



## Briefing to the Incoming Minister for Social Development 2020

October 2020

### **Congratulations**

Congratulations on your appointment as Minister for Social Development. We look forward to working with you to make a real difference for people living in New Zealand. We would like to meet regularly and invite you to a Sector Committee meeting and to the Ministry of Social Development's (MSD) National Delegate Committee to engage with our members who work in the sector to ensure you are aware of all its opportunities and challenges.

Given the interface between the Social Development Sector portfolio and that of children we appreciate your close working relationship with the Minister for Children. We have prepared briefings for the Minister about issues in their respective area related to social development.

### **About the PSA**

The Public Service Association has nearly 77,000 members working across the state sector, local government and in community and public services. There are 5,063 members in the Ministry of Social Development (MSD) working in all areas of the organisation. The PSA also has a small number of members working in the Social Wellbeing Agency. We have included a leaflet with information about the PSA, its purpose, strategic goals, governance and membership.

PSA has a strong delegate structure within MSD including site delegates, national delegates, national delegate convenors, who comprise the PSA Leadership Team (PSALT), all overseen by the PSALT convenor. The PSALT convenor is a fulltime role focused on PSA-MSD business. They work with delegates and members across all areas and engage with MSD on both a strategic and operational level.

### **PSA expectation for social development**

Social development is an essential pillar of the government's wellbeing approach. For people to live with dignity and to enjoy full social and economic participation (regardless of their employment status) a fair and compassionate social security system has to be created and maintained. This includes the provision of financial security and a decent standard of living which enables people to achieve their full potential for learning, caring, volunteering and working. It is of particular relevance for the country's efforts to build back better after COVID-19. The current welfare system is no longer fit for purpose and we need to change it.

People working in the design, administration and implementation of a fair and compassionate social security system must be well supported in their work, are empowered to be innovative, and to have their voices heard at all levels of the organisation.

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### Our priorities for change

This means our priorities for change are:

- Implementation of the Welfare Expert Advisory Group's (WEAG) recommendations
- Retain the business rules and administration changes resulting from the COVID-19 response
- Rectify pay through new remuneration framework for all workers in social services
- Ensure health & safety of staff especially for frontline workers who are often exposed to abuse
- Implement flexible work by default
- High worker and union engagement in the MSD's Business Integration Work Programme

### Our priorities for change explained

#### Implementation of the Welfare Expert Advisory Group's (WEAG) recommendations

The current social security system was set up in a different time and no longer meets the needs of people living in New Zealand in 2020. WEAG's recommendations seek to embed a new basis for social security, restoring trust in the system and enabling whakamana tāngata, to ensure people can live in dignity. In order to lift outcomes for Māori and others who are particularly adversely affected under the current system these changes are essential. The social security system needs to recognise that most New Zealanders are willing to engage, participate, contribute and do their fair share for their communities. This must be reflected by creating an empowering system rather than a punitive one. The key recommendations of the WEAG have to be considered seriously and implemented as a package such as the measures on

- Purpose, values and principles
- Governance and performance
- Improving outcomes for Māori
- Rebalancing the social contract to improve the operations of the welfare system
- Increased income support
- Alleviating the housing conundrum
- Improving access to employment supports and work
- People with health conditions and disabilities and carers
- Enhance capacity and capability of community organisations

#### Retain the business rules and administration changes resulting from the COVID-19 response

PSA members at MSD are motivated by wanting to help people living in New Zealand. They have been working incredibly hard to support an increasing number of people in need both during and after lockdown earlier in 2020 due to the COVID-19 pandemic. Implementing the WEAG report

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recommendations and retaining the changes below will go a significant distance to not only making New Zealand a kinder place to live but making MSD a better place to work.

PSA members working at the Ministry of Social Development have found many of the temporary changes beneficial to their workload and productivity, and to their ability to effectively support clients. They largely align with the Welfare Expert Advisory group recommendations to reform New Zealand's welfare system. We would like to urge you to leverage the gains of the COVID-19 crisis to implement these improvements on a permanent basis. Some specific examples are:

- Cease the 52-week reapplication process for job seeker benefit. Those on job seeker benefit are managed on an ongoing basis including data matching with Inland Review if they enter employment. Review of entitlement becomes rework for staff and an additional barrier to clients needing support.
- Reduce the requirement for medical certificates which currently requires first two medical certificates 4 weeks apart and then move to a 13-week cycle. A large proportion of clients who have a medical exemption have been on that exemption for many years and their condition is unlikely to change. Having to follow the current time frames is an additional cost to those clients who can least afford to pay for a GP appointment.
- Relax or modify the rules surrounding verification of medical related costs and the frequency of review for Disability Allowances. An additional medical certificate for counselling should not be required and costs to client in travel and medical practitioner fees are unnecessary.
- Remove and reduce obligation failure sanctions. Changes to the Act are needed to make these administrative decisions easier by giving much greater flexibility to the use of, and the form that a sanction might take.
- Remove 13-week reapplication process for Temporary Additional Support. The key costs in TAS are accommodation and Disability Allowance overflows. Both these costs are managed in other parts of the benefit system and costs on hire purchase are monitored by expiry date. There is little to be gained by requiring the client to reapply every 13 weeks when we can clearly identify change of costs through other parts of the business.
- Increased food grant entitlement – this has significantly decreased the need for clients to attend multiple appointments to access needed assistance, reducing both workloads and costs to clients. While an increase in overall benefit levels would also alleviate the need for multiple grants in order to meet costs of living.
- Remove the requirement for tenancy reviews – this change has allowed housing staff to focus on meeting need for new clients. We know safe, stable housing has a significant impact on other areas including health and employment, our system should support this stability.

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- Removal of stand down periods – these are punitive and unnecessary and their removal has ensured people can access support when they need it, this should not be limited to during a pandemic but should be a fundamental principle of our welfare system to provide help when it is most needed

### **Rectify pay through new remuneration framework for all workers in social services**

MSD workers belong to the essential workforce in NZ and have been responsible for large parts of the COVID-19 response. These people are not heroes. They are professionals who deserve respect, dignity and the right to be valued and protected through decent pay and working conditions.

People working at MSD receive the second lowest pay of all public service departments. Now is the opportunity to rectify this through a new remuneration framework which lifts especially people's income especially those on low pay. We propose to focus on

- Equitable and adequate rates of pay for all occupational groups – rectify the long-standing undervaluation of front-line workers and female dominated groups
- Pay progression mechanisms which recognise capability rather than “performance”
- Investment in workers development and career pathways

### **Ensure health & safety of staff especially for frontline workers who are often exposed to abuse**

People who work at MSD especially those in frontline services are vulnerable to abuse, assault and harassment. During the COVID-19 lockdown, abuse of staff significantly decreased and is now rising again. Health & safety must be taken serious and workers need to be protected to deliver high-quality services to those who need them.

The health and safety of our members at Work and Income remains a priority. Our key concerns relate to workload, the exposure of our members to unacceptably high levels of verbal assault, and the ever-present risk of physical harm. While structures and practices are in place to involve our members and delegates in health and safety forums, there remains room for improvement in terms of genuine information sharing, consultation, and participation in decision-making processes about health & safety improvements.

We have expressed to managers at MSD our strong preference that security services should be provided “in-house” rather than contracted out to external providers. This is consistent with the PSA policy that argues that public services are best delivered by people directly employed by public service agencies. Direct employment of security guards would enable better integration of security guards into teams, the consistent deployment of the same guard(s) to an office, and training that is fit for purpose.

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### **Implement flexible work by default**

MSD is also struggling to implement flexible work by default despite an accommodation crunch caused by increased staffing numbers. Members should be included in processes identifying challenges and opportunities to improve flexible work arrangements for workers. A reference group has been formed to develop a work programme and review flexible work policies and processes. However, this is off to a very slow start and PSA representatives are frequently supporting members with individual situations. There is currently still significant resistance and a lack of support for managers to implement flexible working.

### **High worker and union engagement in the MSD's Business Integration Work Programme**

The social and economic impacts of the COVID19 pandemic have led to significantly increased demand on our welfare system and therefore MSD. This has led the Ministry to speed up the development and implementation of their strategic plan, in conjunction with the ongoing response to COVID this has formed the Business Integration Work Programme.

This is both a significant opportunity and risk for PSA members in MSD as their work is changing regularly and at pace. There is opportunity to implement changes that have long been needed as well as risk that the pace of change will mean there is insufficient engagement with those doing the work.

We have seen this through the increased accessibility of services online and over the phone which is largely supported by members as making it easier for clients to access the support they need. However, the increased demand on contact centres in particular has led to inadequate training and support for staff or staff working outside of their role.

To ensure sustainable changes to the Ministry are achieved strong worker voice must be integral to work of this scale and PSA is working with the Ministry to establish how this can best be achieved. It will require significant resource and investment throughout the work programme.