



NEW ZEALAND MEDICAL ASSOCIATION

29 September 2010

Issues Paper
Welfare Working Group
PO Box 600
Wellington 6140

Attention: Paula Rebstock

Dear Paula

Welfare Working Group – Long Term Benefit Dependency – The Issues

Thank you very much for the opportunity to comment on this document and for the time extension granted.

The NZMA is New Zealand's largest medical organisation and has a pan professional membership. We have around 4500 members who come from all areas of medicine.

The NZMA aims to provide leadership of the medical profession, and promote:

- professional unity and values, and
- the health of all New Zealanders.

The key roles of the NZMA are to:

- provide advocacy on behalf of doctors and their patients;
- provide support and services to members and their practices;
- publish and maintain the Code of Ethics for the profession; and
- publish the New Zealand Medical Journal.

We congratulate the Welfare Working Group for producing this paper which presents a good insight into the problem and is backed by quality data.

The NZMA is deeply concerned about the negative effects welfare dependency has on health status and agrees that effort needs to be taken to reverse the incidence of welfare dependency. We are particularly concerned that so many children are brought up in an environment of welfare dependency.

We are aware of the difficulties many patients experience in trying to get off a benefit, and recognise that this issue further erodes patients' confidence and self esteem. This sequence of events only worsens an already precarious health status.

Before answering the questions asked at the end of the paper, we would like to make the following comments:

- a. A significant issue for GPs is the lack of communication between the local Ministry of Social Development office managing the beneficiary and the beneficiary's GP. In many localities even if the GP requests the manager to make contact by ticking the appropriate box on the form, no communication takes place.
- b. We are also concerned by the lack of any apparent action on recommendations made by the GP in easing the beneficiary back to work. Despite the computer generated form in its current format being around for at least 2 years, the NZMA understands that the Ministry have still not made any arrangements to provide the resources to action the recommendations set out as options on the forms. This leads to frustration and a feeling many GPs have that there is no point in providing answers to the Ministry which might otherwise have assisted in the patients' rehabilitation.
- c. It appears that there is little continuity in who in the Ministry is managing each client and decisions often seem to be arbitrary.
- d. There seems to be no flexibility in the Ministry's systems. Beneficiaries - particularly those on the Invalid's Benefit - often express a desire to work but are reluctant to enter the workforce, or to ask about work opportunities, as this may threaten their beneficiary status. They are also concerned that their disability or ill-health may have a more profound effect on their ability to work than they first thought, and end up worse off for attempting the exercise. The Ministry may see more beneficiaries actively working to change their situation if they receive some reassurances about their benefit status before they look for work.
- e. Some NGOs who provide services for beneficiaries often feel they have no obligation, and indeed refuse, to keep GPs informed of clinical progress. This particularly applies to agencies providing alcohol and drug services who refuse to disclose even the most basic information such as a record of attendance. This means that in order to fill out the sickness benefit form correctly, GPs are left relying on their patient's honesty about what services they are attending.
- f. Many inner city GPs, see a number of immigrants, refugees and their families becoming dependent on sickness or invalid benefits. We are surprised therefore that these important users of the benefit system were not discussed in the paper. Invariably there are language and cultural hurdles for these people, as well as their illness or disability, and a sympathetic multifaceted approach will be required to get them off these benefits. It is of concern that there has been

nothing presented that indicates a sharing of data between the New Zealand Immigration Service and the Ministry of Social Development.

- g. In our view the system is in need of restructuring.
- Beneficiaries need to have confidence in the system. At the very least there needs to be continuity of care among managers and there needs to be an ability for the beneficiary to seek advocacy if required.
 - Beneficiaries' GPs generally have no independent information about what is happening in respect of return to work processes and are often kept out of the loop. With better communication, including meetings of those involved in a beneficiary's care, there is an opportunity for integrated family health centres to become more involved and effective in returning beneficiaries to the workforce.
 - There appears to be little understanding of what structure is required to allow the beneficiary to gradually return to work including the relationship between potential employers and the benefit system.

Turning now to the questions raised in the consultation document we provide the following answers:

1. What do you think the goals or objectives of the benefit system should be?

- a. Provision of a reasonable benefit for those who are unable to work.
- b. A structure around the beneficiary that maximises their ability to re-enter the work force.
- c. Provision of appropriate services to dependants of invalids as appropriate.

2. Are there aspects of the benefit system that are outdated and have not kept pace with the changing nature of work and families?

There are aspects that are outmoded and these have been highlighted within the document. The benefit system needs to stop working in isolation from other systems that are providing care.

3. What aspects of the current benefit system are working well and should be retained?

No comment.

4. What aspects of the benefit system contribute to long-term benefit receipt?

- a) Lack of communication between the Ministry and those responsible for assessing the client's appropriateness for a benefit.
- b) Lack of structure within the system that allows for a gradual and non-confrontational return to work.
- c) Lack of a holistic approach to assessing and meeting the beneficiaries' needs.

5. What impacts do you see from long-term benefit receipt on individuals, families and whānau, communities and the economy?

Long term benefit receipt has a significant negative impact on all of the above. A child's future life trajectory begins with the circumstances of pregnancy, birth and early childhood. Every effort must be made to break the cycle of welfare dependency. This will take intervention across a number of agencies with integrated family health centres playing a pivotal role. The Sure Start programme established in the United Kingdom is an example of what needs to be done.

6. What do you see as the main barriers to employment for people on a benefit?

- a. The lack of communication between the benefit system and primary care.
- b. The lack of a team approach to providing holistic assessment and help.
- c. The lack of a suitable employment structure for the beneficiary to enter into.
- d. The lack of intervention to break the cycle of welfare dependency across generations.
- e. The inability to meet cultural and language needs of refugees and recent immigrants and their families.

7. What are the barriers to employers hiring long-term beneficiaries and also investing in workplace health programmes?

No comment.

8. Should there be more of a focus on paid work for sole parents?

Yes.

9. Where appropriate, should there be more of a focus on paid work for people managing with a sickness or disability?

Yes.

10. Does the benefit system do enough to encourage personal responsibility?

The system often encourages a dysfunctional attitude to emerge within the beneficiary to actually stay on the benefit. Beneficiaries are simply responding in an appropriate way to the environment they find themselves in.

11. Should the scope and nature of the current benefit categories be retained?

There needs to be more flexibility across the categories. Beneficiaries in all categories should be assisted to find work.

12. Does the complexity and structure of supplementary payments create disincentives to paid work?

Yes.

13. How can Work and Income and other delivery agencies better support people into paid work?

There needs to be a recognised series of steps any beneficiary passes through that eventually leads to starting employment. A structure needs to be developed that provides employment for beneficiaries making their first tentative steps back into the workforce.

14. Are there lessons from an insurance approach for the benefit system?

No comment.

15. Do you agree that the current benefit system is socially and economically unsustainable?

No comment.

16. Are there important issues that are in the Terms of Reference for the Welfare Working Group that you think we have not covered in this paper?

The extent of the recent immigrant and refugee problem has not been explored. From this there should be a discussion of special needs of finding employment for these groups.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter Foley', written over a light grey rectangular background.

Dr Peter Foley
Chair, NZMA