

High-profile official accuses New Zealand government of victimisation

John Braddock
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For the past three weeks, the media's appetite for scandals involving sex, money and political intrigue has been played out in the Employment Court in New Zealand. The affair was inflated into a daily soap opera on newspaper front-pages, in letters columns, opinion pieces and television news bulletins.

Christine Rankin, the high-profile chief executive of the government's Work and Income New Zealand (WINZ), sued the public service employing body, the State Services Commission (SSC), over its decision not to renew her \$250,000-a-year contract. Rankin initially went to court seeking damages of \$818,000 for the termination of her career but on the last day of the hearing upped the ante to \$1.2 million.

Rankin claimed she was a victim of political interference by the Labour-Alliance government, which decided earlier this year to merge WINZ, the department responsible for the administration of welfare payments, including the unemployment benefit, with the Social Policy Ministry. According to Mrs. Rankin, the merger was a device by the government to restructure her out of the position. Despite being on a fixed-term three-year contract which ended this month, Rankin said she had previously been given assurances by SSC head Michael Wintringham that she had every prospect of a long-term career as a public service head.

Rankin was initially appointed as WINZ chief executive by the conservative National Party government at a time when it was seeking to further tighten fiscal and social controls on beneficiaries and the unemployed. The Employment Court heard that former National Party Social Welfare Minister Murray McCully had expressed some concerns about her flamboyant style at the time of her appointment. However, he was convinced that her record as a top administrator within the department made her very suitable for the job.

Rankin's first major task in mid-1998 was to merge two previous departments that dealt separately with benefit payments and the unemployed into one—achieving the

double purpose of cutting public service jobs while making it easier to monitor welfare recipients. The merger also promised more efficiencies in implementing attacks on the unemployed, such as the "work for the dole" scheme introduced by the National-NZ First coalition government after the 1996 elections.

When Labour was in opposition, Rankin was a convenient target for their campaign against "extravagance" in the state sector in the lead-up to the 1999 elections. A series of payouts to consultants and departing chief executives were presented as recurring scandals and used to destabilise the National government on the grounds that "taxpayers' money" was being badly administered and wasted.

Rankin was noted for her \$800 designer suits, distinguished by their short hems and revealing necklines. Despite considerable public criticism and unpopularity, she persisted on flaunting a public persona at sharp odds with the personal conditions of welfare beneficiaries whose day-to-day privations were handled by her department. So Labour was able to criticise her lack of concern for the poor and at the same time appeal to big business by promising to eliminate "waste" in her administration.

The most notorious incident occurred during 1999 and involved Rankin's approval of \$235,000 for a conference of her senior managers at a luxury resort in the tourist centre of Taupo, where they were to be flown by a specially chartered plane. With the media baying over yet another state spending scandal, Rankin was forced to cancel the conference arrangements. She attempted to shift the blame onto one of her line managers, who subsequently filed a claim and received a large compensation payment for unjustified dismissal.

Just days out from the elections, Labour leader Helen Clark moved to capitalise on the incident, saying that the public had "had a gutsful of the culture of waste and extravagance" in the department and that if elected one of Labour's priorities would be to put an end to it.

Giving evidence in the court hearing, Rankin said she had been "demonised" by the Labour Party when in opposition

and been treated unfairly after it became government. Rankin claimed that the present Social Services Minister Steve Maharey confirmed that Labour had deliberately used her to build public opinion against government “extravagance”.

Among her complaints, and the focus of much of the press coverage, was that Maharey and several of his officials had repeatedly subjected her to “sexist” treatment. The civil servant heading the Prime Minister’s department had once in a private meeting described her long earrings and low necklines as a sexual “come-on” and her short skirts as a distraction. In court, he described her mode of dress as totally inappropriate to the “Presbyterian”—i.e. frugal—image Labour wanted to cultivate in the public service.

Rankin’s line of defence generated a measure of sympathy from the press, and considerable support among a layer of middle-class former “radical” feminists, who organised protest activities on her behalf. National Party opposition leader Jenny Shipley and “left” Alliance MP Phillida Bunkle joined in, claiming that the central political question was that Rankin had been singled out because she was a woman defying entrenched views of public service propriety.

The main government witnesses, Maharey and Wintringham, defended the decision to terminate Rankin’s employment on the grounds of her professional inadequacies and poor performance. Wintringham said that the position demanded a “level of sophistication” that from the beginning she had struggled to achieve. He claimed that her time as head of WINZ had been characterised by a “litany of failures”.

The real reason, however, why Labour wanted to get rid of Rankin was that her image clashed too obviously with their own claims to care for the poor. Her lifestyle of conspicuous consumption generated considerable hostility among those who bore the brunt of her department’s policies. She told the court that the publicity surrounding her had forced her to become a virtual social recluse. It had become impossible for her to appear in public without being spat at, abused, yelled at and hissed. Under conditions where Labour is moving to continue and deepen the inroads of the past decade into social welfare, Rankin was a definite liability.

The experience of ordinary welfare recipients who depended on WINZ for their meagre weekly entitlements has increasingly been one of hardship and privation. Two years ago, WINZ was given responsibility for administering student allowance payments to tertiary students. A saga of administrative bumbles by the department prevented tens of thousands of students from receiving any money for some months, forcing many into debt or to abandon their studies altogether. Despite widespread criticism, the experience was repeated the following year with student loans. Prior to that,

WINZ was discovered to have deliberately failed to advise beneficiaries of discretionary benefits available to them when they couldn’t cope, thereby preventing many from buying essential items such as extra blankets or warmer clothes.

The present Labour-led government has no intention of reversing the social devastation wreaked by these policies on working people. In its current budget, presented to parliament in June, Labour’s most telling achievement is to reduce total state spending as a percentage of GDP to its lowest level since 1977, while providing funding increases at below the official inflation rate across most areas of social expenditure. In particular, it continues to administer the brutalising cuts to social welfare carried out over two decades by the previous Labour and National Party governments.

Labour governments from 1984-90 not only began the process of cutting social spending but also imposed the style of business management which created figures like Rankin. Highly paid positions were established precisely to build an ideologically committed caste of ambitious functionaries whose purpose was to administer the sweeping attacks on working people in the name of “market reforms”. Through the State Sector Act of 1988 and associated legislation, Labour imposed private sector “discipline” in those parts of the state sector it was not busily selling off—including welfare, health and education.

Chief Employment Court judge Goddard’s decision on Rankin’s case is expected in about two weeks, and is eagerly anticipated in New Zealand political circles. Not only is it expected to hand down significant interpretations of the so-called “good faith” provisions of the Labour government’s Employment Relations Act, it is also likely to establish a new legal framework for relations between civil service heads and government ministers. Whatever the outcome of the case, however, Rankin’s departure will do nothing to ameliorate the situation confronting welfare recipients—in fact, it will probably clear the way for further cutbacks.



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