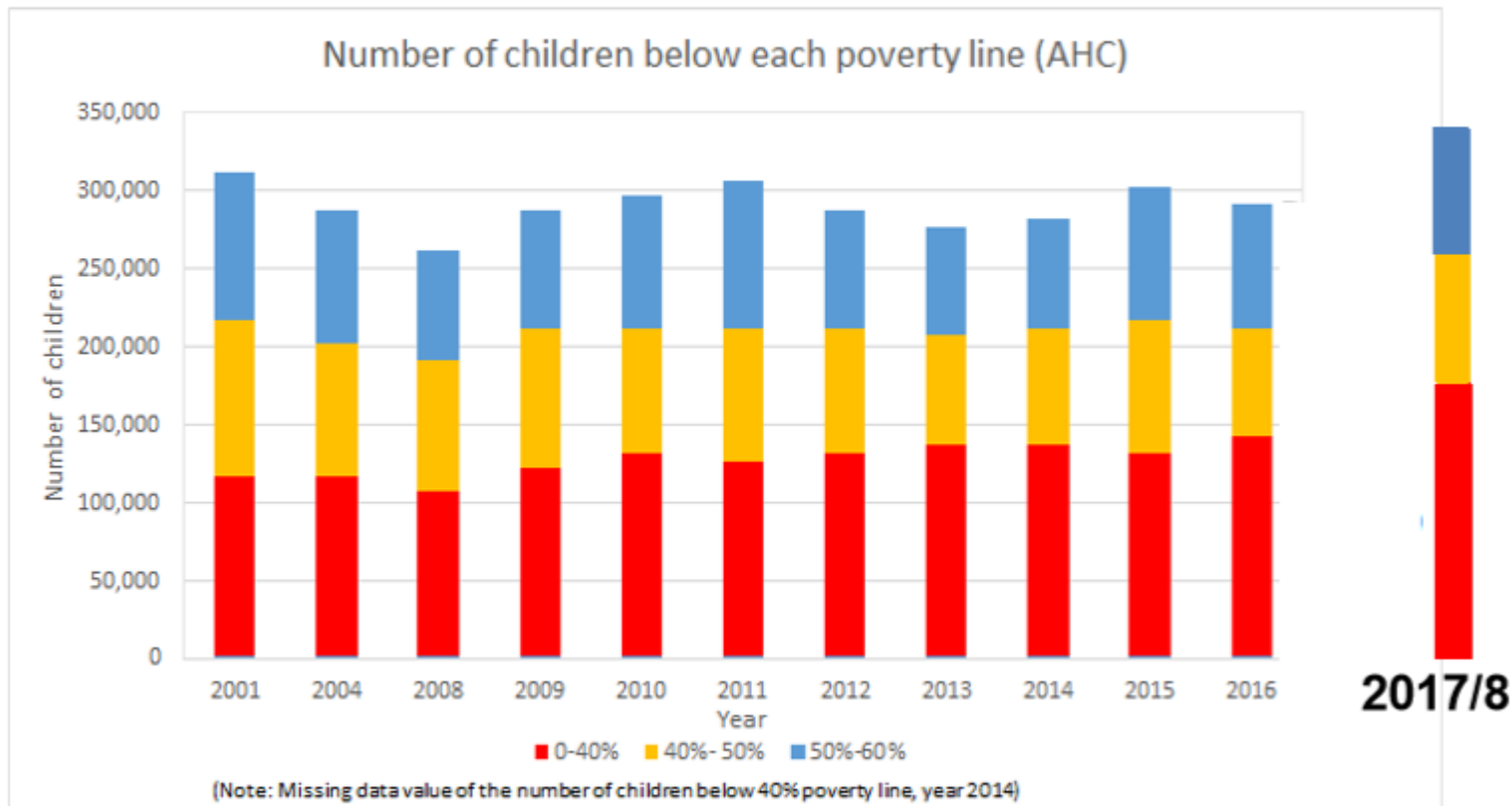
Sanctions

Stand-downs

Growth in debt

Cant earn way out of poverty

Increasing numbers and % of children in the deepest poverty



"And the wolf ate all children but it didn't matter
because they were the children of People not like us



Can children look to the law to protect them?



Discriminatory policies have seen poorest children denied a major part of family assistance on the grounds their parents needed a work incentive

The Human Rights Case

CPAG v the Attorney General

- 1996 HR complaint against CTC rejected
- 2002 CPAG lodged complaint under Part 1A
- 2003 Crown Law objected
- 2005 Case taken on CPAG's behalf by Office of Human Rights Proceedings
- June 2005 – Crown disputes right to take the case
- Sept 2005 Human Rights Tribunal rules in CPAG's favour
- Oct 2005 Crown Appealed
- May 2006 Reserved decision dismisses appeal
- August 2006 goes to Judicial Review.
- November 2006 CPAG won right to take the case

The Human Rights Review Tribunal 2008



We are satisfied that the WFF package as a whole, and the eligibility rules for the IWTC in particular, treats families in receipt of an income-tested benefit less favourably than it does families in work, and that as a result families that were and are dependent on the receipt of an income-tested benefit **were and are disadvantaged in a real and substantive way.** (Human Rights Tribunal 2008: para 192)

**Appeal in High
Court
2011**

**Appeal in the Court
of Appeal 2013**



The decision: The Court of Appeal found...

... the IWTC part of Working for Families paid to the mother in a so called 'working' family was discriminatory and caused material harm to the beneficiary families who were excluded.

However the Court decided the harm to over 200,000 of NZ's poorest children was justified.

What has been the cost to 'non-deserving' families

Since 1996 each year there has been a cumulative loss from poor families' **balance sheets of around \$10 billion**

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Ms F case **“Loans are not income”**



2005- dubbed in by
vindictive ex
partner

2008 \$120,000 to
repay

8.5 years fighting
in the courts

High Court 2017

2018 Decision

High court rules loans are not income for welfare beneficiaries

After 8 and half years of persecution

Two high court hearings

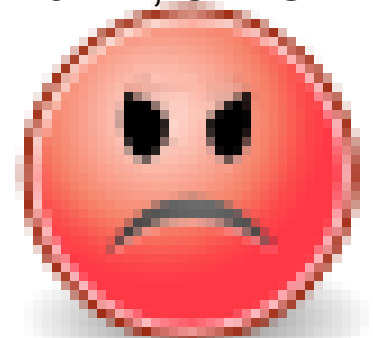
Jul 3, 2018 ... In a breakthrough decision the High Court said that loans are not income for social security purposes

“This decision will bring a collective sigh of relief to thousands of beneficiaries who have had to borrow to make ends meet,” says Frances Joychild QC, who acted for the beneficiary in the case concerned..

“We are overjoyed by this result and commend the sole parent who fought this case - her courage and passion for justice will have enormous benefits for others like her struggling in an unjust system,” says Associate Professor Susan St John, CPAG economics spokesperson.

Eleven months later June 2019

MSD says only \$26,000 is a loan and she still owes \$118,160.38



100%

pension case to Human Rights Review Tribunal



- 10 years of debate
- 2015 Labour agrees it is a human rights abuse
- \$2m to fix
- April 2018 3 take a case to HRRT
- June 2019 expect to wait another two years?
- Budget relief at last

Ugly culture in WINZ

- Power to decide what is a relationship**
- To decide what is income**
- Appeals process stacked in MSD's favour**
- Benefit fraud and disputed overpayments conflated**
- Incarceration of women with children**

MSD operate outside the law creating a toxic climate of fear

MSD fraud investigations “intrusive, excessive and inconsistent with legal requirements” - Privacy Commissioner 2019

- Failing to ask beneficiary clients for information before seeking it from a third party leading to inaccurate assessments of the information;
- Overly broad requests leading to the provision of unnecessary and sensitive information (in one case a woman's birthing records);
- **Disproportionate and inappropriate requests for information (in some cases, every text message sent and received by an individual over lengthy periods);**

Kathryn's Story

The full story
[here](#)

How the Government spent well over \$100,000 and 15 years pursuing a chronically-ill beneficiary mother for a debt she should not have.

By Catriona MacLennan



- 2001 convicted of “relationship fraud”
- Prison 6 months
- Debt \$120,000
- 2001-2016 fights in the courts against this debt
- 2016 sent back to SSAA
- Appeal to Supreme court disallowed
- 2019 sick and old she waits MSD’s pleasure