

May 2021: Benefit increases welcomed

The benefit increases announced in Budget 2021 are welcomed as much needed practical support that will make a difference in many of New Zealand's most vulnerable households, says the Wellington Archdiocese Ecology, Justice and Peace (EJD) Commission.

But the changes also have a symbolic importance beyond their monetary value. "30 years ago, benefits were slashed in Ruth Richardson's 1991 'Mother of all budgets'," says Wellington Archdiocese EJP Advisor Lisa Beech.

"The benefit cuts, introduced the following year in 1992, were among the most significant contributors to the child poverty that has been a shameful feature of New Zealand's social landscape in recent decades. The stigmatisation of beneficiaries which accompanied the benefit cuts was often as damaging as the financial losses."

Lisa Beech says the Wellington EJP Commission has argued for significant benefit increases in submissions to the Budget Policy Statement process in 2020 and 2021.

"Changes to base benefit rates are more significant than one-off supplementary programmes. As we have seen in the Archdiocesan Benefit Impacts held in the Hutt Valley, Kāpiti and Horowhenua, too many beneficiaries must seek additional assistance because base rates are simply too low to cover essentials. That takes a lot of additional support, advocacy and community time."

With rapidly rising housing costs affecting low-income households, Lisa Beech acknowledges that there will be ongoing debate about whether the benefit increases will be enough to move families out of poverty.

"However, the symbolic importance in the first substantial shift in base benefit rates in 30 years is more important. For the first time in decades, the wellbeing of beneficiaries has been given priority in the government's Budget. This is an important step in restoring the mana and dignity of many of our poorest citizens, who are our brothers and sisters."