

Background information

1. Social and economic policies for the common good of all New Zealanders

In 1993 Church Leaders made a statement calling for a fairer society based on deep concern across denominations about increased poverty and social distress following cuts to welfare benefits in 1991.¹ These principles of social justice were re-affirmed in 2011. Twenty-seven years later and NZCCSS remains deeply concerned about entrenched levels of poverty and inequality in this country. It is time for change.

There is clear evidence that the poorest households have remained poor over 25 years. The latest Household Incomes Report (1982–2018) provided stark evidence that the income of the poorest households, primarily dependant on social welfare benefits, has not increased but declined over 25 years, while median household income has increased.²

A fair and kind society, manaakitia te ara whakamua, means:

- our poorest families and whānau have **sufficient income to live their lives with mana and dignity**, join in local activities, and feel connected to their community.
- our poorest families and whānau can afford to live in a **permanent, quality home**, that enables their children to participate at the local school and to access health supports.
- our poorest families and whānau can **provide for their children** to eat fresh fruit and vegetables and meat, to wear warm clothes and shoes, and to join their friends at sports, kapa haka, music and other activities.³

We believe there are enough resources in Aotearoa New Zealand to enable everyone to live with dignity. In a fair and just society there are mechanisms to distribute public resources so everyone can experience a base-line standard of living that enables people to develop and flourish.

2. COVID-19 is a chance to re-think our core values

Covid-19 has exposed many of the failings and highlighted the inequalities of our market-based economy. These failings create the conditions needed for poverty and exclusion to thrive (low wage economy, high housing costs, and a low top tax rate).

During the alert level 4 lockdown, thousands of New Zealanders would have been left without a home to live in, or sufficient food to sustain them, without the intervention of government agencies and the

1. '1993 Making Choices – Church Leaders' Statement of Intent', 1993

2. Ministry of Social Development. 'Household incomes in New Zealand: Trends in indicators of inequality and hardship 1982–2018.' Bryan Perry

3. 'Measuring child poverty: Material hardship.' Statistics New Zealand, 2019

community social services sector. The intervention of government to support people during this time demonstrates such support is possible and should be maintained over the long term.

These inequalities are set to grow as job losses due to COVID-19 continue and the extension of the wage subsidy runs out. Already NZCCSS members are reporting an increase in demand for services from people who have lost their jobs, struggling to pay rent/mortgages and in need of welfare assistance.

We believe Election 2020 is a time to re-think our core values and harness our nations sense of common good, compassion and fairness to ensure low-income households vulnerable to poverty and exclusion have a better future. It is time for a new vision for a fairer and kinder future for all.

3. Action on poverty-level incomes

Income adequacy is complex due to the many variables that impact on a household, and which change over time. NZCCSS members report many families and whānau living in poverty are “working poor” and often work multiple jobs. They are caught in a cycle of low-skilled, temporary and low paid jobs with incomes that do not meet the cost of housing, food, education, health, etc. Other families and whānau living in poverty receive welfare payments insufficient to meet these same costs of living. This restricts their ability to participate in their community, and they are faced with stark choices such as whether to buy food, pay for heating, or seek medical help when needed. The 2019 Welfare Expert Advisory Group Report⁴ has many examples of how the incomes from various benefits do not meet even the most basic needs for survival in our society.

Any mechanisms to address poverty-level incomes must be applied across the in-work and out-of-work continuum.

4. A liveable wage that provides for life’s necessities

NZCCSS calls on political parties to replace the minimum wage with a liveable wage. This is one mechanism to help lift individuals, families and whānau out of poverty. NZCCSS believes the weekly income of workers must reflect the basic living expenses of themselves and their families such as food, transportation, housing and childcare. One example of a liveable wage is the Living Wage which is calculated with the cost of living taken in to account.⁵

5. Lift main benefits and reduce reliance on other government assistance and charities

In the same way as the Living Wage hourly rate is calculated according to the real costs of living, NZCCSS members believe a similar calculation should be applied to all main benefits, rather than a historically inadequate payment that drives people into deep poverty and debt. With the exception of two small increases to main benefits and the introduction of the winter energy payment,⁶ benefit rates have not

4. Welfare Expert Advisory Group. 'Whakamana Tāngata, Restoring Dignity to Social Security in New Zealand', 2019

5. The New Zealand Family Centre Social Policy Unit. Living Wage Review Report. 2018 Measurement

6. Budget 2015 increased benefits by \$25 a week for beneficiaries with dependent children, and in 2020 a change of policy to index the benefit rates to the consumer price index rather than the minimum wage saw a further increase

been substantially increased over forty years, and have fallen way below the level of providing basic living costs.

NZCCSS members regularly report the everyday trade-offs families' who rely on welfare benefits such as paying rent and going without adequate food, not going to the GP and dentist when needed, living in overcrowded or poor-quality housing, visiting food banks, borrowing money from third tier money lenders. These trade-offs see children and tamariki missing out on school and educational activities because there is no money left for school lunches, school supplies or camp fees.

Benefit levels are so low the government has had to encourage use of second and third tier benefit assistance (Accommodation Supplement, Temporary Assistance Support, Special Needs Grants), resulting in increasing levels of indebtedness of those who rely on benefits for their incomes. This lack of sufficient income sees charities and social service organisations becoming critical and regular components of people's support systems rather than an occasional, additional help when needed.

6. Evidence-based liveable income

NZCCSS calls for evidence-based income support that provides a liveable income and not a poverty-driving benefit or wage. The report of the WEAG commissioned research on income adequacy and found that for a variety of different family circumstances, income support payments had a shortfall from \$50 per week to \$320 per week.

The issue of income adequacy has recently been addressed for workers made redundant by COVID-19 through an individualised Income Relief payment of \$490 per week. This has left those who were out of work pre-COVID-19, to manage on \$250 a week job seeker benefit. This two-tier system is not acceptable. It privileges some groups to live in dignity, while keeping others in poverty and sending the message that they are less worthy than others.

NZCCSS urgently calls on political parties to increase the rates of main benefits based on the evidence provided in the WEAG's report. The human cost of not increasing benefit rates in the short run by far exceeds the long-term human and social costs from lost opportunities to participate in society and flourish.

For election 2020, NZCCSS asks all political parties to:

Increase benefit levels and support the payment of a liveable wage to ensure all New Zealanders have an income that provides the necessities of life and can meaningfully participate with dignity in our communities.

7. Access to sustainable, affordable and secure housing

“Ensuring that everyone has access to affordable housing is perhaps the most important means to lifting New Zealanders out of poverty and boosting the nation's collective health and prosperity.”⁷

NZCCSS believes all New Zealanders have a right to a safe, secure, and quality home and that this, alongside an adequate income, is fundamental to the protection of human value and dignity. However, we know that for too many families and whānau this is not their reality.⁸

7. Church Leaders Housing Summit 2017

8. NZCCSS. Principles of Theological Reflections on Housing Regenerations Programme. 2019

NZCCSS members report families and whānau living in expensive, poor quality homes, that have forced hard decisions about whether to pay the rent, pay the power bill, seek medical attention, pay school fees or buy food. Living in overcrowded cramped conditions with other friends and family, living in cars or garages or on the streets are some of the other hard choices that are made. Our members have seen no reduction in demand for services from vulnerable families and whānau in over a decade.

One of the biggest challenges for whānau is sustainability. While this is often linked to affordability and security it is also the result of housing stock not representing the needs of extended family with intergenerational living and family, community support.

Housing sustainability for many whanau requires an innovative building and design response including papakāinga and pacifica models which represent the diversity of Aotearoa/NZ. This would ensure that people lived in housing which was fit for purpose.

8. Affordable quality homes for low income households

An insufficient supply of houses for low income household remains one of the key blockages to achieve a vision of affordable, quality homes for everyone. Research by Welfare Expert Advisory Group identifies that housing costs comprise 45% of expenditure for low income households, with those poorest households paying from 29% to 51% of their income since 1988.⁹ This research is supported by the Child Poverty Monitor 2019, which shows that more than 30% of the lowest income households with children spend more than half of their income on housing costs.¹⁰

For too long the provision of the Accommodation Supplement has been the focus of policies to address inadequate incomes, and market driven rents. This has not been an effective strategy to increase affordable housing stock for low income households, but has resulted in diverting public money away from building more state and community houses to private landlords.

The COVID-19 lockdown put homelessness and insecure dwellings (tents, cars) into the spotlight. After decades of advocacy money was quickly found to provide temporary housing in motels around the country. The challenge now is how to find a permanent housing solution in the face of limited housing stock and a housing register at 16,309 applicants (31 March 2020), up 47% since March 2019.¹¹

In Election 2020, NZCCSS asks all political parties to:

Immediately and substantially increase the construction of public housing in both the government and community housing sectors.

9. The Welfare Expert Advisory Group: Whakamana Tāngata. 2019. Page 94

10. Child Poverty Monitor. New Zealand. 2019

11. The Ministry of Social Development. 2019