



The New Zealand Psychological Society

---

*Te Rōpū Mātai Hinengaro o Aotearoa*

**Submission  
to the Parliamentary Select Committee  
on the  
Social Security (Benefit Categories and Work  
Focus) Amendment Bill**

**Prepared**

**by the**

**New Zealand Psychological Society**

***Te Rōpū Mātai Hinengaro o Aotearoa***

**30 October 2012**

Contact: Quentin Abraham  
Director of Social Issues  
New Zealand Psychological Society  
Ph: 04 473 4883  
Email: [office@psychology.org.nz](mailto:office@psychology.org.nz)

### **About the New Zealand Psychological Society**

The New Zealand Psychological Society, Te Rōpū Mātai Hinengaro o Aotearoa was established as a stand alone incorporated society in 1967. It is the largest professional association for psychologists in Aotearoa/New Zealand. The Society aims to improve individual and community wellbeing by representing, promoting and advancing the scientific discipline and practice of psychology.

Our members are guided by four core Principles in our Code of Ethics:

- Respect for the dignity of persons and peoples
- Responsible caring
- Integrity of relationships
- Social justice and responsibility to society

## Introduction

The New Zealand Psychological Society welcomes the opportunity to comment on the Social Security (Benefit Categories and Work Focus) Amendment Bill that addresses the well-being of those who are not in paid employment.

Our members are actively engaged in supporting clients who are in receipt of benefits. Many of these clients are actively dealing with the challenges posed by mental health difficulties, disabilities and addictions. Equally our members are engaged to ensure their children receive the best from our education system. Psychologists are employed within government organisations, privately and for third party contracts and many provide expert advice about a client's capacity to work.

We welcome the intention of this Bill to consider '*... a different approach to working with beneficiaries based on their individual circumstances, supported by best available evidence*' (p2). However, we have severe reservations about the way in which this issue has been conceptualised, the assertions and the lack of evidence to support the proposed solutions.

## Work and Well being

Overall there seems to be evidence that work is good for wellbeing.

- Employment is generally the most important means of obtaining adequate economic resources, which are essential for material well-being and full participation in today's society;
- Work meets important psychosocial needs in societies where employment is the norm;
- Work is central to individual identity, social roles and social status;
- Employment and socio-economic status are the main drivers of social gradients in physical and mental health and mortality;
- Various physical and psychosocial aspects of work can also be hazards and pose a risk to health.<sup>1</sup>

However there are important provisos:

- (i) The beneficial effects might depend on the nature and quality of the work.
- (ii) The findings refer to group effects so a minority of people might experience the adverse effects of work.

At present we have concerns that there are structural inequalities that would prevent those claiming benefit to gaining access to 'good work' as characterised by:

---

<sup>1</sup> Waddell, G., & Burton, A. K. (2006). *Is Work Good for Your Health and Well-Being?* London: The Stationary Office.

- safety
- fair pay
- social gradients in health
- job security
- personal fulfilment and development
- investing in human capital
- accommodating, supportive & non-discriminatory
- control/autonomy
- job satisfaction
- good communications

The high quality of work seems to be important not only for the wellbeing and engagement of the employee but for the long term success of any employer.

*The key drivers of engagement identified in the JRA survey of New Zealand workplaces were: getting a personal sense of achievement from the job, feeling there was a future in the organisation, and having a personal sense of belonging to the organisation. However, where organisations have a lot of low-skill or unskilled jobs, there may not be much room for personal achievement and career development. A basic level of training and development is important; however, to equip employees with the knowledge, skills and experiences they need to be "continuously engaged in performing meaningful work that adds value to the organisation" (Hundley et al, 2007, p. 181).<sup>2</sup>*

## **Discrimination and Availability of Meaningful Work**

The result of the global economic downturn means that even those who are relatively advantaged are having difficulties securing paid work. Consequently the disadvantaged are under even greater pressure to find paid employment.<sup>3</sup>

An estimated ten percent of New Zealanders (343,000), 15 years or over, reported experiencing some form of discrimination in the last 12 months. The majority of those experienced racial discrimination in employment situations (while working or when applying for/keeping a job). A significant proportion felt they were discriminated due to their disability or health issue.<sup>4</sup> The census of Māori and Pacific youth finds that they are overrepresented among labourers and underrepresented among sales workers and professionals.<sup>5</sup>

---

<sup>2</sup> Equal Employment Opportunities Trust. (2011). Specifically Pacific: Engaging Young Pacific Workers. Auckland: EEO Trust. p9

<sup>3</sup> OECD. (2009). *Helping Youth Get a Firm Foothold in the Labour Market*. Paper presented at the OECD Labour and Employment Ministerial Meeting Tackling the Jobs Crisis: the Labour Market and Social Policy Response, Paris. [www.oecd.org/dataoecd/54/50/43766254.pdf](http://www.oecd.org/dataoecd/54/50/43766254.pdf) p15

<sup>4</sup> Statistics New Zealand. (2012). Working together: Racial discrimination in New Zealand. Retrieved from [www.stats.govt.nz](http://www.stats.govt.nz)

<sup>5</sup> Equal Employment Opportunities Trust. (2011). Youth labour force trends, issues and solutions. Auckland: EEO Trust.

This means there are real structural difficulties for those seeking work which are unlikely to be solved by withholding benefits and punishing individuals e.g. a person in a wheel chair deemed fit to work but discriminated against during interview.

## **Social Obligations and Making a Contribution**

We note that this Bill is directed towards ensuring that all our citizens participate in society and that they meet their social obligations. We question if this obligation can be met **only** by participating in paid work. There are many of those who live in Aotearoa/NZ who contribute in alternative ways e.g. a young Māori woman called to care for her sick kuia, voluntary activities for children within a church or a person with a disability acting as an advocate.

New Zealanders complete 4.2 billion hours of unpaid work, equivalent to over 2 million jobs in a year, at an estimated value of \$40 billion in 1999, equivalent to 39% of GDP.<sup>6</sup> It does not appear to make sense to have those completing unpaid work to be forced into paid work only to have their unpaid work provided by the State or from their salary.

## **Conceptualisation of the Problem**

Our ethical code requires us to:

*... to avoid, or refuse to participate in, practises that are disrespectful of the cultural, legal, civil, or moral rights of others and/or practises with any form of discrimination. (Section 1.2.3.)*

*...to recognise that from time to time structures or policies of society may be inconsistent with the principles of respect for the dignity of peoples, responsible caring and integrity in relationships. Where these inconsistencies are identified, psychologists advocate for change in these structures and policies (section 4.2.4.)<sup>7</sup>*

We are concerned that this Bill negatively stereotypes a section of our community that already face considerable challenges.

There is an assumption that there is a large group of lazy and work shy beneficiaries who need to be coerced into work. What evidence is available that the majority of those unemployed are not contributing in other significant ways? Would they respond if they were offered meaningful 'good' work with the necessary support?

A large number of sanctions are to be brought to bear on a group who are assumed to have choices and to have complete control over their life circumstances. It is assumed that the individual beneficiary can reduce their own 'dependency' which is not borne out by the available evidence. A longitudinal analysis of Māori and welfare dependency finds

---

<sup>6</sup> Statistics New Zealand. (2001). Gender and unpaid work: findings from the Time Use Survey. Retrieved from <http://www.stats.govt.nz/~media/Statistics/browse-categories/people-and-communities/time-use/gender-unpaid-work/gender-and-unpaid-work.pdf>

<sup>7</sup> Code of Ethics Review Group. (2002). Code of Ethics for Psychologists Working in Aotearoa/New Zealand 2002: NZ Psychological Society, NZ College of Clinical Psychologists and NZ Psychologists Board.

*... that the over-representation of Māori in welfare statistics is best understood as an outcome of greater exposure to a multitude of adverse influences beginning in childhood. It is therefore not Māori ethnicity per se which leads to welfare dependence, but rather the increased likelihood that individuals affiliated to this group will have much higher exposure to risk factors associated with adversity throughout the life course and into adulthood.<sup>8</sup>*

This finding would suggest that there are many external factors that contribute to welfare 'dependency'. Any success in creating change will require such issues to be addressed. The existing evidence, although limited, means structural changes need to be made on multiple levels.

## **Influencing Behaviour**

We applaud the intention of this Bill not to patronise beneficiaries and to recognise that they will need to take an active role, if they are not already, in making any changes to their lives and those within their communities. However, we would predict from behavioural theory that the application of sanctions alone is unlikely to create the desired change.

An international review of sanctions used within benefit systems did find a decrease in beneficiaries claiming unemployment benefit in the short term. However, they went to poorer quality employment with lower earnings and greater job instability. Overall, they conclude:

*Consolidating findings of the unemployment benefit and welfare evaluations identified, we can conclude that sanctions for employment-related conditions (full-family sanctions in the case of US welfare systems) strongly reduce benefit use and raise exits from benefits, but have generally unfavourable effects on longer-term outcomes (earnings over time, child welfare, job quality) and spill-over effects (i. e. crime rates).<sup>9</sup>*

We are surprised that there has been little regard to the available international evidence and no attempt to commission any research in Aotearoa/NZ before implementing such far reaching reforms.

A collaborative approach with people is ethically and practically likely to be more effective in the first instance, when trying to support positive change. It is likely to reduce unnecessary confrontation and create a climate where it is possible to mobilise the resources within the community e.g. whānau support, mentors, building on existing motivations.

## **Drug Testing**

---

<sup>8</sup> Marie, D., Fergusson, D. M., & Boden, J. M. (2011). Ethnicity and Pathways to Welfare Dependence in a New Zealand Birth Cohort. *Policy Quarterly*, 7(2), 14-22. Page 20

<sup>9</sup> Griggs, J., & Evans, M. (2010). Sanctions within conditional benefit systems: a review of evidence. Retrieved from [www.jrf.org.uk](http://www.jrf.org.uk) p5

The New Zealand Psychological Society agrees that we want to prevent substances being used in the workplace that would place others at risk e.g. the use of opiates by pilots or heavy goods drivers. We support strategies that improve the health and wellbeing of those that have alcohol and drug problems, directly or indirectly such as finding meaningful work.

However, at present, we are not aware of any evidence that indicates that drug testing is likely to increase the opportunity of beneficiaries to gain meaningful work. In a recent OIA request to the Ministry of Social Development, they reported, that at that time, no advice, briefings, papers or reports in the previous twelve months had been received from employers with complaints about beneficiaries failing drug tests<sup>10</sup>.

This lack of evidence is consistent with an independent report into work place drug testing.

*Overall, the IIDTW was able to find no conclusive evidence for a link between drug use and workplace accidents, except for alcohol. A literature review conducted by the Health and Safety Executive reports that 'five studies have found some association between drug use and work place accidents, whereas seven others have found little or no evidence'.*

*...while drug testing may have a role in some industries, it is no substitute for good management and, where reliable - and otherwise acceptable - methods are available, it will generally be preferable to test staff in safety-critical occupations directly for impairment (fitness for work) rather than to conduct drug tests.<sup>11</sup>*

They go on to conclude that good all-round management is the most effective method for achieving higher productivity, enhanced safety, low absentee rates, low staff turnover and a reliable and responsible workforce than the introduction of drug testing at work.

We understand that drug testing is complex and open to errors<sup>12</sup>.

*Testing is further complicated by the need to test for a wide range of drugs, and does not distinguish between appropriate and inappropriate use of prescription drugs. Routine serum and urine test panels often include opiates, cocaine, benzodiazepines, barbiturates, acetaminophen, alcohol and aspirin. Possible false positives for drugs of abuse require confirmation with gas chromatography-mass spectrometry.<sup>13</sup>*

The complexity of such testing is likely to be expensive. The Ministry of Health has been cited in the media that such a scheme would cost up to \$14 million. It would be desirable to have a realistic costing of drug testing for those in receipt of benefits so that decisions could be made about the value of such a scheme.

---

<sup>10</sup> CTU. (2012). Drug testing beneficiaries attempt to blame the unemployed for situation. Retrieved from <http://union.org.nz/news/2012/drug-testing-beneficiaries-attempt-blame-unemployed-situation>

<sup>11</sup> Joseph Rowntree Foundation. (2004). Drug testing in the workplace: The Report of the Independent Inquiry into Drug Testing at Work. Retrieved from <http://www.ukcia.org/research/DrugTestingInWorkplace.pdf>, p xii & xv

<sup>12</sup> Brahm N.C, Yeager L.L, Fox M.D, Farmer K.C, & Palmer T.A. (2010). Commonly prescribed medications and potential false-positive urine drug screens. *American Journal of Health-System Pharmacy*, 67(16), 1344-1350.

<sup>13</sup> Saitz, R., Oslin, D., & Hermann, R. (2012). Screening for unhealthy use of alcohol and other drugs. Retrieved from [www.uptodate.com](http://www.uptodate.com), p5

There is some evidence that drug use may be more prevalent in areas of socioeconomic deprivation (although not for all drugs). If the aim was to improve wellbeing of all those who live in Aotearoa/NZ then greater consideration should be given to the relative harm posed by alcohol and tobacco.

There is no current evidence that a coercive, mandatory drug testing policy is likely to meet the health and wellbeing of those at risk. It may even exacerbate the difficulties. Some drugs workers in the field have questioned if such sanctions may encourage beneficiaries to refer themselves to addiction services to avoid such penalties, as those diagnosed with an addiction problem are not subject to these sanctions.<sup>14</sup>

## Early Childhood Education

There is an increasing consensus that targeting resources for infants and young children is likely to be money well spent<sup>15</sup>. However we question the ethics and the evidence that parents should be sanctioned if their children are not enrolled in 15 hours/week of Early Childhood Education from 3 years of age.

We are not aware of any evidence that suggests beneficiaries do not want the best possible future for their children. A recent comprehensive, international review found that *'most parents and children have high aspirations and give value to school regardless of their socio-economic status.'*<sup>16</sup> The researchers state we should avoid individual blame for the effects of poverty.

*There is a danger that a focus on attitudes encourages the idea that the attainment gap for socio-economically disadvantaged children is largely a result of individual blame. Any focus on attitudes, which is about individual change, should therefore be considered as part of wider structural changes needed to address the effects of poverty.*

The mandatory nature of this proposal seems to be in contradiction with the UN Declaration on Human Rights that states *'Parents have a prior right to choose the kind of education that shall be given to their children.'* (Article 26: 3).<sup>17</sup>

We are very supportive of the view that high quality and affordable early year's education should be available to **all** young people in Aotearoa/NZ. We are concerned that there may be a shortage of such places in poor/rural areas and as a result, poor quality alternatives may be provided to meet the need.<sup>18</sup> There are many unanswered questions about how

---

<sup>14</sup> Black, L. (2012). Drug Testing Beneficiaries - The Methodist Mission. Retrieved from

<http://www.scoop.co.nz/stories/PO1208/S00464/drug-testing-beneficiaries-the-methodist-mission.htm>

<sup>15</sup> Davies, E., Crothers, C., & Hanna, K. (2010). Preventing Child Poverty: Barriers and Solutions. *New Zealand Journal of Psychology*, 39(2), 20-28.

<sup>16</sup> Cummings, C., Laing, K., Law, J., McLaughlin, J., Papps, I., Todd, L., & Woolner, P. (2012). Can Changing Aspirations and Attitudes Impact on Educational Attainment? A Review of Interventions. Newcastle-Upon-Tyne: Joseph Rowntree Foundation.p77 & p7

<sup>17</sup> <http://www.un.org/en/documents/udhr/index.shtml#a23>

<sup>18</sup> Collins, S. (2012). Linking welfare to preschool attendance a world first. The New Zealand Herald. Retrieved from [http://www.nzherald.co.nz/economy/news/article.cfm?c\\_id=34&objectid=10833682](http://www.nzherald.co.nz/economy/news/article.cfm?c_id=34&objectid=10833682)



beneficiaries can afford to pay for high quality child care and any additional costs such as transport.

A research review identifies parents as one of the main 'childhood educators'. This was true regardless of their socioeconomic status.<sup>19</sup>

*The researchers reported that the home tended to be a much richer context for learning than the nursery school because children had more shared experiences that they could talk about, they were provided with a broader range of play experiences through participation in real-life activities, and they talked about a greater range of things with their parents than they did with their nursery school teachers. This held true whether or not children's families were working or middle-class.*

*...a feature of writing activities in the homes of 18 Auckland Maori, Pākehā, and Samoan families was that families were able to make effective connections as they guided their pre-school children in everyday family activities through sociocultural processes to solve tasks and produce texts at higher cognitive levels than was observed when children started school. At school, most teachers taught children to develop a narrower range of expertise.*

All children and the circumstances in which they live are different. For some there will be a readiness and/or need for high quality, additional education outside of the home. For others their needs might be best met within the home. Parents and whānau that provide this service make a huge, largely unpaid contribution to society. It does not make sense for all the first educators of children to be required go out to work when perhaps their greatest contribution might be within the home. Providing the financial and external support to enable parents and whānau to carry out this valuable work would seem to be a better investment.

## End Piece

The New Zealand Psychological Society/*Te Rōpū Mātai Hinengaro o Aotearoa* cannot ethically endorse the punitive measures proposed on this group within our community, especially one that already faces many structural challenges to gain meaningful work.

We are not aware of a large number of those on benefits who are happy with their situation and who are not motivated to change if they were given genuine alternatives. This group is already likely to be 'sanctioned' by the adverse consequences of poverty.

Research into the wellbeing of citizens in Aotearoa/NZ found

*... not just the negative consequences of being extremely poor, but the negative consequences of being among the 50% of people who fall below the median level of household income. Poorer people tended to report more stress, less happiness, lower levels of satisfaction with their lives, and a lower ability to meet basic needs and life necessities relative to their wealthier counterparts.*<sup>20</sup>

---

<sup>19</sup> Farquhar, S. E. (2003). Quality Teaching Early Foundations: Best Evidence Synthesis Iteration (BES). Wellington: Ministry of Education.

<sup>20</sup> Sengupta, N. K., Osborne, D., Houkamau, C. A., Hoverd, W. J., Wilson, M. S., Halliday, L. M., . . . Sibley, C. G. (2012). How much happiness does money buy? Income and subjective well-being in New Zealand. *New Zealand Journal of Psychology*, 41(2), 21-34

We can only assume that the consequence of withdrawing benefits is likely to add to these stresses, impact disproportionately on children and potentially result in the dilemma of caregivers seeking illegal means to feed their children.

We have considerable reservations about the analysis and solutions identified in this Bill. It is significant that an OECD report on the young unemployed did not recommend sanctions but a '*coordinated action by educators, the welfare system and the labour market to address long-term underlying issues affecting school-to-work transitions*'.<sup>21</sup> We would recommend that before embarking on costly and intrusive interventions that research is carried in Aotearoa/NZ to determine effective strategies e.g. will sanctions help those on benefits into work?; What is the cost and effectiveness of drug testing programmes?

Above all we recommend that there is an attempt to assume that those in receipt of benefits have competence, have the right to be consulted and to be provided with meaningful choices.

We support the intention to invest in the services for those who might at some time request help to participate fully in our society. Such coordinated action is not charity but benefits us all.<sup>22</sup>

*Ko koe ki tēnā, ko ahau ki tēnei kīwai o te kete*

(You at that and I at this handle of the basket - we need to work together so that all can benefit)

---

<sup>21</sup> *Helping Youth Get a Firm Foothold in the Labour Market*. OECD Labour and Employment Ministerial Meeting on Tackling the Jobs Crisis, the Labour Market and Social Policy Response, Theme 3, Paris, 28-29 September 2009. [www.oecd.org/dataoecd/54/50/43766254.pdf](http://www.oecd.org/dataoecd/54/50/43766254.pdf)

<sup>22</sup> Wilkinson, R. G., & Pickett, K. (2009). *The spirit level: Why more equal societies almost always do better* London: Allen Lane.