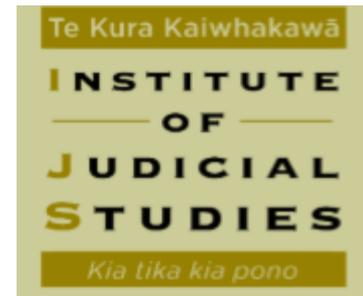


# ***Transformative Justice – prison realities and alternatives***

June 11<sup>th</sup> Wellington 2019

**Seeing the wider picture: the social context of offending**

**Susan St John BSc MA PhD QSO**  
**Hon Associate Professor of Economics**  
**Auckland Business School**  
**University of Auckland**  
**Economics spokesperson, Child Poverty Action Group**  
[s.stjohn@auckland.ac](mailto:s.stjohn@auckland.ac)





# CHiLD POVERTY ACTION GROUP

## CPAG fights for better policies for families and children

- Large data base, regional branches, social media reach
- Technical research
- Submissions on bills and policies, lobbying politicians
- Annual budget analysis and breakfasts
- Annual welfare summits
- Multiple events and publications—see [CPAG website](#)
- Involved in [Human Rights and welfare policy cases](#) going through the appeals processes.



CHiLD  
POVERTY  
ACTION  
GROUP

**Social conditions have deteriorated for 3 decades making the operation of the law increasing difficult.**

**In turn the operation of the law has often contributed to this deterioration**

**But poor policies and bad law are at the heart of the problem**



# CHiLD POVERTY ACTION GROUP

- Why CPAG?
  - From post war egalitarianism
  - Policy shift 1984
  - Neoliberalism of the 1990s- captured hearts and minds
  - 25 years ago CPAG foresaw the progression to
    - social instability
    - Working poor and poverty traps
    - Tragic social statistics
    - Self-perpetuating poverty and abuse
    - Intractable inequality and poverty
    - Growth of the charity model

# Neoliberal and trickle-down theories: 1990s

1980s

Unemployment

Rise of poverty

## 1991 budget

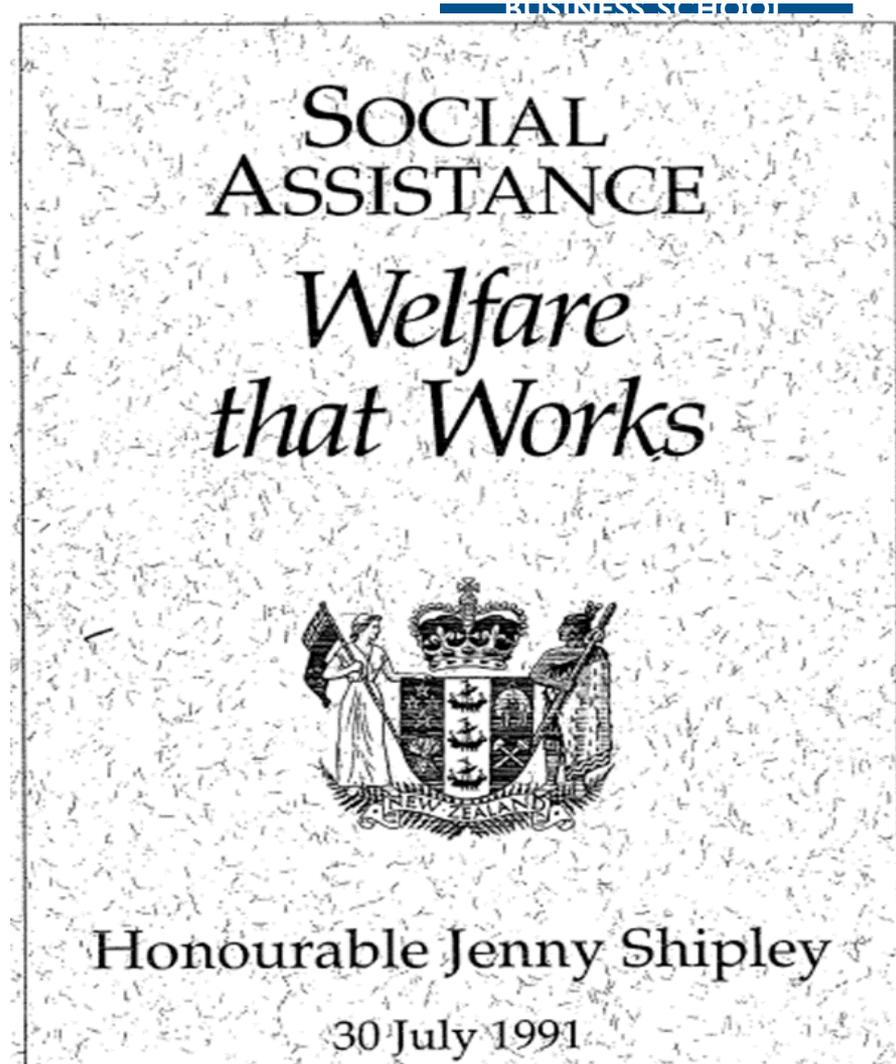
- **Benefit cuts**
- User pays/low tax
- Welfare confined to the poor



# 1991 budget welfare reforms

## Redefining our values

“Fairness: People with **genuine needs** should have adequate access to state assistance- those who can look after themselves should be encouraged to do”



# A long way from M J Savage

---

*The inspiration for the **Social Security Act 1938** was the determination to end poverty in New Zealand. –MSD website*

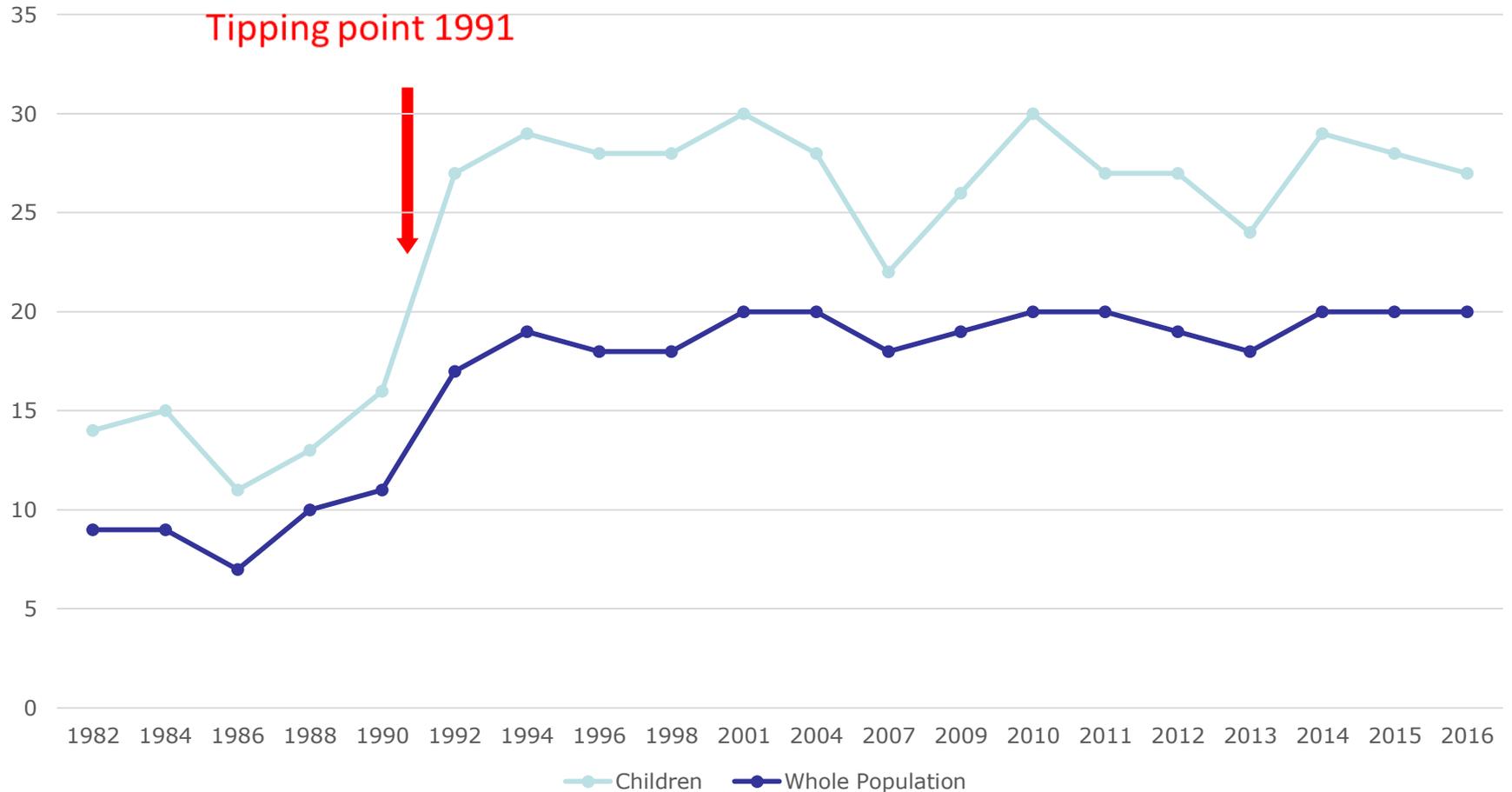


## **Social Security Act 1964**

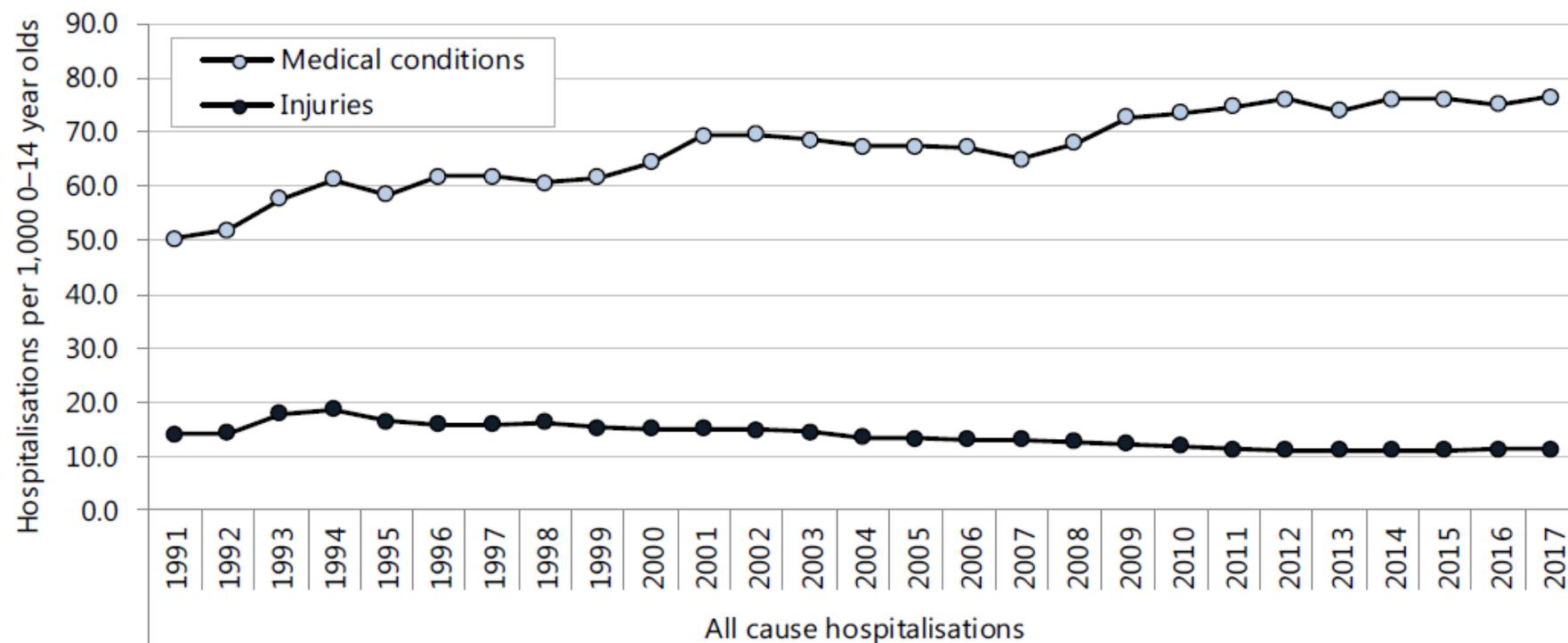
“An Act to provide for ...Superannuation Benefits and of other Benefits designed to **safeguard** the People of New Zealand from Disabilities arising from Age, Sickness, Widowhood, Orphanhood, Unemployment, or other Exceptional Conditions; . . . and, further to provide such other Benefits as may be necessary to **maintain** and **promote the Health and General Welfare of the Community**”

# NZ Poverty\*: child vs whole population 1982-2016

\* <60% median disposable household income after housing costs (AHC)

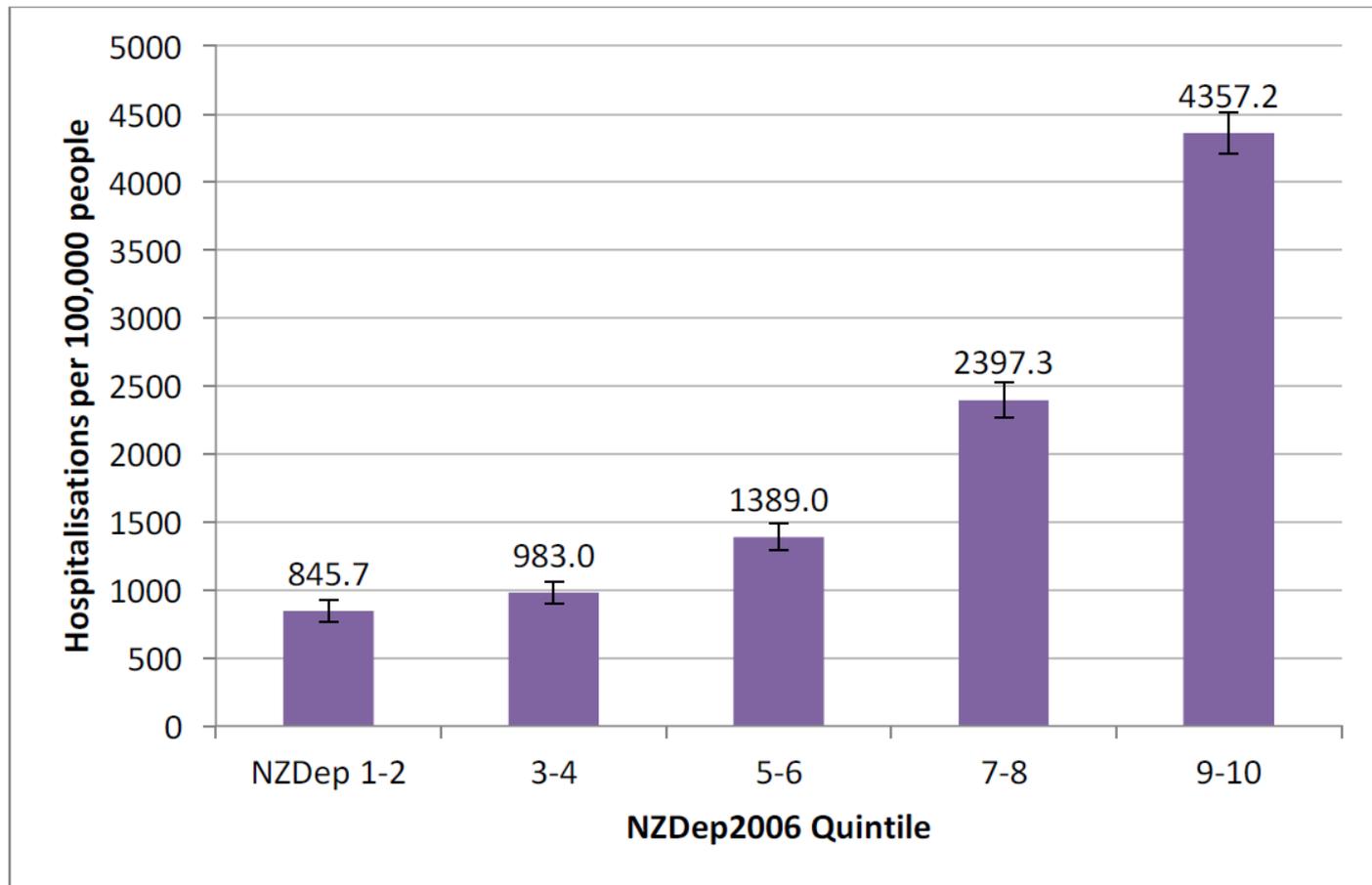


# Hospital Admissions for all causes, children 0–14 Years New Zealand 1991–2017

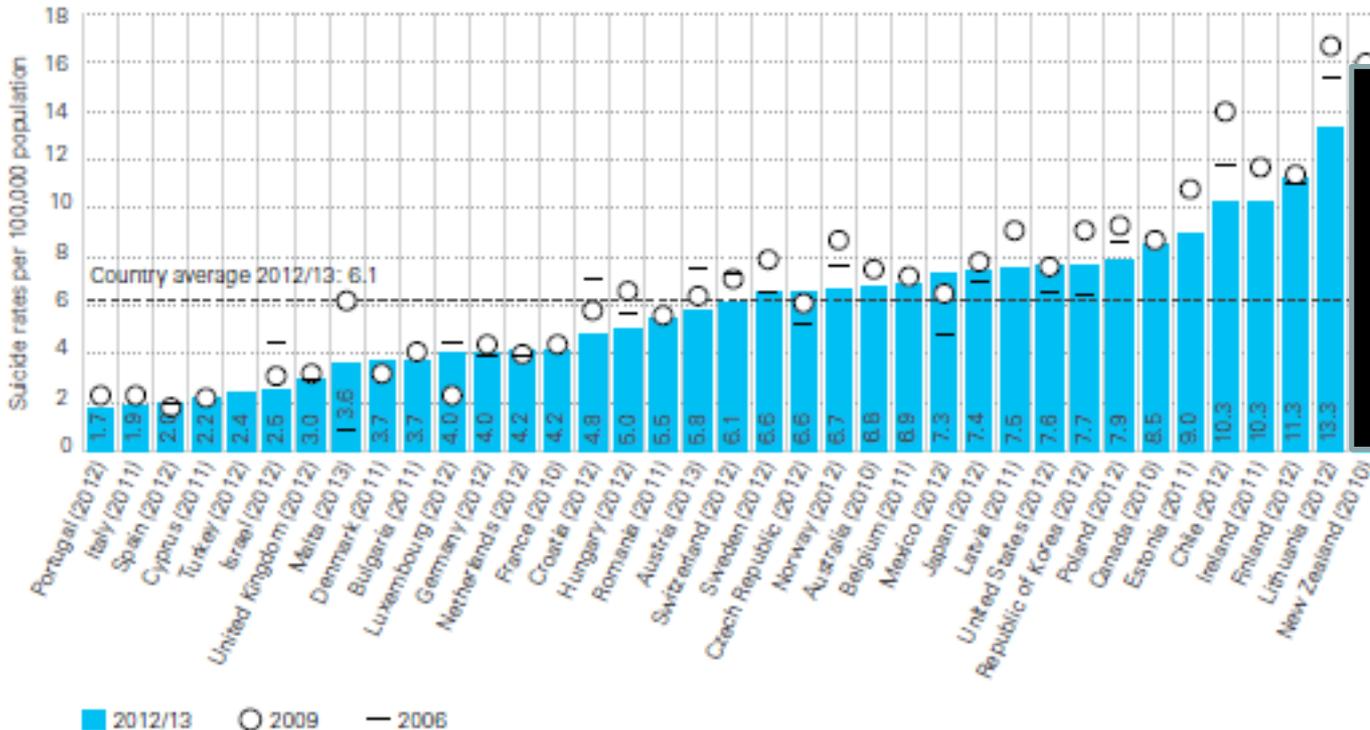


# Children hospitalised with bronchiolitis (2015) by deprivation index (age adjusted)

---



# NZ Youth suicides 15-19 yrs – highest in OECD



UNICEF innocent report card 14, 2017

# Housing at the heart of the problem: Waiting list for Social Housing more than doubled 2016-2018

## Priority A:

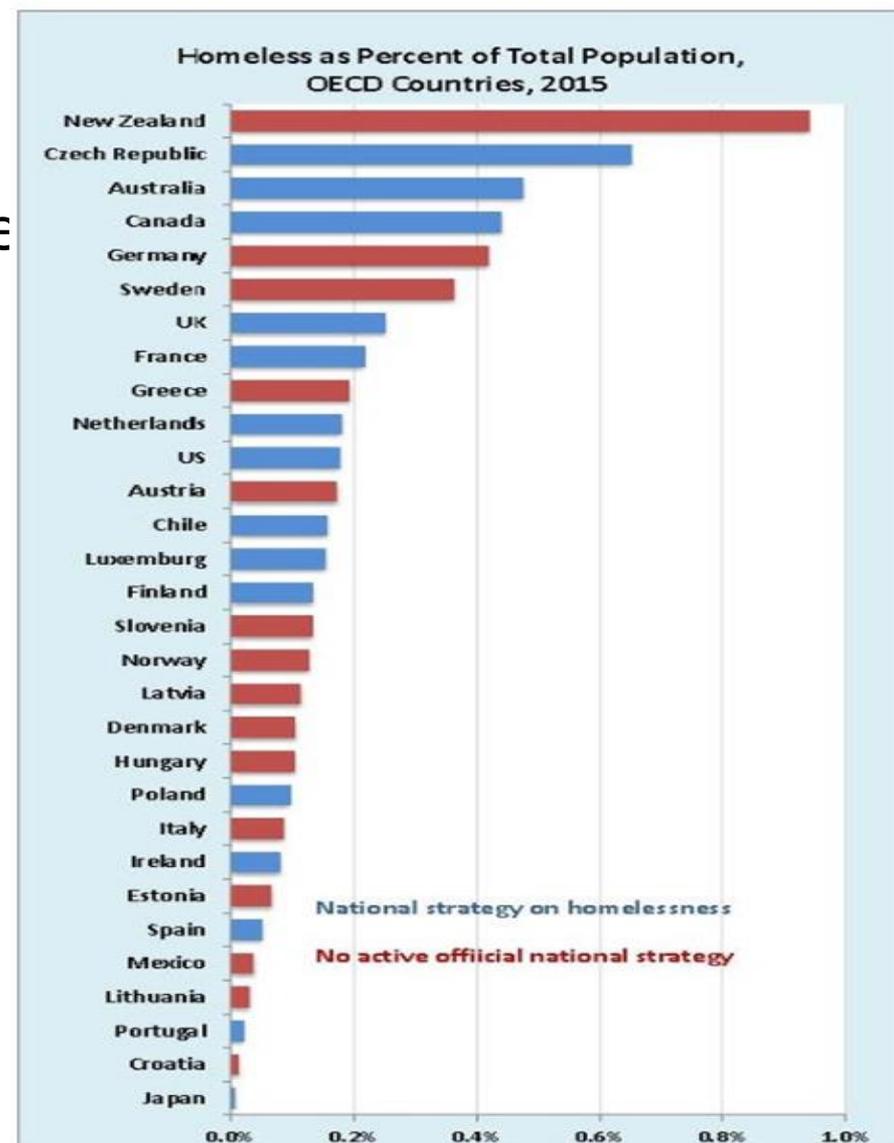
*“at risk...housing need that must be addressed immediately”*

Mar 2018: 77% applicants Priority A, increased by 1556 from Dec 2017



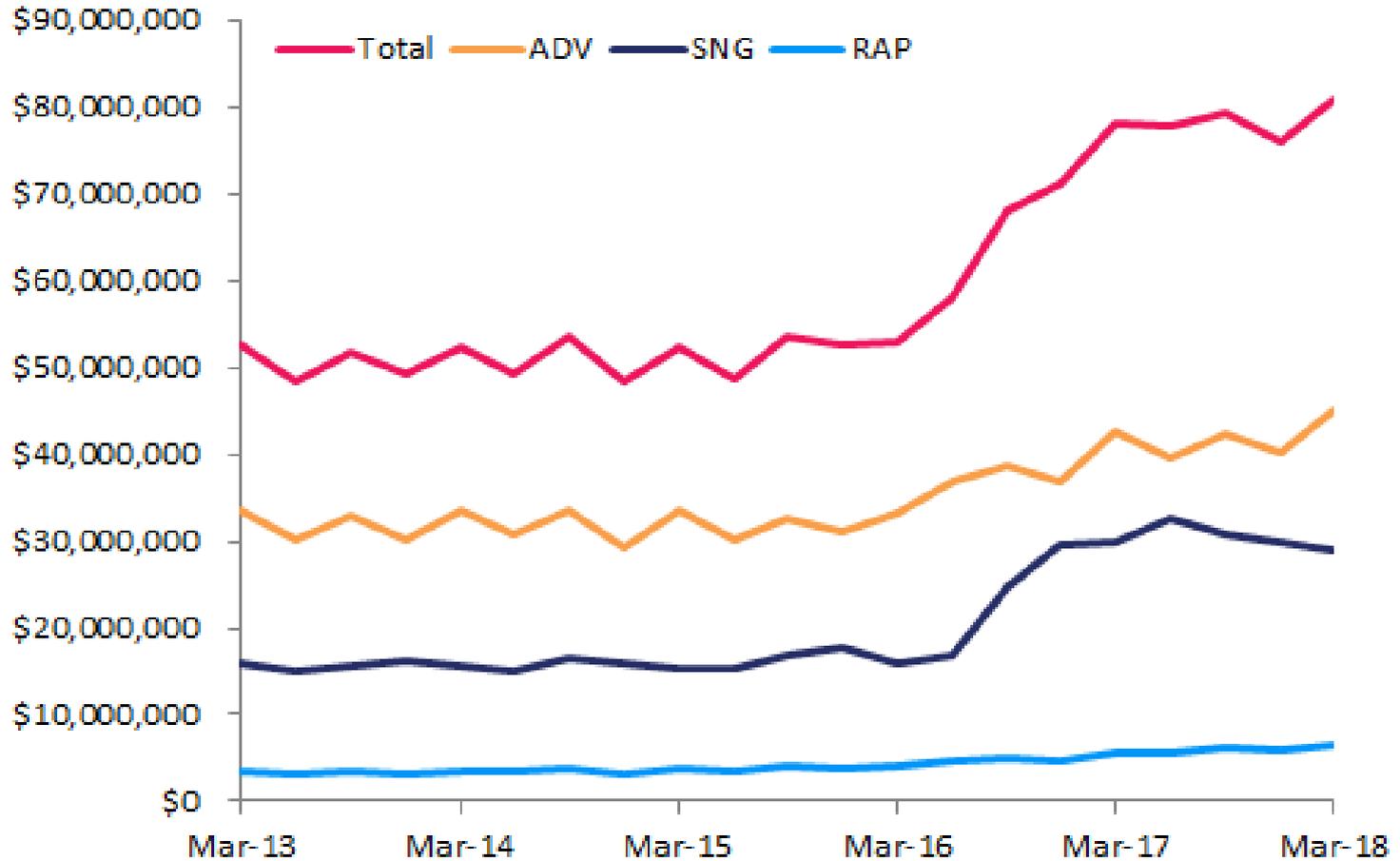
# 2000s The enormity of the social deficit

- Growing property/wealth divide
- Growing household debt
- Growing homelessness
- Growing poverty
- Negative indicators
  - Suicide rates
  - Hospitalisations
  - Family violence
  - Incarceration
  - **FOOD HUNGER**



# Food insecurity in a rockstar economy?

Figure 2: Amount of quarterly hardship assistance payments, March 2013 to March 2018



Food has remained the main reason for needing hardship assistance over the last five years.

# Canterbury residents struggling to make ends meet\_ Dec 2018



- 44% increase 2017-2018
- Most increase is working families



## Closing The Gap - The Income Equality Project

May 23 at 4:45 PM · 🌐



'There's been a 28 percent jump in demand - to about 1 million parcels.

Chris Farrelly from the mission said while they were used to providing food, there is currently a huge demand.

"It's winter that really hits people, often health takes a bashing, something really happens," he said.... [See More](#)



RNZ.CO.NZ

**Food parcel demand rises: 'Food can become a discretionary item'**

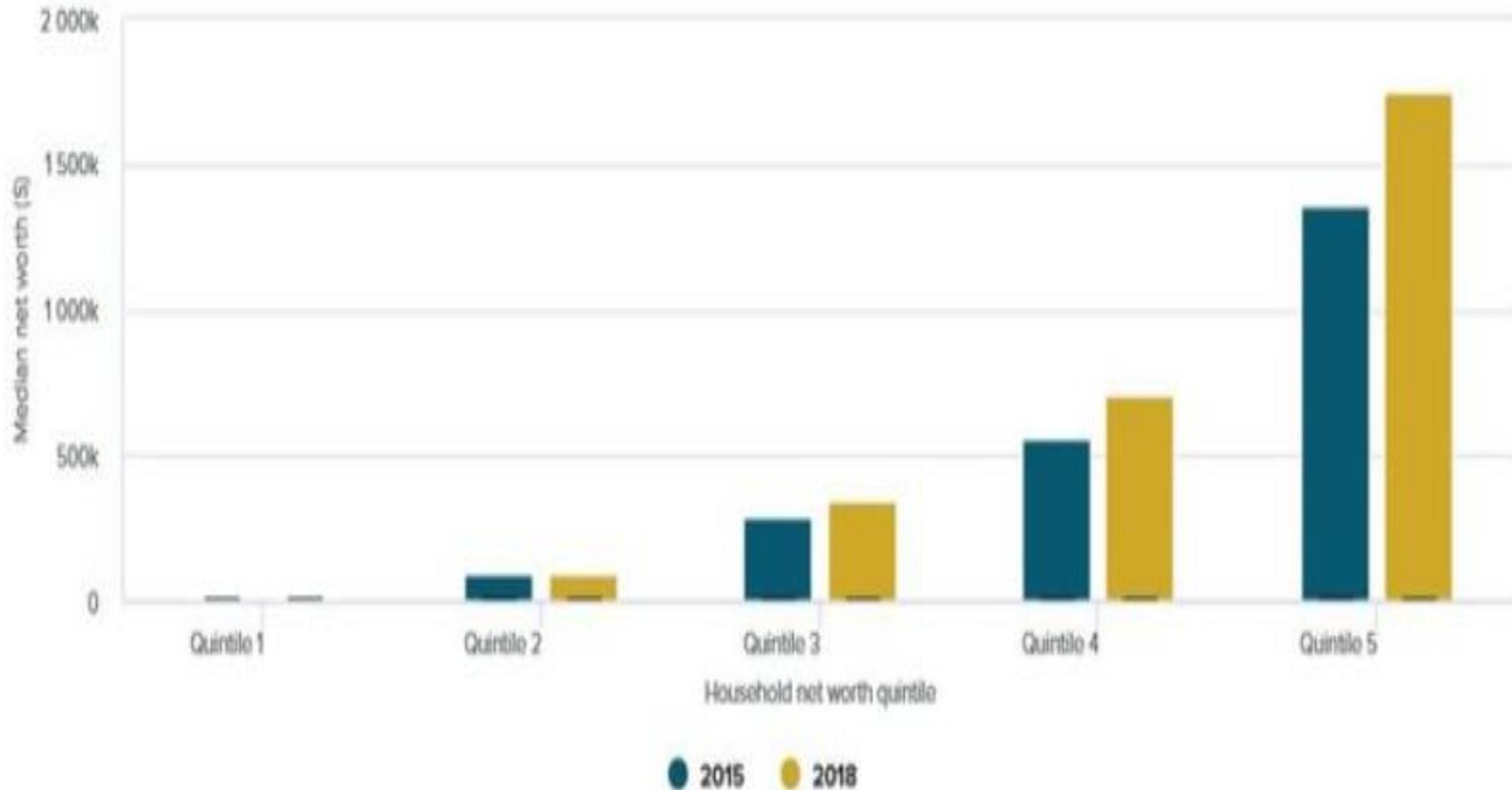
# Consequence: Rise of the charity model



*50c a day helps a New Zealand child get to school warm and dry*

# High and compounding inequality

Median net worth (\$) by household net worth quintile, year ended June, 2015 and 2018



[Top 20% have 70% of wealth](#)



# The Side Eye: Inequality Tower 2018

Toby Morris

Imagine all the wealth in NZ as a ten-storey apartment building. Imagine half of NZ crammed in a tiny corner of the bottom floor.

## THE SIDE EYE #10 BY TOBY MORRIS & MAX KASHROOKE INEQUALITY TOWER 2018

Imagine all the wealth in New Zealand condensed into a ten storey apartment building. All the savings, all the property, all the assets. And we all live there, together.

The richest 1% of us have the plush penthouse on the top floor. In fact, they own not just the top floor, but the whole 9th floor too. It's the high life - they've got plenty of space, the best views, probably an infinity pool.

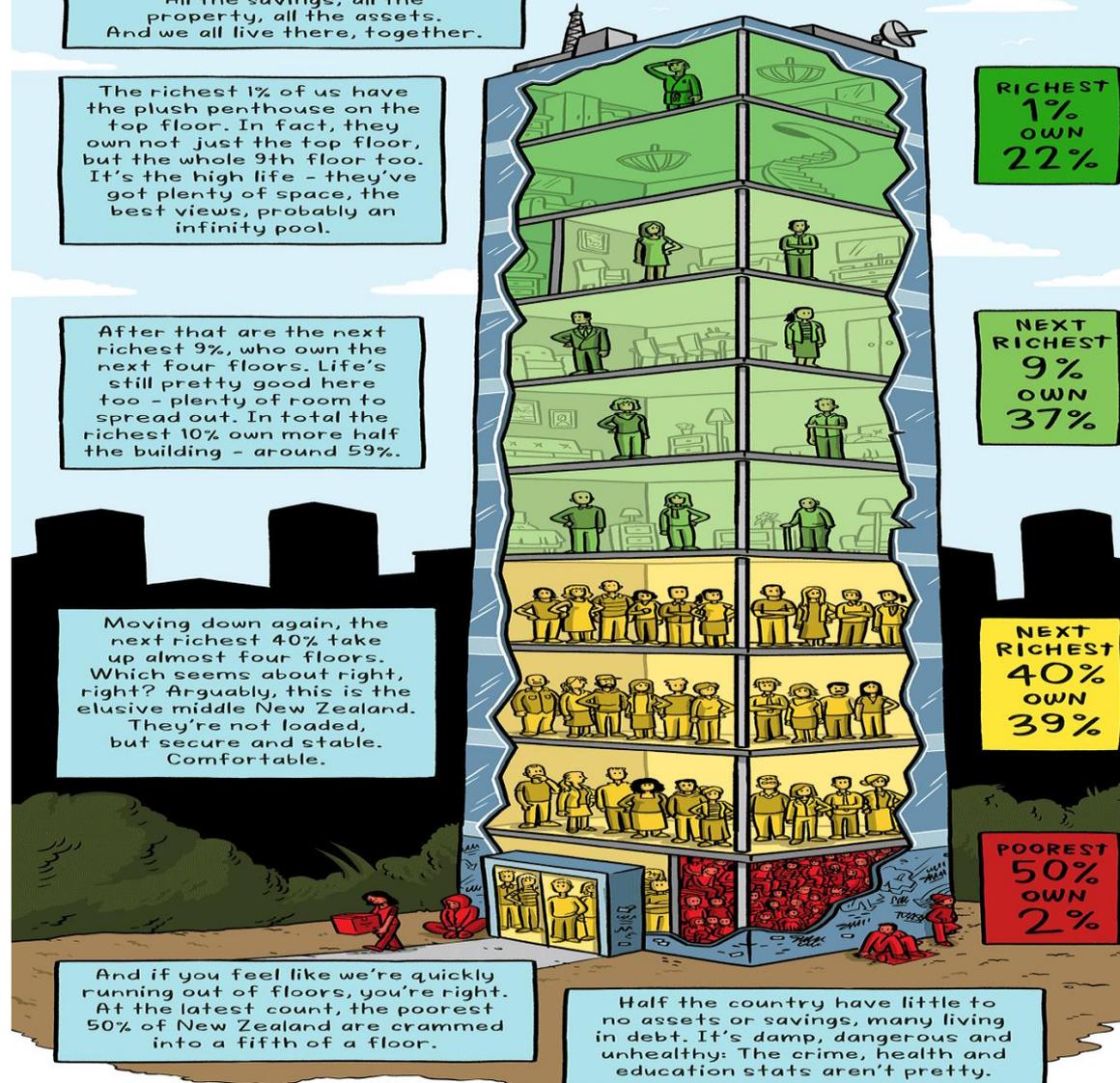
After that are the next richest 9%, who own the next four floors. Life's still pretty good here too - plenty of room to spread out. In total the richest 10% own more than half the building - around 59%.

Moving down again, the next richest 40% take up almost four floors. Which seems about right, right? Arguably, this is the elusive middle New Zealand. They're not loaded, but secure and stable. Comfortable.

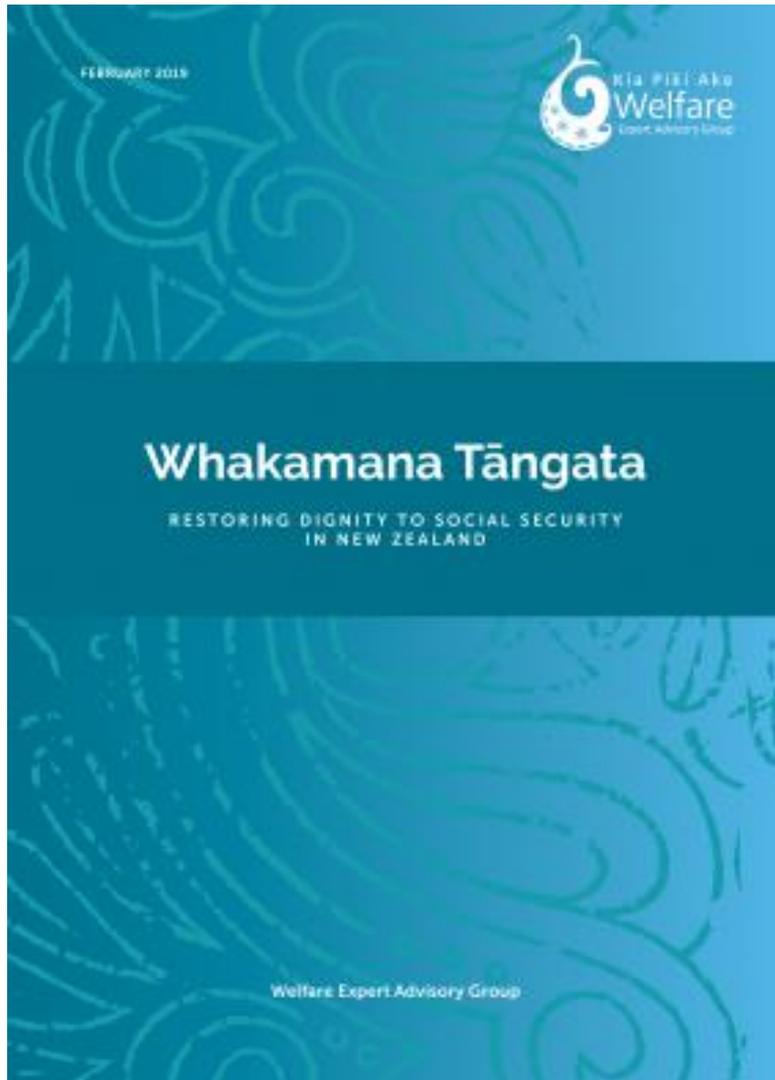
And if you feel like we're quickly running out of floors, you're right. At the latest count, the poorest 50% of New Zealand are crammed into a fifth of a floor.

Half the country have little to no assets or savings, many living in debt. It's damp, dangerous and unhealthy: The crime, health and education stats aren't pretty.

One thing this data doesn't show us is the age breakdown of the different groups. Amongst the poorest 50% are some aged 15-30 who have student debt but will earn their way out. Unfortunately they are outnumbered by those who will stay trapped in poverty for life - the Dunedin longitudinal study suggests that by our 30s we've all divided into very similar patterns.



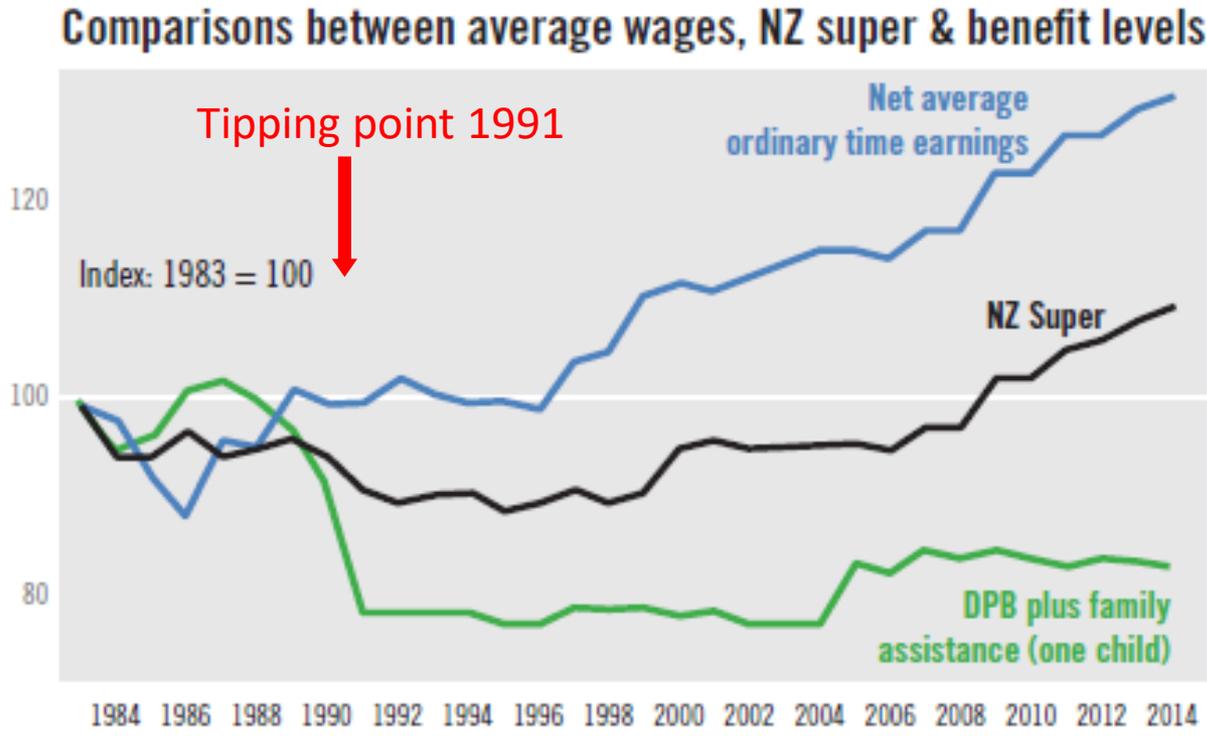
# The Welfare Expert Advisory Board 2019- the system is broken



“We heard from people who had interacted with the system in some way at some stage in their life and had a deep and profound knowledge of the system.

“ Their stories were often harrowing, and we were shocked and saddened by the extent of the suffering and deprivation that is occurring.”

# How did safety net become so inadequate?: relativities 1983-2013

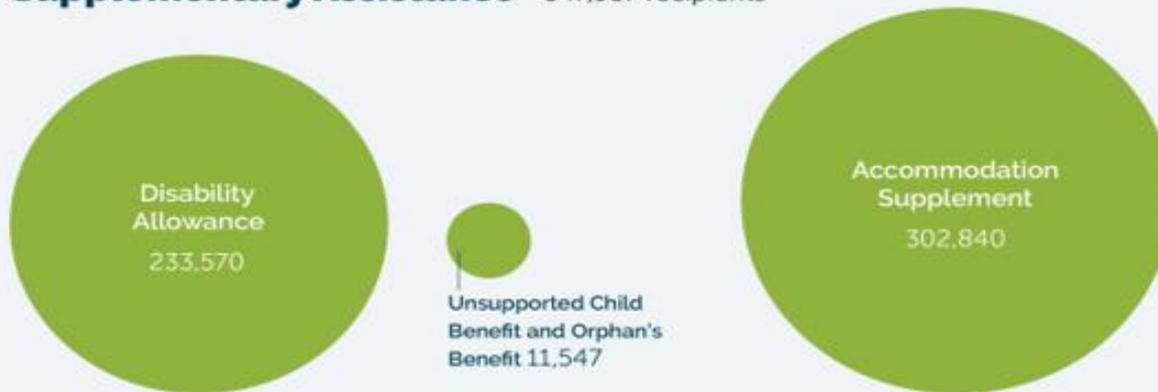


Adapted from Perry B. Ministry of Social Development, 2014, page 82, Figure C.8A

## Main Benefits 306,512 recipients



## Supplementary Assistance 547,957 recipients



## Hardship Assistance 449,831 grants granted



Reliance on second and third tier benefits

Brutal poverty traps

Sanctions

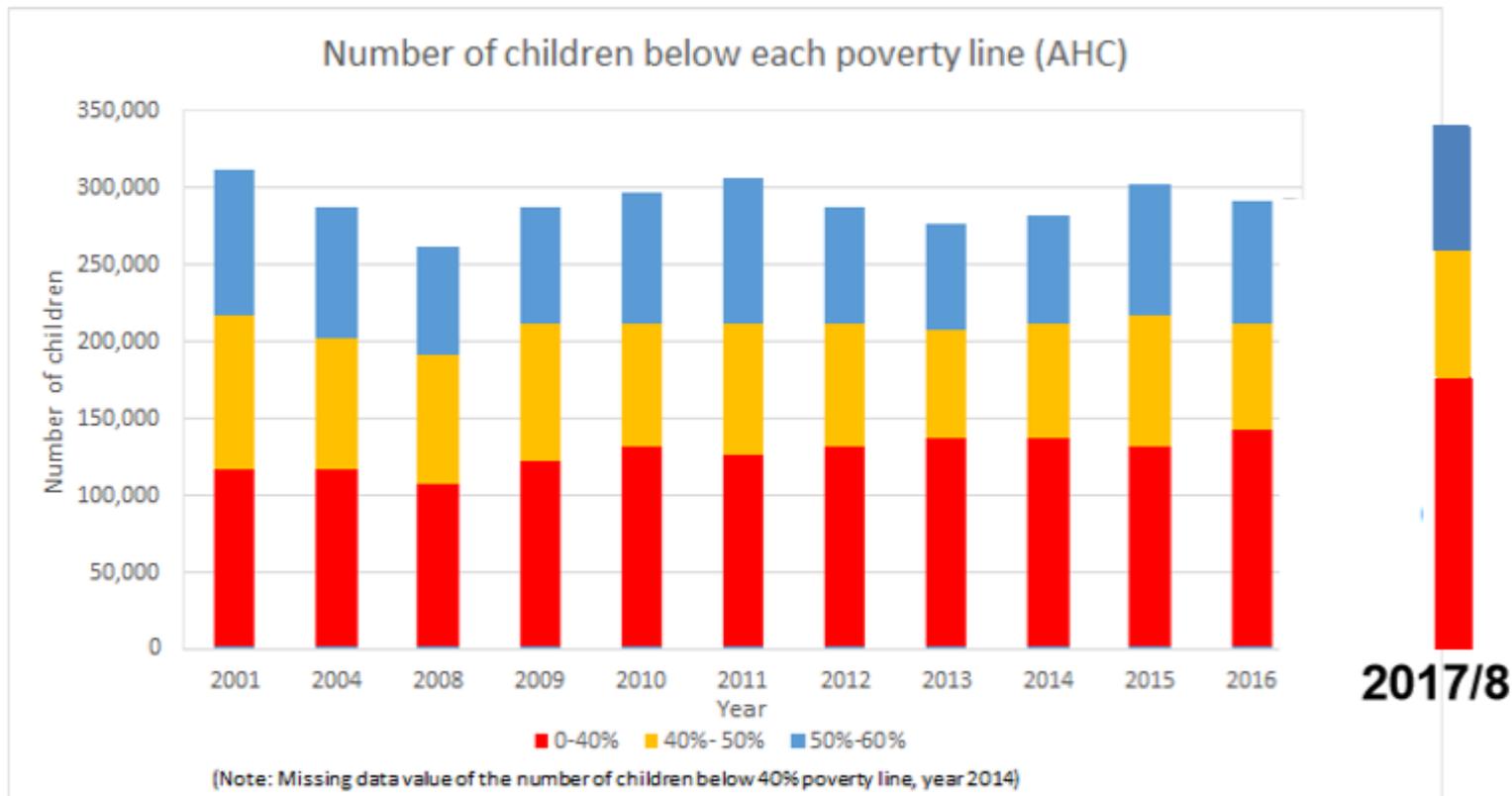
Stand-downs

Growth in debt

Can't earn way out of poverty

# Red is danger zone

## Increasing numbers and % of children in the deepest poverty



"And the wolf ate all children but it didn't matter because they were the children of **People not like us**



# Can children look to the law to protect them?



Discriminatory policies have seen poorest children denied a major part of family assistance on the grounds their parents needed a work incentive

# The Human Rights Case CPAG v the Attorney General

- 1996 HR complaint against CTC rejected
- 2002 CPAG lodged complaint under Part 1A
- 2003 Crown Law objected
- 2005 Case taken on CPAG's behalf by Office of Human Rights Proceedings
- June 2005 – Crown disputes right to take the case
- Sept 2005 Human Rights Tribunal rules in CPAG's favour
- Oct 2005 Crown Appealed
- May 2006 Reserved decision dismisses appeal
- August 2006 goes to Judicial Review.
- November 2006 CPAG won right to take the case

# The Human Rights Review Tribunal 2008



***We are satisfied that the WFF package as a whole, and the eligibility rules for the IWTC in particular, treats families in receipt of an income-tested benefit less favourably than it does families in work, and that as a result families that were and are dependent on the receipt of an income-tested benefit **were and are disadvantaged in a real and substantive way.** (Human Rights Tribunal 2008: para 192)***

# Appeal in High Court 2011

# Appeal in the Court of Appeal 2013



# The decision: The Court of Appeal found...

... the IWTC part of Working for Families paid to the mother in a so called 'working' family was discriminatory and caused material harm to the beneficiary families who were excluded.

However the Court decided the harm to over 200,000 of NZ's poorest children was justified.

# What has been the cost to 'non-deserving' families

Since 1996 each year there has been a cumulative loss from poor families' **balance sheets of around \$10 billion**

# 2008-2017 No holds barred reforms

---

- Relentless focus on work
- Work work work- any work so long as paid
- Tighter and tighter targeting of assistance
- Sanctions for non compliance
  - Poverty as a weapon
- **Ugly culture in WINZ**
  - **Power to decide what is a relationship**
  - **To decide what is income**
  - **Appeals process stacked in MSD's favour**
  - **Benefit fraud and disputed overpayments conflated**
  - **Incarceration of women with children**

# MSD operate outside the law creating a toxic climate of fear

---

**MSD fraud investigations “intrusive, excessive and inconsistent with legal requirements” - Privacy Commissioner 2019**

- Failing to ask beneficiary clients for information before seeking it from a third party leading to inaccurate assessments of the information;
- Overly broad requests leading to the provision of unnecessary and sensitive information (in one case a woman’s birthing records);
- **Disproportionate and inappropriate requests for information (in some cases, every text message sent and received by an individual over lengthy periods);**

# Relationship “fraud”

- Jill is a sole a parent she gets SPS \$340
- Jack is her boarder. He gets JS \$218

Oops

- “relationships could develop quickly, and some people might not be aware of their obligation to tell Work and Income.” former MSD Minister Tolley.

Coupled they get \$204 each- **\$150 less** pw and have a joint income test of 70% on earned income over \$80

# The premise that women are dependents

**To help distinguish the nature of a de facto relationship, Work and Income (2014) suggests that the beneficiary ‘thinks about these issues’:**

- You live together at the same address most of the time.
- You live separately but stay overnight at each other’s place a few nights a week.
- You share responsibilities, for example bringing up children (if any).
- You socialise and holiday together.
- You share money, bank accounts or credit cards.
- You share household bills.
- You have a sexual relationship.
- People think of you as a couple.
- You give each other emotional support and companionship.
- Your partner would be willing to support you financially if you couldn’t support yourself.

**Informants are requested to supply detailed information as detailed on the Work and Income website (2014): Information that helps us when you report a suspected fraud.**

### **This includes:**

- Do they live with a partner but say they're living alone?
- If you think they do then we'd like to know:
  - the full name of their partner and any other names they're known by
  - their partner's age and date of birth
  - their partner's address
  - whether their partner works and who employs them
  - why you think that they're a couple
  - how long they've been in a relationship
  - whether they have had children together
  - the names and ages of any children they have.

# Kathryn's Story

How the Government spent well over \$100,000 and 15 years pursuing a chronically-ill beneficiary mother for a debt she should not have.

By Catriona MacLennan



A Child Poverty Action Group Background Paper  
Catriona MacLennan

The full story  
[here](#)

- 2001 convicted of “relationship fraud”
- Prison 6 months
- Debt \$120,000
- 2001-2016 fights in the courts against this debt
- 2016 sent back to SSAA
- Appeal to Supreme court disallowed
- 2019 sick and old she awaits MSD’s pleasure

CHILD  
POVERTY  
ACTION  
GROUP