

2006/8

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A simplified benefit system or simple cost-cutting?

The government has proposed a Single Core Benefit to replace a range of benefits. This core benefit, will be supplemented by a range of extra “add-ons” and three different outcome expectations.

Will the introduction of a Single Core Benefit mean better outcomes for clients? Or is the intention simply to save the government millions in assistance to the most disadvantaged in our society? (forecast \$20 million saving in the first year). The New Zealand Living Standards Report 2004 clearly illustrated that it is those people with a benefit as their primary source of support that are most likely to be suffering hardship.

The government’s argument is that the existing benefit system is “too complicated”. This is an insult to case managers as well as misleading. “Grand-parenting” will mean both the existing and the Single Core Benefit will be running consecutively for a period, making the government’s claim that “nobody will be financial worse off” technical rather than real.

Initially it was proposed that there would be two outcome streams: the Rapid Return to the Workforce, and the Gradual Return to the Workforce and Exempt from the Rapid Return to the Workforce. However after it was pointed out to Steve Maharey that this was in fact three different outcomes, there was a recalculation and it is now agreed that there are three different outcomes.

It appears that there may be more add-ons in addition to existing supplementary benefits such as the Accommodation Supplement, Disability Allowance and Family Support tax credit, although there is a lot of detail yet to be revealed.

Beyond the smokescreen is a massive re-labelling exercise: we will have no more Unemployed, just people on the Single Core Benefits on the Rapid Return to the Workforce, while Invalids will be on the Single Core Benefit with a Disability Component and an Exemption from the Rapid Return.

The benefits affected are: the Unemployment, Sickness, Invalid’s, Widows and the three forms of Domestic Purposes Benefit (Sole Parent, Caregiver and Woman Alone). For information on the likely impact on benefit types please contact Wellington People’s Centre on 04 3858596.

Government has already taken some steps to standardize benefit rates. The first step was the Community Wage introduced on 1 October 1998 when Unemployment, Sickness and Training Benefits were all relabelled Community Wage - Jobseeker and Community Wage - Sickness etc. Although the Labour-led government re-introduced Unemployment and Sickness Benefit in 1999, the rates have now been fixed.

The theory is that under the new system each client is going to get the services tailored to meet their individual needs for income support, employment and training. This is something the public already expects from Work and Income, and already perceives it delivers.

Also hidden within the proposal is an intention to move all benefits to week by week income abatement, this would disadvantage DPB and Invalids beneficiaries who are currently able to spread their income over a year to minimise abatement.

The Wellington People’s Centre experience indicates that an increase in well trained competent case managers would achieve the stated goal of comprehensive case management without the need for legislative change. Further it is not that our current system is complicated, merely that staff training seems inconsistent and in some cases inadequate.

Please write to the Minister, your MP, opposition parties, opposing this unnecessary change.

Kay Brereton

Kay is the Benefit Rights Coordinator for the Wellington People’s Centre

PARLIAMENT

Introduced

Wills Bill

This Bill aims to restate the existing law relating to wills in a single statute in plain modern English to make it clearer and more accessible, and to remove some anomalies in present legislation. It also defines the circumstances in which a person may not benefit from their victim's death, and how property may be disposed of in such cases. It does not affect properly made existing wills.

The Bill is currently awaiting its first reading.

Submissions called for

Minimum Wage and Remuneration Amendment Bill

This extends the Minimum Wage Act 1983 to apply to payments under a contract for services that are remunerated at below the minimum wage. Currently certain types of work, such as pamphlet deliveries, are not subject to any minimum wage requirements because remuneration is paid under a contract for services. The bill provides for such contractors to be paid not less than a minimum rate, equivalent to the minimum wage. As is the case for the minimum wage, the rate can be either hourly or on a piece rate basis. Submissions close on October 12th.

Principles of the Treaty of Waitangi Deletion Bill

This Private Member's Bill put forward by Doug Woolerton is identical to another introduced in mid-2005 which did not survive its first reading. Its purpose is to delete and remove from any enactment any reference to Treaty principles. This Bill survived the first reading and is currently before the Justice and Electoral Select Committee. Submissions closed October 20th.

Reported back

Education (Trustee Intelligibility) Amendment Bill

This Private Member's bill aimed to prevent any person convicted of a sex offence against a young person from standing for a school board of trustees. However, the Education and Science Select Committee unanimously recommended that the Bill not proceed, on the grounds that it would not make children any safer and there is already power for the Minister to intervene if the welfare of the students is at risk.

Insolvency Law Reform

The Commerce Committee recommended a number of changes. Some ensured consistency in terminology with other legislation; others related to the process of filing for bankruptcy and the actions of the Official Assignee. It also recommended amendments to mirror provisions in Australian legislation and to remove any cross-border insolvency inconsistencies. Despite many submitters' concerns, the Bill keeps the Crown priority (meaning unsecured creditors get paid only after the IRD).

The Bill is currently going through its committee stage.

Residential Tenancies (Damage Insurance)

Amendment Bill

This private Member's Bill is aimed to extend landlords' insurance to cover accidental damage by tenants. However, the Social Services Select Committee recommended that the Bill not proceed, partly because it believed there would be 'negative unintended consequences' and its provisions are covered in review of the Residential Tenancies Act currently under way. That review should result in legislation next year.

Minimum Wage (Abolition of Age Discrimination)

Amendment Bill

This attempt by Sue Bradford's Private Member's Bill to abolish age discrimination in applying the Minimum Wage has been discharged by Order of the Day at second reading stage. It was referred back to the Transport and Industrial Select Committee which is currently receiving submissions on the Minimum Wage and Remuneration Amendment Bill.

Passed

Coroner's Bill

This reforms the coronial system for effectiveness and an improved response for bereaved families. Supplementary Order Paper 36 made a few changes, mostly to dates of commencement, but also made it clear that the responsibility for notifying the date of an inquest lies directly with the coroner not with the police. It also allowed for relief coroners to be appointed and set criteria.

Transitional commencement has begun and full commencement is scheduled for 1 July 2007.

Employment Relations Amendment Bill

This Bill focused on the rights of employees when contracts are sold or transferred to new owners or contractors. Three SOPs focused on disclosure of costs information during this process as well as the usual dates of implementation.

KiwiSaver Bill

This Government Bill sets up a scheme to increase level of savings through workplace arrangements. The idea is to encourage a long-term savings habit and asset accumulation by individuals who are not currently saving enough. Its aim is to increase financial independence, particularly in retirement. It is designed to complement New Zealand Superannuation. It was assented to on September 7th.

Full copies of these now-Acts will soon be downloadable from www.legislation.govt.nz

Resources

New-look Parliamentary website

www.parliament.nz (new address) has had an extreme makeover, with a total new look and rather more user-friendly approach. It takes some getting used to but the main new element - grouping all the business relating to a piece of legislation together, is a vast improvement.

LEGISLATION UPDATE

Legislation	Stage and Progress	Impact
Child Support Amendment Bill (No.4)	Awaiting third reading.	Writes off late payment penalties for liable parents who resume child support contributions.
Children, Young Persons & Their Families Amendment (No. 4) Bill	Awaiting second reading. Amended by SOP 261.	Aims to improve youth justice processes, prevent persistent offending. CYFS may assign investigation and care to NGOs.
Crimes (Abolition of force as justification for child discipline) Amendment Bill (Sue Bradford)	Select Committee is hearing submissions. Report due 31 October	Removes the use of 'reasonable force' for correction as a defence against assault by a parent on their child.
Criminal Procedure Bill	Passed second reading; awaiting committee stages. Amended by SOPs 50, 51	Omnibus bill to improve court efficiency, modify jury system, change double jeopardy rule.
Criminal Procedures & Instruments Bill	Discharged.	Introduces civil forfeiture regime for proceeds of crime.
Crimes of Torture Amendment Bill	Select Committee is hearing submissions.	Introduces regular visiting of prisons to prevent torture or other cruelty.
Disabled Persons Employment Promotion (Repeal & Related Matters) Bill	Awaiting second reading.	Ensures people with disabilities in sheltered workshops have the same wage and employment rights as other workers.
Easter Sunday Shop Trading Amendment Bill: Private Member's Bills, Jacqui Dean and Steve Chadwick	Before Commerce Committee. Report due 13 December	Grants partial exemption to shops in visitor districts from the requirement to be closed on Good Friday and Easter Sunday.
Employment Relations (Flexible Working Hours) Amendment Bill. Private Members' Bill, Sue Kedgley	Interim committee report considered by Parliament 3 May.	Enables employees with young and dependent children to request part-time, flexible & reduced working hours.
Employment Relations (Probationary Employment) Amendment Bill. Private Member's Bill, Wayne Mapp.	Transport & Industrial Relations Committee; submissions closed. Report due 14 September.	Introduces 90-day probation period for new employees.
Evidence Bill	Before Justice & Electoral Select Committee. Report due 16 November	Draws together common law and statutory provisions for evidence.
Human Rights (Gender Identity) Amendment Bill Private Members' Bill, Georgina Beyer	Discharged 23 August.	Includes 'gender identity' as a prohibited grounds for discrimination.
Human Tissue (Organ Donation) Amendment Bill: Private Member's Bill, Jacqui Blue.	Before Health Select Committee.	Sets up a register where people can place their legal binding wish (or objection) to be an organ donor; promotes donation.
Insolvency Law Reform Bill	Second reading 13 September; awaiting committee stage.	Modernises insolvency & personal bankruptcy law & liquidation options.
Minimum Wages (Abolition of Age Discrimination) Amendment Bill. Private Members' Bill, Sue Bradford	Before Transport & Industrial Relations Select Committee; report due 1 March 2007.	Abolishes discrimination on grounds of age in setting minimum wage rates, but allows apprentice & other exceptions.
New Zealand Day Bill Private Members' Bill, Peter Dunne	Before Justice and Electoral Committee. Report due 31 August.	Replaces Waitangi Day with a New Zealand Day.
Oaths Modernisation Bill	Awaiting second reading.	Modernises the language used in oaths.
Wills Bill	Introduced; awaiting first reading.	See p.2
Young Offenders (Serious Crimes) Bill – Private Member's Bill, Ron Mark	Before Law & Order Select Committee; submissions closed.	Makes 10-14 year olds who commit 'serious offences' subject to Youth Court.

News

Violence within Families: The First Report

This report from the Ministry of Social Development summarises the present situation on family violence in New Zealand, including statistics and estimated risks. The Taskforce was established in June 2005 to advise the Family Violence Ministerial Team on how to make improvements to the way family violence is addressed, and includes representatives from the non-government sector as well as government, judiciary and Crown agencies. The report is available from www.msd.govt.nz

Imprisonment rates

Despite the drop in the overall number of recorded offences per 10,000 people (from 1271.4 in 1995 to 994.2 in 2005) New Zealand has the fifth highest rate of imprisonment in the OECD. By 30 June this year, NZ had 7,700 prison inmates, compared with 4530 a decade ago. Forecasts show prisoner numbers reaching 8602 by September 2009 and 8956 in 2011. Reporting these figures, the Prime Minister said that 'numbers at this level are neither financially nor socially sustainable – and these increased projections come at a time when crime rates overall have been significantly reduced. Something doesn't add up.'

Alternatives to imprisonment

Minister of Justice Mark Burton recently referred to home detention and restorative justice as 'promising options' as alternatives to imprisonment. He said home detention, when used appropriately, has a low reconviction and re-imprisonment rates compared to other sentences. Around 13 percent of those on home detention will be subsequently imprisoned over the next two years, compared with 40 percent of those previously imprisoned. It has high compliance rates, with just a 1.5 percent recall for breach of conditions. Current pilot projects show restorative justice has positive impact on re-offending, but most significantly, clear benefits for many victims, said Mr Burton. 'The pilots have shown the restorative justice process was useful in helping victims put the incident behind them.'

Organ donation legislation

A recent editorial in the New Zealand Medical Journal (NZMJ vol. 119 no 1240) questions the effectiveness of an organ donation register, as proposed in the Private Member's Bill introduced by MP Jackie Blue. Making donor wishes legally binding in New Zealand would result in only 1 or even zero additional donors per year, says transplant surgeon John McCall of Auckland. He says New Zealand has a comparatively low organ donor rate, but it is not due to unwillingness to donate nor relatives' refusal. Rather, he says, it is the Intensive Care Units where donations take

place which need adequate reimbursement to support live organ donors, more physiological expertise in managing donated organs, and, 'more than anything else, support and education for the sensitive task of discussing the option of organ donation with grieving relatives.'

Sentencing Council

Government is adopting a Law Commission recommendation to establish a Sentencing Council. The Council will draft sentencing guidelines to help judges determine appropriate sentences for the range of crimes, including those at the lower end of offending. Judges in the adult courts will be required to comply with the guidelines unless they felt it was contrary to public interest to do so.

The Council will be an independent statutory body, comprising four judges, the chair of the NZ Parole Board, and five other members with expertise in policing, victims' issues, reintegration of offenders into society, the impact of the criminal justice system on Maori and minority groups, and other relevant areas.

Reviews

Life insurance tax rules

Government is to carry out a comprehensive review of the life insurance tax regime, according to Minister of Finance Michael Cullen. Life insurance makes up a large part of the present over \$9 billion of savings funds, and he says a review is long overdue. The review will also look at whether life insurance should be included in the proposed rules for taxing portfolio investment entities (the subject of a Bill currently before Parliament) to prevent it being disadvantaged relative to other savings vehicles. Any changes emerging from the review will be included in a tax bill to be introduced next year.

Resources

Know Your Rights: A practical guide to the law for every New Zealand household. By Catriona MacLennan. Penguin Books, published by Pearson NZ Ltd 2006.

This 200-plus page well-indexed plain language paperback is designed for dipping into and repeat consultation rather than cover-to-cover reading. The information is broken into four broad categories – your rights and your family, your rights and the criminal law, your consumer rights, your rights in your job. As well as the obvious family issues – separation, family property, and domestic violence – it has sections on your child at school, teenagers and the law, and putting your affairs in order. It's a handbook for consulting before you ring your lawyer, and its cover price of \$29.95 makes it a low-cost option and a good starting place.



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