

Don Brash: State welfare is no one's birthright

Why should Kiwi families battling to get ahead in life, working hard and coping with the pressures of raising a family and paying off the mortgage, all at their own expense, have to support numerous people who are not making a similar effort, or who have substantially contributed to the unenviable situation they find themselves in?

Why should pensioners who have worked hard throughout their working lives, and who often know what real hardship means, be taxed to fund those unwilling to make similar sacrifices to get ahead in life? What has happened to personal responsibility?

The National Party recognises only too well that being dependent on support from taxpayers is the last thing most people want for their lives. Dependency saps self-esteem and morale. Most people want to be self-reliant and independent, not stuck on a benefit and financially dependent on friends and neighbours. We know, too, that many beneficiaries are great parents, overcoming real problems in their past, devoting themselves to their children and working in the community. We will do everything we can to encourage them.

But we also know that the welfare system is destroying many lives. How can we tolerate a welfare system that allows children to grow up in a household in which the parents are permanently dependent on a welfare benefit? Our welfare system is contributing to the creation of a generation of children condemned to a lifetime of deprivation, with limited education, without life skills, and without the most precious inheritance from their parents, a sense of ambition or aspiration. Nothing can be more destructive of self-esteem.

Clearly, over the past 30 years an entrenched welfare culture has been allowed to emerge in this country, all too often accompanied by crime and family violence. It wasn't supposed to be like this.

Alas, successive Governments, usually with the best of intentions, have created a system in which many people face all the wrong incentives and can subsist on a state handout more or less indefinitely.

We overregulate the employment relationship, making employers wary of hiring more staff; we make it costly to dismiss unsatisfactory staff; we make it too easy for people to shift to the sickness benefit, on which there is no obligation to look for work; and our tax and benefit system often makes it financially scarcely worthwhile to get off a benefit and into a job.

But there is something more involved than the specifics of Government policy. And that is a profound change in attitude towards the benefit system. At its core, today's extent of welfare dependency is the fruit of some well-intentioned but essentially naive thinking.

The truth is that if you offer people a free lunch, even a not very big free lunch, and you make it available every day for the rest of their lives, there will always be some who will

take it.

Over the past 30 years, an indefinite state handout has come to be seen by far too many as a birthright. We are developing a culture in which, when people leave a relationship, too many take it for granted that the first port of call is not their own savings or their family but the Winz office; on leaving a job, many don't look for another but simply head for the Winz office.

If Winz wants them to look for work, too many make a beeline for the doctor and use standover tactics so they can head back to the Winz office with a certificate. And once they have the certificate, they get put on a sickness benefit and no search for work is required.

Ripping off the system just seems to be taken for granted by too many people, and the majority with more traditional attitudes to self-reliance end up paying for it all.

It amazes me that as a society we're quite happy to force people to pay taxes but seem reluctant to ask questions about people who put themselves in the situation of living off the rest of the community. That is surely the most destructive aspect of the political correctness that Labour would engulf us in.

We have seen situations where Winz will not even ask unemployed people whether they can read and write. How on earth can we help people if we cannot get this sort of information? An absolute minimum would be to do an audit of the literacy and numeracy of those seeking the dole.

So what will the next National government do about this situation?

It will want to confirm that those who are receiving the sickness and invalid benefits are, in fact, unable to contribute to their own support, and will implement a more thorough medical evaluation process for both benefits. In particular, it will work with doctors' groups to ensure consistency in the way those applying for sickness and invalid benefits are evaluated.

But what about those on the unemployment benefit? The fundamental question is this: should those receiving it be required to attend job schemes, take part in community service work or retraining? I say the answer must be yes. The Labour Party pretends to agree but puts little pressure on beneficiaries to take available employment.

There must be some mutual obligation in this: the community will help you when you need help, but you have a responsibility to make an effort to make yourself employable, or to give something back to the community by way of work.

While indefinite taxpayer support is clearly warranted for those who cannot ever be expected to support themselves, for others in receipt of a benefit, that benefit should be seen as strictly temporary.

There can surely be no justification at all for the average wage-earner - somebody who gets up at the crack of dawn each day to get to work on time and works hard till late in the day - paying to provide indefinite support for able-bodied, working-age adults. That must stop for the sake of the long-suffering taxpayer and for the sake of the beneficiaries themselves.

To reduce those dependent on the unemployment benefit, the next National government will take two steps which will both increase the incentive for those on that benefit to

take employment and reduce the risk to employers in hiring them.

First, after a period allowed for job search, ongoing taxpayer support (at the level of the unemployment benefit) will be conditional on the unemployed person undertaking some form of community work or approved training.

Second, to reduce the risk to employers of taking on a person who could be perceived as risky, we will introduce a 90-day trial period during which the parties can agree that employment can be ended without penalty.

These moves would have three objectives. First, they would cause the people who are taking advantage of the weakness of the system to move off the unemployment benefit and actively pursue a job. Second, they would give some dignity to those long-term unemployed who have limited skills and who have real difficulty in finding regular employment. And third, they would break the cycle of intergenerational dependency by ensuring that children grow up in households where their parents are contributing to the community in some way.

Reforming the domestic purposes benefit is clearly the most difficult issue to deal with because there are children involved. Nobody, and certainly not National, wants to make children suffer for the mistakes of their parents. Nor does anybody want to see people trapped in violent and abusive relationships. One of the big arguments advanced for the DPB in the early 1970s was that it would enable women and children to escape from violent situations.

While that has been a worthy goal, we have to recognise that the outcome has been wildly out of line with expectations. In 1974, there were 12,600 people on the DPB and in 1984 53,000. Today there are 109,000 on that benefit, an almost nine-fold increase in just 30 years. The direct financial cost of that benefit is now more than \$1.5 billion a year, to say nothing of the other financial costs involved in subsidised housing.

From helping women out of difficult relationships initially, the DPB has been allowed to become a career option for far too many, and a way of allowing men to avoid their responsibilities. Of the total on the DPB, more than 23,000 are women who have had at least one additional child (in some cases several more children) since signing on for the benefit.

What lies behind this growth? If the state provides, with few questions asked, a benefit to those who leave a relationship, more people will leave relationships and rely on the state for support, and the more generous the benefit the more willing people will be to take that option.

If the state does not adequately enforce child-support payments by fathers unwilling to accept responsibility for their children's financial and emotional support, the burden will fall on taxpayers.

If the state provides that a woman on the DPB living with a man she denies is her partner can be substantially better off than the same two people can be if married, more women will choose not to get married and will look to the state for support. Ultimately, reducing the number of those on the DPB must be about finding ways of strengthening families, about educating people about the responsibilities of parenthood, about taking a tougher line on the financial responsibilities of non-custodial parents (while improving access for those non-custodial parents), and about acknowledging adoption as an acceptable option, particularly for teenage girls.

We have to find a way to maintain the benefits the DPB has provided for women escaping violent or profoundly unsatisfactory relationships, and for women abandoned by men unwilling to face up to their responsibilities, while addressing the real contribution the DPB is making to family breakdown generally.

We should be sending a signal that the taxpayer cannot be expected to provide indefinite financial support to those who continue to bring children into the world with a blatant disregard to their own ability to look after them.

Again and again I am asked why the questioner has limited her family to two children, because that was all that she and her husband could afford to bring up, while being expected to support other women who repeatedly have children whose costs they simply pass on to the taxpayer.

The system makes mugs of those who do the right thing and take responsibility for how they live their lives. I ask myself this: should those receiving the DPB be required to work, attend job-training schemes, or take part in community service schemes once their youngest child is of school age? I say the answer must be yes. The Labour Party answers no.

Children must grow up in an environment in which their parents are actively engaged in the community. Accordingly, the next National government will modify the DPB system in a number of ways.

First, to reduce the number of women seeking the DPB who refuse to name the father of their child, there will be a strong presumption that under all but quite exceptional circumstances the father must be named, with a significantly more substantial financial penalty for not naming the father than is the case now.

Second, to make it clear that the DPB is intended only to assist single parents until they are able to provide their own financial support, those in receipt of the DPB will be required to undertake part-time employment, retraining or community service.

That requirement will start from the time their youngest child, at the time they first receive the DPB, reaches school age. Those in receipt of the DPB will have to be available for full-time employment, retraining or community service from the time that youngest child reaches 14. I expect intensive case-management by Winz to assist sole parents back into the workforce.

Third, to make it clear that the DPB is being provided primarily as a way of helping and nurturing children, and to recognise the mutual obligation involved in welfare, it will be a requirement that those receiving the DPB present their preschool children for all appropriate vaccinations (unless they have a conscientious objection to vaccination, and are willing to sign a declaration to that effect) and health and dental checks, and require any school age children to attend school regularly.

This requirement will apply also to those with children who are on the unemployment, sickness or invalid benefits.

That still leaves the difficult question of what to do in the case of people receiving the DPB who have a further child, or even further children. Under Government policy, further children entitle the parent to start the whole process over again, with an entitlement to the DPB that potentially extends until that child reaches 18, and additional family support payments as well.

In that sense, they are better off than many hard-working young couples who have their children as they can afford to - young couples who are paying the taxes which fund the DPB in the first place.

Together with a large number of New Zealanders, I feel a deep sense of discomfort with policy that makes this possible.

This area is made particularly difficult because a few of those concerned appear to have made a lifestyle decision to be long-term DPB beneficiaries, having several further children - sometimes as many as five or more - often to different fathers. At the other end of the scale are women who have done their level best, but have been the victims of bad luck or unscrupulous partners. There is no simple answer.

But there should surely be no automatic entitlement to additional state assistance, or to a significantly longer period of grace from the requirement to be available for full or part-time work, for those DPB beneficiaries who have further children after they go onto the DPB.

Beneficiaries should be required to show some exceptional circumstances in their particular case before this additional support is provided by the nation's taxpayers.

There is nothing wrong with seeking the support of the state in time of need. That is why we have welfare. But there is something wrong with expecting, as of right, your hard-working countrymen and women to pay for you indefinitely when you are capable of supporting yourself.

National is quite frank about its intentions. We intend to transform welfare in this country. It will be a safety net only.