



IHC Submission to the

Welfare Working Group's discussion paper

Reducing Long Term Benefit Dependency: The Options

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Trish Grant

Director of Advocacy

04 472 2247

IHC New Zealand Inc

PO Box 4155

Wellington

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1.0 About IHC

Mission Statement:

IHC will advocate for the rights, inclusion and welfare of all people with an intellectual disability and support them to lead satisfying lives in the community

- 1.1. IHC New Zealand Incorporated (IHC) is a community-based organisation providing support and advocacy for people with an intellectual disability and their families. Through IDEA Services, IHC works with approximately 3000 families with children who have an intellectual disability, provides support and training for 4000 adults in work places and helps more than 4000 with disabilities to live in IHC houses and flats. IHC also advocates for the rights of more than 50,000 people with an intellectual disability.
- 1.2. IHC is committed to non-government funded programmes of work related to individual and systemic advocacy, empowerment of individuals and families and inclusion of people with intellectual disability in society.
- 1.3. IHC has a long history of political and systemic advocacy. In representing and advocating for people with intellectual disabilities, IHC presents the views of its members and self-advocates.
- 1.4. IHC endorses the New Zealand Disability Strategy (NZDS) and the UNCRPD as frameworks for guiding Government policy, practices and decision-making.

2.0 Introduction

2.1 IHC's Position on Welfare Reform

IHC has made its position on welfare reform very clear, both in its submission on the Social Assistance (Future Focus) Bill and on the Welfare Working Group's discussion paper, *Long Term Benefit Dependency: the Issues*.

IHC must re-iterate its position:

- The principles of the Social Security must be upheld, particularly that the benefit system is able to provide an easily accessible financial "safety net" for the most vulnerable people in society. Social Security needs a broad approach with links between employment, education, health, housing and social policies based on enhancing inclusion and reducing inequalities.

- It is critical that welfare reforms do not lead to increased discrimination against people with intellectual disabilities and their families. In supporting them to into paid work, they must not be disadvantaged by unfair restrictions and unrealistic goals.
- Government must provide adequate human and funding resources to support people with intellectual disabilities to become 'work ready'. Reasonable accommodation must be a factor in ensuring that this is a positive, successful experience for them.
- Once intellectually disabled people are in long-term, meaningful employment, on-going work place support is required to ensure their success in what can be a hostile environment. Government must commit to increased investment in supported employment strategies and incentives for employers to provide on-site support.
- IHC is deeply concerned about the number of children with intellectual disabilities who are already living in poverty within families or sole parents who are dependent on beneficiary income. The Government is required by its obligations under UNCROC and UNCRPD to address this issue. Placing unrealistic expectations and constraints on their parents is *not* the answer.
- People with intellectual disabilities are being stigmatised and disadvantaged because they are currently categorised along with the long-term unemployed and sickness beneficiaries. IHC cautions against the figure of 95,700 Sickness and Invalid Beneficiaries becoming the focus of justification to make stringent changes to eligibility criteria, which would be to the detriment of people with intellectual disabilities who are included in this statistic.
- Any benefit system must be flexible, responsive and easily accessible, to be able to address the rights and needs of people with intellectual disabilities

There is little in the WWG's *Options* paper that supports IHC's position. The *Options* paper continues to reflect the WWG's lack of understanding and consideration of the social model of disability, the cost of having a disability and the realities of daily living for people with intellectual disabilities.

This is disappointing, as the review of New Zealand's benefit system provides an opportunity to improve the lives of people with intellectual disabilities.

3.0 Specific response

IHC has focused its specific responses to the questions and options presented, as they relate to people with intellectual disabilities, under the following headings in the *Options* paper:

3.1 Structuring welfare differently

IHC does *not* agree with the WWG's basic premise: *It is vital that the importance of paid work for people of working age is placed at the centre of the benefit system.* (p 5)

IHC believes instead that the welfare system should have at its centre the objective of addressing inequities and poverty. It should also have robust links with other Government policy settings, such as health, housing and social services. For people with intellectual disabilities, well-being, social inclusion and valued citizenship are often not necessarily achieved solely by having paid work.

IHC is concerned about the WWG's emphasis on models of social insurance programmes to reduce dependency. Such models in other countries have proven to be punitive for disabled beneficiaries, inevitably excluding them and therefore still requiring a social welfare scheme to provide a safety net. Social insurance schemes exacerbate inequities and would therefore have an unacceptable impact on disabled children already living in poverty with sole parents dependent on a benefit.

3.2 Sole parents on a benefit

Families with a disabled child are a group that is more likely than almost any other to experience significant and ongoing poverty. When the family relies on a benefit the poverty is likely to be severe.

Disabled children experience a higher rate of parental separation than other children hence many are brought up in a single parent household.

The WWG has failed to provide any options which recognise the realities and challenges for sole parents of disabled children. The options are expressed in a seemingly punitive tone, judgemental of the parenting choices that people make. The options given could be interpreted as implying that parents of disabled children fail to meet their parenting obligations because they are not in paid work. These parents could understandably find this implication offensive, given the daily realities in caring for a child with high supports needs.

The WWG provides substantial options for improving access to and affordability of childcare as a means of incentivising sole parents' return to work. However, even in the best case scenarios within existing childcare services, parents still

face situations where staff are not welcoming of their disabled child nor is the funding or training available so that appropriate supports and suitable equipment are in place.

The challenges continue beyond inadequate pre-school childcare, with barriers to enrolment at primary school, or insufficient funding and educational support once enrolled. Parents also experience difficulty in accessing out-of-school care and holiday programmes due to the lack of welcoming attitudes and appropriate supports.

For sole parents of disabled children who are able to work, circumstances often restrict their options to minimum wage, low paid, casual, seasonal, part-time, shift-work or otherwise poor jobs. Consequently, it is harder to lift the family out of poverty.

IHC also calls for recognition of the economic value of the unpaid work of parenting by a sole parent on the DPB who is caring full-time for their disabled child.

The WWG places a laudable emphasis on promoting child wellbeing. However, the reality for many parents is that their disabled child's well-being is likely to be better because a parent is at home full-time, well beyond the child reaching six years old.

IHC notes in the WWG's options paper:

...circumstances where work expectations could be deferred or reduced could be when the sole parent [.....] is caring for a seriously disabled child or an at-risk teenager. (p 52)

In such circumstances, IHC would expect that work expectations reflect the parent's responsibilities for supporting the education, well-being and safety of their disabled child.

Supporting sole parents of disabled children into paid work requires well connected, across-agency policy settings, systemic flexibility, appropriate resourcing and responsiveness. Threatening to enforce obligations and work expectations is not the answer.

3.3 People on an Invalid's Benefit

People with intellectual disabilities place a high value on having a "real job for real pay". They do not choose to live in poverty as life-long beneficiaries. IHC is pleased that the WWG has heard and acknowledged the challenges faced by disabled people who want to work or depend on a welfare benefit.

However, IHC is frustrated with the WWG's persistent grouping of people on an Invalid's Benefit with sickness beneficiaries. These two groups of people are

distinctly different and deserve to be responded to in appropriately different ways. The majority of people with intellectual disabilities not in paid work are most likely to be in receipt of the Invalid's Benefit. This is entirely appropriate, given that they have a life-long disability, not a temporary or long-term illness. However, because these two groups have been merged, options in the WWG's paper are influenced by a medical model approach to assessing capacity for work. Welfare reform options must reflect the social model of disability.

The options offered by the WWG are heavily weighted towards prevention, early intervention, re-habilitation and insurance-based strategies, being the solution to reducing long-term dependency. These options would not fit with the realities of permanent, life-long intellectual disability.

Amongst the options is an emphasis on the employer's responsibility to promoting wellness which is easily achieved by productivity and profitability imperatives. There is no recognition of reasonable accommodation (as described by the UNCRPD) requiring employers to provide an accessible, inclusive work place for disabled people.

People with intellectual disabilities can face a no-gain situation in that jobs offering the average wage are often inaccessible to people supported by benefits, who are part of a pool of low skill workers competing for a range of minimum wage, low paid, casual, seasonal, part-time, shift-work or otherwise poor jobs. This situation has historically existed both in times of economic prosperity as well as recession.

IHC notes that the WWG puts forward the option of *increasing the scope of the Unemployment Benefit to include people with mild and moderate disability.* (p 69) This option rightly identifies that

[such a] reform would need to retain a version of the Invalid's Benefit for people who, following an independent assessment, cannot reasonably be expected to work even after significant health and vocational interventions. If reform of this order was to be introduced, the work expectations, supports and services of the Unemployment Benefit for sick and disabled people could be changed to reflect their needs, including better targeting of effective programmes. (p 69)

Whilst IHC might support this rationale in principle, it would caution against the possible unintended consequence of people with intellectual disabilities being pressured to shift from the Invalid's Benefit to the Unemployment Benefit, if that proves to be an administratively easier transition than the reverse. The potential risk is that when people with intellectual disabilities experience repeated failure to secure and retain employment, there will be increased barriers to moving back onto the Invalid's Benefit. Fear of it being difficult to get back on the Invalid's benefit can prevent people with intellectual disability taking up employment in the first place.

IHC strongly disagrees with WWG's suggestion that

People who are currently classified into the [...] Invalid's Benefit, like all other beneficiaries, should be expected to sign up to a plan to find or prepare for paid work. People should also be expected to undertake rehabilitation if it would improve their work capacity. (p 71)

This type of inflexible approach would make it difficult for the multiple and often changing needs of people with intellectual disabilities to be adequately responded to.

As at December 2009, there were 11,079 (13.0%) people with intellectual disabilities in receipt of the Invalid's Benefit (Source: Ministry of Social Development, 2010). Given that it is the second largest group in this benefit category, IHC expects priority would be placed on ensuring that any welfare reform is designed to respect the rights and meet the needs of this vulnerable population.

IHC believes that the WWG has failed to provide any innovative options to improve the well-being of people with intellectual disabilities who as a group have a range of individual circumstances and aspirations. Given the pervasive barriers to employment for people with intellectual disabilities, options available should be flexible, responsive and reflect a "one size does **not** fit all" approach.

3.4 Young people and benefits

The current generation of intellectually disabled young people and their families have considerably different expectations, hopes and dreams of what adult life will be like, compared to previous generations.

Unfortunately, due to current systemic failures in the education system, IHC would reluctantly have to include some young people with intellectual disabilities amongst the group of "at risk" youth. Consequently, IHC agrees with the WWG that there needs to be greater focus on at-risk youth before they enter the benefit system and a greater focus on active engagement when they are in the benefit system.

However, IHC would contend that to ameliorate this reactive approach, greater resourcing and support needs to be provided to disabled students while they are still at school, preferably at least four years before they plan to leave. There needs to be an improved alignment of the benefit system with other Government policy settings that affect school-leavers.

Therefore, IHC would support Options 1 and 2 under Question 7(i); and Option 1 under 7(ii).

3.5 Financial incentives in the benefit system

IHC is concerned that the WWG has identified the cost of the administrative complexities of supplementary allowances as being a justification for removing or changing those allowances and making them conditional upon employment. It could be argued that the solution would be to improve the administration of allowances rather than further disadvantage disabled beneficiaries who rely on these minimal supplements to cover the additional cost of having a disability. For example, the Child Disability Allowance is a very small contribution to the ongoing extra costs that include transport and travel, housing, equipment and very high health costs.

The options offered by the WWG do not recognize the extra cost of disability. Many people with intellectual disabilities with a long-term benefit dependency have significant costs related to chronic ill-health, mobility, specialised equipment and reliance on public transport. Although the current supplementary allowances are inadequate for some, people with the highest need must have an unquestioned right to long-term receipt of those allowances.

The complexity of the rules around benefit abatement can result in people not taking up part-time work for fear of losing their benefit. IHC is aware that there are misunderstandings about the current processes and rules in this area. For many people with intellectual disability part time work remains the most viable option. It is of critical importance that any abatement system supports participation in the work force rather than “punishes” beneficiaries.

IHC does acknowledge that the WWG has identified that it is unreasonable to expect people with a very severe disability to work but finds the following statement contradictory:

Any benefit abatement for this group acts as a barrier to them to work given their circumstances. And there is little value in administering abatement for this group, given the small number of this group who would realistically work. (p 103)

3.6 Effective service delivery

IHC notes the WWG has identified the issue of the Government’s financial commitment to paying the Invalid’s Benefit is far greater than the single year cost of paying the benefit. From a human rights perspective, supported by New Zealand’s Bill of Rights and its obligations to the UNCRPD, the Government must make a long term financial commitment to the real cost of paying the Invalid’s Benefit to people who have a life-long dependence on this form of social security.

IHC does not support any change to the welfare system which would lessen the Government's responsibility and commitment to supporting the most vulnerable people in society.

The communication and learning needs of people with an intellectual disability need to be recognised in measuring effective service delivery. Some self-advocates report that they experience benefit and employment services as unsupportive environments. It is not unusual for them to encounter judgemental, dispassionate agency personnel who have little understanding of intellectual disability. IHC acknowledges that efforts have been made to improve the culture of Work and Income staff in supporting disabled people generally.

IHC would not support the option of a shift to a fully contracted-out contestable model of service delivery. Under its obligations of compliance with the UNCRPD, the Government has the primary responsibility to meet the needs of people with intellectual disabilities. There could be a risk of non-Government agencies not seeing themselves as having such an obligation if the Government abdicates that responsibility by contracting out services.

When people with intellectual disabilities are successful in securing paid employment, then IHC considers **Option 7.2.4: Transition allowance for sick and disabled people**, may be useful.

5.0 Recommendations

- 5.1 **The United Nations Convention on the Rights of Persons with Disabilities**
IHC commends the Convention to inform the work of the Welfare Working Group, particularly Articles 27 and 28.
- 5.2 That reasonable accommodation is fixed in welfare policy, and is promoted and enforced in all welfare related services for people with intellectual disabilities.

6.0 Conclusions

- 6.1 IHC seeks reassurance that any reform of the benefit system will have a positive impact on intellectually disabled people and their families and that those reforms respond effectively to the realities of life for this most vulnerable group of people in our society.
- 6.2 It is critical that reforms do not lead to increased discrimination against people/children with intellectual disabilities and their families. In supporting them to move from benefit dependency, they must not be disadvantaged by unfair restrictions and unrealistic goals.

- 6.3 IHC expects that adequate human and funding resources will be put in place to support people with intellectual disabilities to become “work ready” and to live “ordinary lives” in their community.
- 6.4 Once intellectually disabled people are in long-term, meaningful employment, on-going work place support is required to ensure their success. Therefore, increased Government investment in supported employment strategies and incentives for employers to provide on-site support is required.
- 6.5 IHC is deeply concerned about the number of children with intellectual disabilities who are already living in poverty within families or sole parents who are dependent on beneficiary income. The Government is required by its obligations under UNCROC and UNCRPD to address this issue.
- 6.6 Under obligations to the Bill of Rights and the UNCRPD, Governments must make a long term financial commitment to the real cost of paying the Invalid’s Benefit to people with intellectual disabilities who have a life-long dependence on this form of social security.

Trish Grant

Director of Advocacy
IHC

trish.grant@ihc.org.nz

(04) 495 2773

PO Box 4155
Wellington 6140