

14 February 2025

Supplementary submission to the Social Services and Community Committee

Social Security Amendment Bill

Please find here the supplementary submission of Citizens Advice Bureau | Ngā Pou Whakawhirinaki o Aotearoa (CABNZ) on the Social Security Amendment Bill. This submission is additional to, and to be read alongside, the submission we made in January 2025 on this Bill. Please contact us if you have any questions or want any clarification about our submission.

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CAB supplementary submission on the Social Security Amendment Bill

This submission is additional to, and to be read alongside, the submission we made in January 2025 on this Bill.

CABNZ is making this supplementary submission after learning there will be two further sanctions added to the Bill at the Select Committee stage - Report Job Search, and Upskilling.

Late announcement of the additional sanctions – Report Job Search, and Upskilling

We note that the intention to include these additional sanctions in the Bill pre dates the tabling of the Bill in the House and the public consultation phase getting underway. However, we were not made aware of these sanctions until they were announced through the media after we had made both our written and oral submissions to the Committee.

We would have appreciated the opportunity to consider these sanctions and address them in our original written submission and in our oral presentation to the Committee. Any obligation or sanction for people on the Jobseeker Support benefit has implications for them and their whānau. Accordingly, there must be sufficient time provided for the community to consider and give feedback on all of the key changes Government is seeking to make to this benefit.

The timing for this Bill and the consultation process had already put us at a disadvantage in terms of being able to participate in the consultation. With the first reading of the Bill on 10th December 2024 and the written submission deadline set for 10th January 2025 – encompassing the Christmas shut down period – and the fact that it coincided with consultation on other significant Bills, and proposed Bills, such as the Treaty Principles Bill and the Regulatory Standards Bill, the timing of the consultation period for the Social Security Amendment Bill created a barrier for participation.

Taking together both the timing of the consultation process and the fact that some key elements were absent from the Bill when it was tabled in the House and not publicised until the consultation process was well underway, it is our view that good process has not been followed for facilitating meaningful public engagement with this very important piece of legislation. We believe that the release of the Bill should have been delayed so that all of the intended sanctions could have been included within it, and so that the timing of the consultation period better supported community input.

Report Job Search and Upskilling sanctions

With regards to the additional sanctions themselves, we reiterate our call for the Government to move away from using sanctions against people who need income support. From the work our organisation does with people every day, we know that the best way to help people make positive progress in their lives and be able to participate in society is through genuine

empowerment, care and support – punishment is counterproductive. Rather than the Government taking a punitive approach, we would like it to focus on working better with people, in positive ways that actually help them.

We ask you to reflect on the wider context in which these additional sanctions – and the Bill as a whole – are being proposed. Unemployment in Aotearoa has been increasing as a result of an economic recession, efforts to control inflation, and downsizing of the public service.¹ Jobs are scarce. We see evidence of this in our own service, with enquiries for assistance with job seeking, CV writing, interview skills, and connecting with employment agencies up 37% over the past year. Many of the clients coming to us for this kind of assistance have been experiencing difficulties in trying to obtain paid employment. Additionally, approximately half of the people on Jobseeker Support have illness or disability that prevents them from undertaking part-time or full-time paid work.² Also, most people on income support are experiencing the stress of living with an income deficit where their basic cost of living is greater than their income.³

We therefore challenge the assumption underpinning the sanctions this Bill would introduce, that there is a significant problem with people choosing to be on this benefit as a lifestyle option and that the sanctions are therefore necessary for getting people off the benefit and into paid work.

We see the evidence in our service of the barrier sanctions create to employment, where sanctioned clients are having to spend their time – rather than on job seeking and upskilling activities – working out how to survive day to day, because the sanction has caused them to lose income or incur additional expenses they cannot afford. Our sanctioned clients are having to spend more time trying to engage with Work and Income, make arrangements with their landlord if the sanction means they cannot pay their rent, contact utilities companies if they cannot pay their bills, and spend time sorting out food parcels (where these are available). Often the sanctions cause our clients significant distress, and this is not a helpful state to be in for focusing on job hunting and presenting to prospective employers.

The best way for the Government to support people into paid employment is not through sanctions but through working to ensure that sufficient, stable, living wage employment is available, and that people have the resources and support they need to be able to access employment opportunities. A focus on sanctions will not help to create the jobs people need or improve people's ability to look for and secure employment. It will only make things harder for the people who need support, and it will have a negative impact on the wellbeing of many New Zealanders.

We restate our call for the Social Security Amendment Bill to be dropped and for the Government to take the following steps to unlock people and whānau from the constraints of poverty:

¹https://www.bnz.co.nz/assets/markets/research/20250205_Labour.pdf?cfa29bab8f3cb4d28811b041738f286bb0e48379

² <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/statistics/benefit/2024/benefit-fact-sheets-snapshot-december-2024.pdf>

³<https://fairerfuture.org.nz/liveable-incomes-2022/>

1. Increase core benefit levels to the standard of liveable incomes
2. Raise the minimum wage to the living wage
3. Increase the Disability Allowance
4. Overhaul relationship rules
5. Remove sanctions
6. Wipe debt owed to the Ministry of Social Development
7. Improve supplementary assistance and urgent grants