

LETTER OF PROTEST

RT Hon Prime Minister

Helen Clark

Parliament Buildings

WELLINGTON

Dear Prime Minister,

I would like to express my disappointment and anger at the Governments decision to repudiate Section 61G of the Social Security Act 1964. The effect is to remove Special Benefit and replace it with Temporary Additional Support.

I oppose the move to axe Special Benefit and replace it with Temporary Additional Support because there are four significant changes which will negatively impact on people reliant on low incomes and benefits when this measure takes effect on the 1st of April 2006.

The four principal changes, which I oppose, are:

1. Ignoring the first \$20.00 per week of a person's accommodation costs in the assessment of the applicant's overall costs. This effectively reintroduces the old National Government's 1994 requirement that a person had to have a shortfall in income compared to costs of \$20 or more before they could receive special benefit.
2. Reducing the cap on the maximum rate of payment from 30 percent of the applicant's allowable costs to 30 percent of the applicant's main benefit.
3. Removing discretion and having a rule based regime. This reduces the ability of this form of hardship assistance to adequately alleviate financial hardship for the most disadvantaged people, who may be low income workers and beneficiaries alike.
4. The limitation of hardship assistance so that it will be payable only for a fixed period set out in Regulations.

Regulations are a retrograde move contrary to the way in which your Labour administration has provided assistance up to now, which means each of these measures amount to a benefit cut.

Yours Sincerely,

Signature: _____

Name: _____

Address: _____

Comments:

A BRIEF HISTORY OF SPECIAL BENEFIT

Special Benefit is the last safety net for many Beneficiaries and Low Income workers. It was designed to assist people with their essential costs in circumstances where the person's wages or normal benefit entitlements were insufficient to meet their essential costs. Essential costs include such things as; mortgage and rates or rent, extra disability costs, car repayments, hire purchase agreements on essential items such as fridges and washing machines.

In 1994 the previous National Government made moves to abolish Special Benefit and replace it with a rules based benefit set out in regulations **but such was the community resistance and outrage by the then Labour Party opposition** the National Government took no further action on it. However, the National Government did reduce the amount of income deficiency a person had to be suffering before that person was eligible to get a Special Benefit – down from \$20 in 1994 to \$5 by 1998. In 2000 The Labour Government followed suit and removed this criteria altogether.

It is ironic that the present Labour Government is introducing a new system under which \$20 per week of a person's accommodation costs will be ignored in the income and costs assessment. This change will effectively reintroduce by the back-door the old National Party's \$20 deficiency criteria.

The four principal changes to the current Special Benefit Legislation are an attempt to reduce Government expenditure at the expense of the most economically disadvantaged in our society – those suffering the most financial hardship. When the Labour Government first came to power in 2000 it stated that all clients of Work and Income should receive their full and correct legal entitlements and criticised the previous National Government for failing to deliver on clients entitlements.

Now that more people through no fault of their own are receiving Special Benefit this Labour Government is prepared by way of legislation and regulations to reduce drastically (and even eliminate in some cases) people's eligibility to hardship assistance.

A reduction of essential ongoing supplementary assistance is a benefit cut for low income workers and beneficiaries alike.

**For further information contact Mike Dixon McIver at P.O. Box 47147,
Trentham, Upper Hutt. Or <http://www.advkit.com/spb.html>**

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Helen Clark

Executive Wing

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