

Poverty and Advocacy: The “Gisborne Impact” Story

An action research report on the
Te Tairāwhiti MSD “Impact” October 2003

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“He aha te mea nui i te ao ? He tangata, he tangata, he tangata!”

This report from Kotare Trust covers the experience of community workers who acted on the statistics from the Ministry of Social Development Special Benefit levels in our region. It was written by a participant in the process who is part of the Kotare Trust and the Tairāwhiti Beneficiaries Advocacy Trust which is being developed since the Impact.

The report describes our process, our observations and the results of an event organised to challenge the issues behind those statistics.

The Report Framework

In this instance Kotare Trust is not presenting this as academic research but as participants in a community development process.

This process happened because several community workers in Te Tairāwhiti became aware of a page of statistics relating to our communities, which did not require further research, it required action. Through this action we learned a great deal about the reasons for the statistics and the needs of our people.

I did not record the experience to prove that Te Tairāwhiti experiences nationally shameful levels of poverty (amidst pockets of intergenerational wealth and privilege). I recorded this experience (with the support of the other volunteers) to stimulate a response from the institutions and academics that control both research and resources.

The framework of this report is a story telling framework. The story belongs to Te Tairāwhiti, but also to all who participated in the organisation of the “Impact” and especially the National Beneficiary Advocacy Network who came to Te Tairāwhiti for four days in October 2003 to stand alongside us and all the marginalised people outside the MSD offices in Gisborne, Kaiti and Ruatoria.

This report will cover the following:

- The historical process from February – October 2003
- The negotiation between the community network, national advocates and the Ministry of Social Development
- The experience of the “Impact” at the three locations
- The key issues which arose from the “Impact”
- The follow up process
- Recommendations

We would like to express heartfelt thanks to the National Beneficiaries Advocacy Network for coming to Te Tairāwhiti, and all the community groups and individuals from Te Tairāwhiti who also supported this process and commented on this report..

Introduction

I make no claims to neutrality. I own the opinions in this report as opinions based on the authenticity of our experience as a group of community workers.

It is not attempt to undermine or minimise the goodwill of individuals in MSD or other agencies at any level, but the experience was an exposure of the structural failings of a system designed to maintain the status quo. That status quo is based upon an unacceptable level of poverty.

Background

“There have always been individuals of goodwill but that doesn’t change structural oppression.” Moana Jackson (speech to Tauīwi Treaty Conference 2000)

Te Tairāwhiti is a fertile, beautiful region, blessed with a rich indigenous culture, and capable of producing food, wine, seafood and all forms of abundance. Te Tairāwhiti experienced colonisation of its indigenous people and resources from the 1860s. From that day until this the tangata whenua have struggled to maintain their self-determination and have been forced into varying degrees of poverty. Alongside Te Tai Tokerau and Opotiki regions, Te Tairāwhiti has always appeared at the bottom of a range of social deprivation indexes, unemployment statistics and statistics associated with poor health and lack of educational opportunity¹

Approximately 41% of people in Te Tairāwhiti have Māori whakapapa . Some Pakeha and Polynesian families are also poor but as we learned at the Impact they are a small percentage of the overall picture of marginalisation. Te Tairāwhiti also has a group of very well wealthy families and a middle class population of mainly Pakeha who have moved to a region where they can be comfortable in cheap houses and enjoy relaxed ways of life. Many who move here from outside the region are at an immediate financial advantage over the poor locals who have had no such access to higher paid work elsewhere let alone the ability to buy the cheap houses in the district. The average wage is \$21,000 but many people live on far less and the areas where personal income averages 0-\$18,000 are the rural areas and the areas of Gisborne which are predominantly Māori (Kaiti, Elgin)² .

There are major justice issues with the local unitary authority, and the loss of community infrastructure since the neo liberal policies of the 1980s. The pollution of traditional food resources and the control of resources by multinationals and local elites has increased unemployment and underemployment, and a vulnerable and casualised contract based labour force. The lack of representation and the lack of respect for tangata whenua on the local authority have entrenched many issues...

¹ *Degrees of Deprivation in New Zealand: an atlas of socioeconomic difference*, Peter Crampton, Clare Salmond, Russell Kirkpatrick, 2000, David Bateman Ltd: Auckland pages 37,63

² “East Coast Electorate Profile”, Parliamentary Library, August 2002

There are committed efforts by hapu, iwi and community groups to hold communities together and address the multiple fractures in the economy and social well being of half the population. Many good flaxroots and grassroots initiatives in organics, health and education are developing despite fundamental obstacles. We acknowledge and honour those efforts and achievements.

Special Benefit Campaign History

One of the critical issues in the region is isolation. This isolation applies to more than geography and affects communities' ability to challenge institutions and to access information, which might give them power. The situation is compounded by the absence of public transport in many parts of the region and the reality of poverty. Forget the digital divide, for some a telephone is out of reach. Initiatives designed to alleviate poverty (when there are such things) which come out of Wellington, may never surface in the experience of the marginalised communities. The issues around the Special Benefit and the intent of the ministerial directives on Special Benefit are typical of a "safety net" which is invisible to many of the target population. They rely on MSD staff to offer, explain and "translate" such opportunities.

The Special Benefit is a tool to address hardship for low paid and unemployed people. Entitlement is calculated on the basis of the person's level of hardship and financial outgoings using a specific MSD formula. There is not set amount and the Ministerial directive governing its application gives a level of discretion to the MSD Case Managers in terms of assisting people experiencing poverty.

No one believes the Special Benefit is a solution to poverty, but it is a tool provided by MSD for alleviating immediate hardship until such time as people receive benefits or wages that bear some resemblance to the cost of living.

The acknowledged statistics of low wages and poverty versus the some of the lowest levels of uptake of the Special Benefits in the whole country raised a contradiction for us. Setting aside regional development rhetoric and bureaucratic rationalisations, why were poor people not accessing a tool set up to address financial hardship? We decided to check this out.

The Development Process - February to October 2003

We discovered the 2002 regional statistics on Special Benefit (see appendix A) in the early days of 2003. A beneficiary advocate working north of Auckland alerted us to these figures after looking at the national comparisons. We invited him to the East Coast as an experienced advocate, educator and community worker to run a one-day workshop for community workers on dealing with the Special Benefit. Two workshops were held in late February 2003 in Opotiki and Gisborne.

These workshops attracted 23 participants in Opotiki and 27 in Gisborne from a wide

range of hapu, iwi and community organisations. The workshops were organised by Kotare Trust as part of our role as grassroots participatory educators working with issues of concern to communities. They were a practical training in both the MSD assessment for Special Benefit formula and in the opportunity for learning about the “discretion” set out in the relevant Ministerial Directive on the Special Benefit. (Appendix B). The workshops also touched on the deeper issue that no benefit system could address, the need for jobs and a living wage for all.

In Gisborne in particular, people from the community groups were keen to carry on meeting after the training. They wanted to take action based on their shared stories of the low Special Benefit numbers, and the high level of needs. They wanted to challenge the structural barriers they were experiencing when trying to help people negotiate entitlements at the MSD offices. These people were working with tangata whaiora (people living with mental impairments), solo parents, sick and elderly people, school age mothers, people with physical impairments, women escaping violent men, kaumatua and unemployed beneficiaries experiencing poverty.

They were keen to meet with the Regional Commissioner and local managers of MSD to try and understand why the Special Benefit statistics were so low and yet their experience of poverty in the community was so acute. The network of about 12 groups and some beneficiaries held a meeting with the MSD Regional Commissioner and local Managers in March 03.

This meeting and subsequent meetings were facilitated by Kay Robin from community action network “Oho Ake” and Catherine Delahunty from Kotare Trust.

Kay and Catherine work from an explicit philosophy of recognising Te Tiriti o Waitangi in their community work. Kay affiliates to all iwi on the East Coast, Catherine is a Pakeha.

Although the meetings were the beginnings of a productive dialogue, the community groups were not satisfied that the Special Benefit figures were the result of the unique situation in Te Tairāwhiti or peoples failure to bring the correct paper work. We felt there needed to be a deeper explanation for the low Special Benefit numbers. It was not clear from our perspective that MSD offices in our region were fulfilling the Ministerial directive to pro-actively offer the Special Benefit to everyone, or to interpret “discretion” in the spirit of that directive.

We were concerned that the MSD culture was still biased towards promoting employment of any sort as preferable to benefits. This was happening in a manner that failed to take into account the real costs of some of the available work if you have no transport, no money for extra food or clothing etc. That fact that it costs money to go to work if wages are the same or less than the benefit didn't seem to be recognised.

As a result of these discussions we contacted the National Beneficiary Advocacy Network and asked them to come and conduct a “Special Benefit Impact” at Gisborne, Kaiti and Ruatoria.

An “Impact” is a concerted effort by a group of beneficiary advocates at a specific MSD site to promote the Special Benefit. The Impacts have been developed and carried out by the National Beneficiary Advocacy Network in Flaxmere, Hastings, Rotorua and now Te Tairāwhiti. The process of providing a team of advocates to a community over several days has had a range of beneficial effects including improving the Special Benefit statistics for that region.

The Network had already identified the Gisborne, Kaiti and Ruatoria as a region with potential for an Impact. The statistics provided by MSD had generated similar questions and concerns for them as for the community workers in Te Tairāwhiti.

The Negotiations

From May until October there was a negotiations process around the organisation of the Impact. The community groups and representatives of the National Beneficiary Advocacy Network met several times with MSD in Gisborne to ensure co-operation between the parties.

In discussions before and after the Impact we realised that a community led process was unique. Previous “Impacts” at Rotorua, Flaxmere and elsewhere had been organised by pre existing advocacy groups. With no advocacy group but a total determination to make change, the members of local community groups organised the funding and logistics for 14 advocates to come to Te Tairāwhiti for one week.

The groups included Womens Refuge, Te Ora Hou (working with teenage mothers), Salvation Army, CCS, Turanga Health, and Supporting Families with Mental Illness, Vanessa Lowndes (supporting people with metal impairments), Oho Ake (community action network), Tairāwhiti Law Centre, and Community Development from Gisborne District Council. We also had beneficiaries participating.

We asked for donations for the accommodation, travel and food for the 14 advocates for one week and were generously supported by the groups named above and others in a variety of ways. Some gave money, some cooked and delivered lunches and dinners and some sent their staff to assist the process. We publicised the event through community networks, the local radio and newspaper and by flyers and posters distributed by volunteers.

The Impact Story

From October 20-24 14 advocates from throughout Aotearoa came to Gisborne for three days at the Lowe St and Kaiti offices, and 9 advocates travelled to Ruatoria for a one day Impact. During that time more than four hundred people registered a need for assistance in dealing with MSD. The tables set up outside the two offices in Gisborne were constantly in use, as advocates worked all day to help as many people as they could. The

numbers of people with complex issues with MSD meant that a large number have been dealt with in the follow up process.

In addition to free services from the advocates and their helpers Turanga Health provided Public Health nurses to give free blood pressure, weight and blood sugar checks at both Lowe St and Kaiti offices. These were gratefully utilised and their support for the Impact is not forgotten.

Kaiti Mall was the busier site with the office being more visible to passers by and with many of the target group of people living directly around it. At Kaiti we had a free sausage sizzle, kaumatua gave a tai chi performance and there was seating provided for people waiting. There was a constant stream of people waiting to talk with an advocate. The then Associate Minister of Maori Affairs Tariana Turia visited this site during the Impact, as she was in Gisborne for a day. She spoke with some of the people waiting for help from advocates. The Kaiti MSD office had daily meetings with the advocates group during the Impact to iron out logistical issues during the three day Impact.

Lowe St (labelled the No Frills Impact, as we had no sausages) was also very busy and increasingly so by the third day. We had provided seating for people waiting and we did not have enough for all people on the second and third days.

On the first day a team of volunteers carried out a sample survey of the people who came for help (see Appendix 3). After 30 surveys were conducted we were too busy to deal with the surveying, and concentrated on the processing of the people waiting to speak to advocates.

Most MSD staff were gracious and helpful despite the additional pressure we created for them. We were unable to have a group meeting with staff at MSD Lowe St but had good co-operation from most individuals and the Office Manager.

The debriefing discussions about both Impact sites identified huge concerns about the level of debt and poverty and the range of benefit entitlements that people that were not receiving, including Special Benefit. The advocates from around the country described the issues routinely crossing their desks in Gisborne as amongst the worst they had seen anywhere in the country. These issues included not being aware of the Special Benefit, not receiving full entitlements for disability allowance, child disability allowance, Family Support, wrongly imposed penalties for not naming the father etc.

Comments from one person who was helped by the advocates – “this is different”.

In addition to a poor standard of information being given to beneficiaries there were dreadful stories of people vulnerable to debt and preyed upon by hire purchase “opportunities”. Companies such as local car firms, loan companies, second hand appliance firms, Home Direct, DTR clothing and Chriscos successfully target these extremely poor people and compound their inability to keep up with their financial responsibilities. Some do this by offering them hire purchase arrangements and then imposing penalties for non-payment. It was very disturbing to see the number of

grandparents who had gone guarantor for their mokopuna/grandchildren for items that neither could afford.

High rents and high electricity costs were making this worse. The absence of public transport from outlying areas made people likely to miss appointments with MSD and created delay in benefits being paid to them.

It is also disturbing to note the findings of the Problem Gambling Foundation research announced in March 2004 which states that \$9.6m in gambling losses are incurred by people in Te Tairāwhiti every year (*Gisborne Herald*, March 1 2004)

Budget advice is often suggested as a solution to these issues. After our experience we feel that budget advice provided at MSD would be beneficial, but until benefit rates increase budgeting alone will not stop the poverty trap.

MSD Culture

Despite the good will of many MSD staff we became aware of the inbuilt pressure they were under to make personal judgements about beneficiaries as “good” or “bad”, and that the overall shame and blame culture hindered them in seeing all people as entitled to help. Despite the rhetoric on the staff room wall about “customers is always right”, the tell tale signs of an oppressive culture tinged with 1990s Rankinism remains in these offices. A sign I personally read on the side of computer monitors at Lowe St said “Parents- Please control your children’s behaviour otherwise it may effect the outcome of your interview”.

Advances are not a solution to poverty and yet seem to be widely used in Gisborne when a Special Benefit would better assist people. Advances have to be paid back. The Special Benefit can be given for more than 3 months providing the Case Manager recognises that many of the hardships do not disappear in a 3-month timeframe. During the Impact we fought some hard battles, e.g. to get a mother a new and large enough washing machine for her seven children, as opposed to an advance for a second hand machine with a short life span. It is not in MSD or the people’s interest to use short-term measures in such circumstances.

The MSD forms are virtually unintelligible to people outside the MSD culture. We saw these have an immediate disempowering effect on people seeking assistance, especially where literacy is the first issue. The MSD appointments system seems highly complex and inflexible and the staff turnover is very hard on staff and on the people coming in to see their ever changing Case Managers. We wondered if staff turnover related to the complexity of the work, the relatively low wages and the pressure in the Case Manager role.

After three exhausting days at MSD Kaiti and MSD Lowe St ,five of the advocates had to return to their communities, and the remaining nine plus local volunteers prepared to travel to Ruatoria.

Ruatoria

By the time we arrived at Ruatoria at 10am on Thursday October 24 there were more than 50 people waiting for us, some who had been there since 8am. Many people waited all day for the opportunity to see an advocate. Our experience that day and on subsequent days was that people on the Coast do not want to deal with MSD alone if they can have an advocate. It is an indictment of the system that volunteer advocates are needed to enable MSD to do their job properly at this and other offices. The people who came for assistance at Ruatoria were 100% Maori.

At Ruatoria we were welcomed and treated with great hospitality by the Heartland Centre staff who opened their facility to us so that preliminary processing could take place in a functional environment. We were able to share food and run an effective day thanks to their awhinatanga and manaakitanga. By the end of that day we had many unfinished cases and many concerns.

The situation around Ruatoria was even more stressed than in Gisborne. A number of people were in desperately poor circumstances, with no transport and limited ability to even get to the Ruatoria office. Rural power costs and access to services were huge issues for them. Again debt was very common and people were not coping. MSD Special Benefit levels in the area, were and still are, amongst the bottom ranked offices in the country.

There seemed to be bottlenecks such as access to medical information from the chemist in Gisborne who services the Coast. People are charged \$3.50 for a print out of their prescription record from the chemist. \$3.50 for a piece of paper a serious problem for people living in remote parts of the Coast who have to have that paper before they can get help with medical costs.

The coast needs a larger and more mobile service and a strong commitment by MSD to provide staff with an understanding of the full range of beneficiary issues from superannuation to child disability allowance. The closure of the Te Araroa MSD clinic penalises people from the rural areas north of Ruatoria who cannot get to Ruatoria easily and have now lost a local clinic.

After a whole day of constant work and considerable difficulty getting any results from Case Managers, the national advocates headed home and the local volunteers began to plan the follow up work for the Coast and Gisborne.

Follow Up Process

Since October a group of volunteers who learned some skills from the National Advocates, have been dealing with the backlog of unfinished cases since the Impact at all three sites. We have also been developing a service 3 days a week for people in need. We have been given support by Te Runanga a Turanganui a Kiwa (office space) and Turanga Health and Turanga Ararau (donations and classroom space) to hold a training

for 15 community advocates offered by the Wellington People's Centre.

We have caught up with the backlog of cases since the Impact. New cases contact us regularly. We have a small group of volunteers working on the cases with a reasonable relationship with MSD. We have one volunteer working alone up the Coast and are fully aware that the problems there are serious. We want to organise a training for potential advocates who have expressed interest, up the Coast later this year

We are establishing ourselves as an independent Trust to help people with their entitlements. We believe this is necessary because MSD is not meeting their needs.

Conclusion

Why does a region with one of lowest average annual incomes and highest levels of poverty and social deprivation, receive less than its fair share of benefit entitlements? One answer, as we realised through the Impact process, was that there was no one to advocate for the people and to challenge MSD.

We know that MSD staff are not social workers but it is not efficient to fail to provide full entitlement. Communities and whanau under stress come to MSD for help and too often it is a humiliating, confusing and alien struggle for basic resources.

Without skilled advocates (who are mainly volunteers) a Government Department is failing in its obligations. And where there is this systemic failure, whanau and families are suffering from unnecessary poverty. We came to the following conclusions about MSD in relation to beneficiaries in Te Tairāwhiti:

1. The system does not work
2. The system is not meant to work
3. It is not the fault of individual MSD staff
4. It is not the fault of the beneficiaries who cannot access full entitlement
5. Maori are approximately 50% of the population the Gisborne area but are the majority of people needing help with MSD
6. MSD sees all the structural causes of poverty day after day but never advocates to Govt about these issues, why not?
7. MSD staff know their forms and processes are confusing and jargon based and disempowering, why don't they respond to these issues?

Recommendations

1. Raise the basic benefit levels in line with the cost of living.
2. Review the entire complex systems of benefit entitlements giving national advocates a leading role in the review.
3. Retrain MSD staff into a culture of support and service to people and give the Case Managers a pay rise.
4. MSD and the Regional Commissioners, Runanga, social service agencies and Govt Depts need to sit down with companies who are exacerbating poverty and require them to take some responsibility, failing this we need to restrict their impact in a united manner.
5. Offer budget skills, full benefits and real job creation.
6. MSD and advocates need to investigate the poor results and underlying issues at Ruatoria WINZ office.
7. Agencies advocating for Maori and Te Tiriti obligations need to review the MSD performance.
8. Health services need to support people with illness and impairments to receive their prescription information from chemists free of charge.

This experience has been documented to stimulate some response and support for the people in need. At a deeper level we are calling for a progressive review of the benefit systems which uses the expertise of the welfare workers and advocates in the front line, and beneficiaries themselves. This report has also been written to celebrate the power of true community development by the people for the people. As allies and activists who recognise Te Tiriti issues and who find wealth inequities unacceptable we have managed to start to address a fundamental problem. Our challenge to other institutions and agencies is to listen and to respond.

Catherine Delahunty for Kotare Trust and Tairawhiti Beneficiary Advocates Trust

STOP PRESS – As I completed the spellcheck on this document the news that the Special Benefit had been axed in the June 04 Budget came through. The replacement of this Benefit by a Temporary Additional Support Allowance with less flexibility, raises deep concerns about the welfare of people in financial hardship, especially those who will not benefit from the “Working for Families” programmes.

Appendix A Special Benefit Statistics 2002 – some regional comparisons
Appendix B Ministerial Directive re Special Benefit 2002
Appendix C The Anecdotal Survey Summary
Questions designed by Glenis Philip Barbara (Ngati Porou)

APPENDIX 1: Special Benefit Statistics 2002 – some regional comparisons

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APPENDIX 2: DIRECTION IN RELATION TO SPECIAL BENEFIT

This is an unofficial consolidation, produced by and for the Ministry of Social Development, and for the use of Work and Income. For official use, reference should be made to the original programme and its amendments.

TO: The Chief Executive. Department of Work and Income

Pursuant to section 5 of the Social Security Act 1964, I, **ROGER MORRISON SOWRY**, Minister of Social Services, Work and Income, give the following direction to take effect on 12 February 1999.

I revoke effective on that date all previous Ministerial directions under that section concerning the grant of special benefit under that Act.

Dated 10 February 1999

Hon. Roger Sowry
Minister of Social Services, Work and Income

DIRECTION

Grants of Special Benefit

In the exercise of your discretion to grant a special benefit under section 61G of the Act, and without derogating from your duty to have regard to the particular financial circumstances and commitments of the applicant, you must have regard to the following matters.

1 General principles

- 1.1 THAT the intention of a special benefit under the Act is to alleviate financial hardship and that a special benefit should not to be granted unless without the grant, the applicant or a person dependent upon the applicant would suffer financial hardship.
- 1.2 THAT a special benefit should not normally be granted unless the applicant's Deficiency of Income over his or her expenditure and commitments is reasonably substantial, and that Deficiency is likely to continue for a period that justifies special benefit being-granted.
- 1.3 THAT a special benefit should be considered only in respect of costs of the applicant that are essential and not reasonably avoidable.
- 1.4 THAT in considering any application for special benefit, consideration should be given to—
 - (a) The applicant's ability to meet the Deficiency from the applicant's own resources; and

- (b) The assistance that is or might be available to the applicant from other sources to meet the applicant's Deficiency,

In particular, when considering—

- (c) An application for a special benefit by a full-time student or the student's dependent spouse, you should take into account the availability of financial support during the academic year under the student allowance or student loan schemes; or
- (d) An application for special benefit for the costs of any essential health services or disability services (as those terms are defined in the New Zealand Public Health and Disability Act 2000), you should take into account the assistance available under that Act,—

and special benefit should not normally be considered for expenses normally covered by the assistance available under those schemes or that Act unless the applicant has extraordinary expenses and has exhausted his or her entitlements under those schemes or that Act.

2 Definitions

2.1 In this direction, unless the context otherwise requires:

“Accommodation costs” has the meaning in section 61E of the Act:

“the Act” means the Social Security Act 1964:

“Allowable costs”, in relation to an application and subject to section 68A of the Act, means any regular essential expenses reckoned on a weekly basis arising out of the special circumstances of the applicant and his or her spouse (if any) which cannot readily be avoided or varied, and include—

- (a) The applicant's actual accommodation costs including arrears, provided that any arrears incurred while the person was in receipt of accommodation benefit, accommodation supplement, rent rebate allowance, or tenure protection allowance under the Act are not to be included; and
- (b) Hire purchase and other types of regular payment for a washing machine or a refrigerator or a television set or for household furniture where the acquisition of that item was essential; and
- (c) Disability related expenses, being expenses of a kind for which a disability allowance would be payable under section 69C of the Act, but not including counselling costs in excess of the amount paid for that purpose by way of a disability allowance; and
- (ca) For a person who is eligible for a Payment under the Telephone Costs Payment programme approved by the Minister under section 124(1)(d) of the Act, and if paragraph (h) of this definition does not apply, the weekly amount of telephone rental costs that were, immediately prior to 1 April 1999,—

- (i) claimed by the person; and
- (ii) treated by the chief executive as an additional expense under section 69C(2A)(a) of the Act; and”

History: clause 2.1(ca) was introduced through an amendment dated 10 June 1999.

- (d) Motor vehicle repayments and reasonable running costs where—
 - (i) The vehicle is required for the transport of the applicant or his or her spouse to and from employment, or
 - (ii) The applicant or a member of his or her family suffers chronic illness or has a disability and the vehicle is required for that person's transport,—
and no suitable public transport is available;
- (e) Motor vehicle repayments for an applicant who is a beneficiary where—
 - (i) There is no public transport available; and
 - (ii) The agreement to acquire the vehicle on terms was entered into prior to the applicant applying for the benefit;
- (f) The costs of public transport to and from employment
- (g) The- costs of essential childcare (after deducting any childcare subsidy or OSCAR subsidy payable under the Childcare Assistance Welfare Programme approved under section 124 (1) (d) of the Act)-
 - (i) To enable the applicant or his or her spouse to take part in employment; or
 - (ii) Because the applicant or his or her spouse is seriously disabled or seriously ill;
- (h) For a person for whom a telephone is a necessity by reason of his or her—
 - Health. or disability or family circumstances; or
 - (ii) Personal safety or security (for example, an elderly person living on his or her own, or a separated person with a protection order against the spouse); or
 - (iii) Employment (for example, an electrical worker on call 24 hours per day),-
the basic cost of a telephone (excluding toll charges),—

but do not include—

- (i) Any fixed charges made in respect of a line or pipe used in the domestic supply to that person of telephone services, electricity, gas, or water;
- (f) The costs of any tuition the applicant or his or her spouse is undertaking (including stationery, books, fees, or other course related costs);
- (j) Any payments required to be made by the applicant or his or her spouse in respect of any debt, fine, or other liability, other than the payments or repayments referred to in paragraphs (a) to (h) of this definition;
- (k) Any fees charged by a private savings bank, a trustee savings bank, the Public Service Investment Society Limited, a registered bank or a building society or a credit union for an account held by the applicant or the applicants spouse with that bank, building society, or credit union.

“Cash assets”, in relation to any person, mean assets of that person and his or her spouse (if any) that can be readily converted into cash and include—

- (a) Shares, stocks, debentures, bonus bonds, and other bonds;
- (b) Bank accounts, including fixed and term deposits with any bank, friendly society, credit union, or building society;
- (c) Money invested with or lent to any bank or other financial institution or other person;
- (d) The net equity held in property or land not used as the person's home;
- (e) Building society shares;
- (f) Mortgage investments and other long term loans;
- (g) Bills of exchange or promissory notes;
- (h) The applicant's share in any partnership;

but do not include—

- (i) The motor vehicle principally used by the applicant for his or her personal use;
- (j) A caravan, boat or other vehicle—
 - (i) The net equity in which is less than \$2,000; or
 - (ii) Which is used by the person or a member of his or her family for day to day accommodation;
- (k) The personal effects of the person and his or her spouse (if any)

“Chargeable income”, in relation to an applicant, includes–

- (a) The rate of any benefit (other than an orphan’s benefit or an unsupported child’s benefit) granted under the Act disregarding any reduction in the rate payable to the applicant under section 117 of the Act; and
- (b) revoked (Amendment (No. 3) 1999)

History: the chargeable income definition was changed through amendment (no 3) dated 15 November 1999. The amendment removed orphans benefit and unsupported child’s benefit from being counted as income for Special Benefit purposes.

- (c) Any war pension or allowance received under the War Pensions Act 1954; and
- (d) New Zealand superannuation, veteran’s pension, or transitional retirement benefit received under the Social Welfare (Transitional Provisions) Act 1990; and
- (e) Income as defined in section 3 (1) of the Act; and
- (f) The amount of –
 - (i) any periodical payments received under any welfare programme approved under section 124(1)(d) of the Act (other than payments under the Away from Home Allowance Programme or other periodical payments intended to pay or reimburse specified costs of the applicant); and
 - (ii) payments received under the Telephone Costs Payment Programme, the New Employment Transition Grant Programme, or the Seasonal Work Assistance Programme approved under that section; and

History: “Chargeable income” clause 2.1(f) was revoked and replaced with the text provided through an amendment dated 7 July 2002. The amendment specifies that payments under the New Employment Transition Grant Programme and Seasonal Work Assistance Programme are treated as chargeable income.

- (g) The amount of any child support payments –
 - (i) In the case of a non-beneficiary, received by the person under the Child Support Act 1991; or
 - (ii) In the case of a beneficiary, paid to the person by the Child Support Agency pursuant to section 142 of that Act; and
- (h) The living costs component of the amount of any student allowance or loan received by the applicant–

and includes the chargeable income, as so defined, of his or her spouse (if any);

“Deficiency” has the meaning in clause 3:

“Disposable income”, in relation to an applicant, means the applicant’s weekly chargeable income after the deduction of the applicants allowable costs;

“Grand-parented rate”, in relation to a sickness benefit payable to a person to whom section 54D(2) of the Act applies, means the appropriate rate in the Eighth Schedule of the Act that was payable to the person immediately before 1 July 1998;

“Income”, in clause 3 means income as defined in section 3 (1) of the Act;

“Living alone” has the meaning in section 18A of the Social Welfare (Transitional Provisions) Act 1990:

“Non-beneficiary” means a person who is not a beneficiary:

“Standard costs”, in relation to an applicant, means the appropriate amount set out in the Schedule, being the proportion of the living costs of the applicant and his or her dependants that he or she may be expected to meet–

(a) From his or her benefit; or

(b) In the case of a non-beneficiary, from the appropriate rate of an unemployment benefit that could be payable to the applicant if he or she was entitled to that benefit,–

but do not include any of the applicant's allowable costs.

2.2 Terms otherwise defined in section 3 (1) of the Act have the meanings so defined, except where the context otherwise requires.

3 Assessment procedure

3.1 Subject to clauses 3.3 and 3.4, you should regard as justified the fixing of a special benefit at a rate that is the lesser of **a** or **b** if–

(a) The applicant has cash assets of not more than–

(i) For a unmarried person, 4 x sib; or

(ii) For a married person or a sole parent, 4 x mib; and

(b) The applicant's disposable income is less than the applicant's standard costs

Definitions-for-the purposes of clause 3.1

In this clause–

a is the applicant’s standard costs less the applicant's disposable income;

- b** is 30% of the applicant's allowable costs:
- mib** is the maximum weekly rate of invalid's benefit payable to a married couple without dependent children:
- sib** is the maximum weekly rate of invalid's benefit payable to an unmarried person without dependent children.

Example

An unmarried unemployment beneficiary with 2 dependent children, whose weekly chargeable income is \$210.45 and whose weekly allowable costs are \$94.30.

Special Benefit Calculation

Chargeable income	\$210.45
less allowable costs	<u>\$94.30</u>
= disposable income	<u>\$116.15</u>
standard costs	\$144.89
less disposable income	<u>\$116.15</u>
= Deficiency	\$28.74
= a	<u>\$28.74</u>

b is 30% of allowable costs (\$94.30) = \$28.29

A special benefit that is the lesser of a or b is justified, i.e. \$28.29, subject to paragraphs 3.3 and 3.4.

- 3.2 Subject to clauses 3.3 and 3.4, a special benefit should be considered justified in respect of a person receiving unemployment benefit under the Act while undergoing training, and who incurs additional costs because he or she is undergoing training away from his or her usual home. The rate of the special benefit considered justified should be the lesser of –
- (a) The additional weekly accommodation costs incurred; and
- (b) \$100 per week.
- 3.3 Upon completion of the appropriate calculation set out in clauses 3.1 or 3.2, you must consider whether there is justification for increasing or decreasing the rate of special benefit paid to the applicant, or to fix or decline to fix an entitlement to special benefit, having regard to the principles set out in clause 1 and to the following matters:

- (a) Whether the applicant has any special or unusual financial expenditure compared to others in a similar general position to the applicant and the extent of any such expenditure;
 - (b) Whether the applicant has any special or unusual reasons for any expenditure item that has caused or contributed to his or her Deficiency;
 - (c) The nature of the financial difficulty, and the likely duration of the Deficiency;
 - (d) The age and health of the applicant and his or her dependants and any special needs arising from that age or health;
 - (e) The ability of the applicant to improve his or her financial situation;
 - (f) The causes of the applicant's financial difficulty;
 - (g) The extent to which the basic necessities of life for the applicant or his or her dependants would be at risk if a grant of special benefit at the rate calculated, or another rate, was not made;
 - (h) Any other matters that in the circumstances of the particular case, you consider to be relevant.
- 3.4 Nothing in clauses 1 and 3 requires you to grant a special benefit, or a special benefit, at any particular rate, if, in your discretion, you determine that in the circumstances of the particular case, such grant ought not to be made.

4 Application of Direction

- 4.1 This direction should be applied to applications for special benefit made on or after 12 February 1999 and in respect of any reviews of that benefit on or after that day.

5 Administration of the Special Benefit Programme

- 5.1 In administering the programme of special benefits, you are to ensure that where practicable, persons receiving special benefit under the Act- receive appropriate advice with the objective that wherever possible, their need for a special benefit is eliminated or reduced within 6 months after the later of-
- (a) The date of any grant of a special benefit after the date this direction takes effect; or
 - (b) Any review of a special benefit after that date.
- 5.2 Cases where special benefit is being paid at a rate of more than \$50 a week should receive priority under clause 5.1.

SCHEDULE
STANDARD COSTS

Qualification of Applicant	Standard Cost
1. For a person who is not a beneficiary, or who is in receipt of an unemployment benefit or a sickness benefit , at the applicable rate in the Ninth Schedule, and who is:	
(a) Unmarried aged 18 o 24 years and without dependent children:	\$69.08
(b) Unmarried aged 25 years or more without dependent children:	\$96.28
(c) Married without dependent children:	\$180.63
(d) Unmarried with 1 dependent child:	\$140.33
(e) Unmarried with 2 or more dependent children:	\$158.97
(f) Married with one or more dependent children:	\$186.56
2. Revoked	
3. For a person in receipt of an independent youth benefit :	69.08
4. Revoked (2000)	
5. For a person who is in receipt of the emergency benefit known as an emergency maintenance allowance , aged 16 or 17 years and living with a parent	\$69.08
6. For a person in receipt of a sickness benefit at the grand-parents rate and who is:	
(a) Revoked (2000)	
(b) Unmarried aged 18 o 24 years and without dependent children:	\$86.66
(c) Revoked (2003)	
(d) Married without dependent children:	\$192.63
(e) Revoked (2000)	
(f) Revoked (2000)	
(g) Revoked (2003)	
7. For a person in receipt of an invalids benefit or a transitional retirement benefit and who is:	
(a) Unmarried aged 16 or 17 years without dependent children:	\$92.05
(b) Unmarried aged 18 or more without dependent children:	\$130.61
(c) Married without dependent children:	\$238.28
(d) Unmarried with 1 dependent child:	\$169.36
(e) Unmarried with 2 or more dependent children:	\$186.52
(f) Married with 1 or more dependent children:	\$229.74
8. For a person in receipt of a widows benefit or a domestic purposes benefit under section 27B of the Act (<i>sole parent</i>) or a domestic purposes benefit under section 27C of the Act (<i>woman alone</i>) and who has:	
(a) No dependent children:	\$101.77
(b) 1 dependent child:	\$140.33

(c) 2 or more dependent children:	\$158.97
9. For a person in receipt of a domestic purposes benefit under section 27G of the Act (<i>care of sick or infirm</i>) and who is:	
(a) Unmarried aged 16 or 17 years without dependent children:	\$92.05
(b) Unmarried aged 18 years and over without dependent children:	\$130.61
(c) Unmarried with 1 dependent child:	\$169.36
(d) Unmarried with 2 or more dependent children:	\$186.52
(e) Married:	\$101.77
10. For a person in receipt of a New Zealand Superannuation or a Veteran's Pension and who is:	
(a) Unmarried without dependent children and living alone:	\$130.81
(b) Unmarried without dependent children and not living alone:	\$130.81
(c) Married without dependent children:	\$238.64
(d) Unmarried with 1 dependent child:	\$170.04
(e) Unmarried with 2 or more dependent children:	\$187.26
(f) Unmarried with one dependent children and not living alone:	\$170.04
(g) Unmarried with 2 or more dependent children and not living alone:	\$187.26
(h) married with 1 or more dependent children:	\$230.09
11. For a married couple one of whom is in receipt of New Zealand Superannuation where the other is receiving a sickness benefit at the grand-parented rate:	\$187.82
12. For a married couple one of whom is in receipt of New Zealand Superannuation where the other is receiving an unemployment benefit or a sickness benefit at the applicable rate in the Ninth Schedule:	\$152.17
13. For a married couple one of whom is in receipt of New Zealand Superannuation where the other is receiving an invalids benefit or a transitional retirement benefit :	\$219.51
14. For a married couple one of who is receiving a sickness benefit at the grand-parented rate where the other is receiving an unemployment benefit or a sickness benefit the applicable rate in the Ninth Schedule:	\$174.90
15. For a married couple one of whom is in receipt of an invalids benefit or a transitional retirement benefit where the other is receiving a sickness benefit at the grand-parented rate:	\$206.57

16. For a married couple one of whom is receiving a domestic purposes benefit under section 27G of the Act (<i>care of sick or infirm</i>) where the other is receiving an unemployment benefit or a sickness benefit at the applicable rate in the Ninth schedule:	\$170.93
17. For a married couple one of whom is receiving a domestic purposes benefit under section 27G of the Act (<i>care of sick or infirm</i>) where the other is receiving a sickness benefit at the grand-parented rate:	\$206.57
18. For a married couple one of whom is receiving a domestic purposes benefit under section 27G of the Act (<i>care of sick or infirm</i>) where the other is receiving an invalids benefit or a transitional retirement benefit :	\$238.28
19. For a married person whose spouse is unlawfully in New Zealand:	The standard costs that would otherwise apply to the applicant if he or she were unmarried

Historical information

Direction in relation to Special Benefit Amendment 2003 Explanatory note

This note is not part of the Amendment but is intended to indicate its general effect.

The amendment, which comes into effect of 1 April 2003, revokes two expired paragraphs of Clause 6 of the Schedule of the Direction in relation to Special Benefit. It also amends that Schedule (which relates to standard costs) to take into account a CPI increase of 2.72%. Due to error, clause 17 of that Schedule was not amended in 2002, and has therefore been increased by both the 2002 CPI increase of 1.82% and the 2003 CPI increase.

Appendix C – Impact Survey

Questions designed by Glenis Philip Barbara (Ngati Porou)

We surveyed 30 people on Day One when they arrived for help at MSD.Lowe St Office
We asked them about their age, culture, gender and whether they had children to care for.
We asked them if they had known of anywhere they could get help with benefit issues in the past.

Results

27 people were Maori, two Polynesians, and one Pakeha

Two thirds were women

Fifty per cent were caring for children

There were equal numbers in ages 0-20, 20 –35 and 30-45 45 and over, there were 3 more people in the over 45 age group.

No one knew how to get help, except from MSD where many were not getting their full entitlements.