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By Dr. Don Brash

The New Zealand Centre for Political Debate

Welfare reform not about Fiscal Savings

Twelve months ago, I gave a major speech to the Orewa Rotary Club about the National Party's commitment to welfare reform.

I noted that 30 years ago the number of working-aged adults on a benefit in New Zealand was fewer than 40,000, whereas in 2005 the figure was over 300,000, despite the economic buoyancy induced by some of the strongest export prices in a generation.

I spoke of the need to insist that able-bodied adults be doing some form of work, or be in training, in return for ongoing support from taxpayers.

I spoke of the need to assist those who sometimes find it hard to get a job to get their foot in the door by introducing a three month trial period during which either party can agree that employment can be ended without penalty.

I spoke of the need to be sure that the hugely increased numbers of those drawing the sickness and invalids' benefits are actually entitled to those benefits.

I spoke of the need to ensure that the Domestic Purposes Benefit does not work to

discourage paternal responsibility for children, or to encourage more and more children to grow up in single-parent families.

I spoke of the need to ensure that all those receiving taxpayer support recognise their reciprocal obligations to taxpayers – by taking part in community service or retraining, and by ensuring their children attend school and receive appropriate medical check-ups.

I was dismayed to find that many people saw this policy as mainly about saving money. Well, saving money, especially when it belongs to taxpayers, is a worthy objective, and I was conscious of the fact that welfare was costing the ordinary hard-working Kiwi something like \$50 each and every week. It is totally unfair to expect hard-working New Zealanders to shoulder that kind of burden

if it can be avoided, or at least reduced.

But welfare reform was always about much much more than saving dollars, important though that is. And I was reminded of that during the holiday period when I read a book called "The Welfare State We're In", by James Bartholomew.

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The book takes a hard look at how the welfare system has worked in the United Kingdom over recent decades. It is the most devastating critique of the welfare state I have ever read. After looking at the way in which income support, the National Health Service, the state education system and subsidised housing work, the book contends that in the UK the welfare system has worked to the detriment of the very people it was designed to help.

My hunch is that the situation in New Zealand is not as serious, but even assuming it is only half as bad, it is clear that the way in which the welfare system operates does very considerable damage to many of those it is designed to help.

Yes, I would like to save the average Kiwi worker a large chunk of the \$50 a week she is now paying towards the welfare

system, but my main reason for being strongly committed to reform of the welfare system is that I am not prepared to sentence one in eight of our entire population – 300,000 working-age adults and their quarter of a million children – to years and years, in some cases a lifetime, of dehumanizing, degrading, and ultimately demoralizing dependence on a taxpayer hand-out. With the exception of those with permanent physical or mental impairment, nobody should expect to live indefinitely on the generosity of the taxpayer.

Such dependence is damaging to the taxpayer but even more damaging to the recipient.

Dr Don Brash is leader of the National Party of New Zealand.

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Regards



Muriel Newman
(founder & director of NZCPD)