



**METHODIST
ALLIANCE**
NGA PURAPURA WETERIANA

**Submission to the
Productivity Commission
on their Interim Report on
A fair chance for all -
Breaking the cycle of persistent
disadvantage
November 2022**



1. Ko wai tatou | Who we are

The Methodist Alliance is a formal alliance of Methodist Missions, parishes and community based social services and trusts, including cooperating ventures. This grouping constitutes a major provider of a range of services for tamariki/children, rangatahi/young people, and their families/whānau.

The Methodist Alliance brings together a number of large and medium social service providers such as Lifewise in Auckland, Methodist City Acton in Hamilton, Palmerston North Methodist Social Services, Wesley Community Action in Wellington, Christchurch Methodist Mission, Methodist Mission Southern in Dunedin, as well as local community services provided by individual parishes. It includes new social service organisations, for example: Siaola Vahefonua Tongan Methodist Mission; Puna’Oa - the Samoan Methodist Mission that operates within the Samoan Synod of the Methodist Church; and Te Taha Māori.

Ka whakahōnore mātou i tō mātou whakahoatanga Tiriti – we honour our Tiriti partnership. Te Tiriti o Waitangi is the covenant establishing our national on the basis of a power-sharing relationship. It is the foundation for social, economic and political equality in Aotearoa New Zealand.

The Methodist Alliance is grounded in our commitment to Te Tiriti o Waitangi and the bi-cultural journey of the Methodist Church of New Zealand - Te Hāhi Weteriana o Aotearoa, where Te Taha Māori and Tauwiwi work in partnership. We claim the right bestowed by Article Four of Te Tiriti o Waitangi:

“E mea ana te Kawana ko nga whakapono katoa o Ingarangi, o nga Weteriana, o Roma, me te ritenga Māori hoki e tiakina ngatahitia e ia.”

“The Governor says the several faiths of England, of the Wesleyans, of Rome, and also the Māori custom shall alike be protected by him.”

The Methodist Alliance and our member organisations work collaboratively to achieve our vision of a just and inclusive society in which all people flourish, through our commitment to our faith and Te Tiriti o Waitangi.

Methodism has a long history of working for social justice issues and this work continues today in Aotearoa as we work with the most vulnerable and marginalised in our communities.

2. Tirohanga Whānau | Overview

We agree with the findings the Productivity Commission has made in the interim report. However there is no analysis of the flipside of persistent advantage or privilege and what structures and systems are upholding this at the expense of equity.

Participatory democracy using courageous national conversations need to be held on poverty, abuse, colonisation and racism to set goals for current and future generations to shape legislation. Cross party agreement on legislation, which is informed by national conversations and those with lived experience, will enable political parties to set long and medium term goals with confidence that the legislation will not be repealed when the governing party/parties change.

3. Tautoko mot e pire | Support for the Bill

We agree that the current three year term for Government results in short term focus. We also agree with the four barriers identified as contributing to persistent disadvantage are:

- Power imbalances
- Discrimination and the ongoing impact of colonisation, which has a legacy of trauma
- Siloed and fragmented government departments/ministries/agencies, and
- Short termism and status quo bias.

Cross-party agreement on policies to address these barriers would ensure their continuance, irrespective of which party/ies were in power. If political parties worked together to negotiate policies that set benefit levels, and tax rates that redistributed wealth so everyone can flourish, there would not be a rush to repeal legislation when there was a change in government. A shift in focus to concentrate on what political parties agree on and working with a consensus model would be better than the adversarial model of government we currently have. This joined up approach to policy design would cut across party political lines to focus on the delivery of services to those most in need and enable government to be better able to address intergenerational persistent disadvantage. A successful example of this is the Child Poverty Reduction Act 2018 which set long and medium term goals which had close to unanimous support across party lines.

These agreed non-negotiable policies could be set by the national conversations in a more participatory democratic consensus model. Using He Ara Waiora principles of tiakitanga, whanaungatanga, manaakitanga and kotahitanga to guide the national conversations will ensure a holistic and future focus approach to wellbeing. These

national conversations could shape long term goals for Aotearoa New Zealand. Until we have the courageous conversations addressing the difficult topics of tamariki living in material disadvantage, abuse, racism, colonisation, and system failures, it is unlikely that we will affect any significant change. The voices of those with lived experience will better inform how we can address persistent disadvantage.

“Many people I have lived with [in state care] aren’t able to go [to school/courses] because they can’t pay the fees... I live with Mum but the uniform is too expensive and we got no money from CYFs [State child care and protection agency]. We had to borrow off WINZ and have to pay it back. Some children and young people don’t have enough money to buy uniforms or just won’t go to school because of this. Education should be free, so everyone has the equal opportunity to go to school. Money shouldn’t be a barrier.” Secondary school student, Māori¹

“Petrol prices, food prices, GST on top of that. Help us, is all we ask for.”²

We agree with adopting a wellbeing approach for government expenditure and developing He Ara Waiora concepts to guide budget allocation and baseline spending. A wellbeing approach, however, needs to be grounded in human rights. Food security, healthy housing, a liveable income, etc. are basic human rights for all New Zealanders and it is government’s responsibility to ensure those rights are met. Food security should not be the domain of charities.

The common misconception that poverty is a sign of personal deficiency, laziness, poor budgeting skills, immorality, etc. needs to be dismantled. Hard work is not confined to our better off citizens and good money management is a necessity for survival for our poorest citizens. Hard work will not overrule the gender pay gap or prevent unconscious or conscious bias filling our workspaces with people who all look alike. Stigma and exclusion perpetuate structural and systemic inequities and add to the harm, trauma of the most vulnerable in our society.

Current budget allocations are siloed and there is no overarching focus on outcomes. Minister Kelvin Davis argues that Police, Corrections, and the Ministries of Education, Social Development, Health and Justice need to have better collaboration with Oranga Tamariki to meet the needs of children.³ The inevitable concern is that there will be

¹ Child Poverty Monitor 2021, Voices of mukupuna - <https://www.nzchildren.co.nz/>

² W&I Beneficiary interviewed by a Methodist Alliance member organisation

³ <https://www.stuff.co.nz/national/politics/300632082/kelvin-davis-on-the-hunt-for-government-departments-failing-vulnerable-children>

delays as the various departments and Ministries argue about who will pay, rather than putting the much needed supports in place in a timely way.

We agree that the Government should adopt further wellbeing targets that sit alongside fiscal targets. Realistic targets should be set to reduce:

- The number of households on the social housing register
- the youth suicide rate
- the number of tamariki that are abused
- the number of tamariki that die at the hands of a parent, step-parent or carer

The interim report makes an important point that while most population groups have declining rates of disadvantage, some groups start from a much higher base which is indicative of the inequities in Aotearoa New Zealand. The findings that sole parents rate the highest in all the categories graphed in Figure 9 highlights the reality of our 130,000 tamariki living in persistent disadvantage. This should be the impetus needed for a redistribution of wealth to ensure adequacy of income.

The partial implementation of the WEAG report recommendations and those of the Tax Working Group has meant that there are still people trying to live on benefits that are well below what they need to fulfil their basic needs of food, adequate housing, healthcare and education. The financial support offered during Covid lockdown was an implicit acknowledgment by Government that the current benefit levels fall far short of where they need to be.

Bryan Perry's Child Poverty Report found that material hardship rates for children aged 0-17 years was four to five times higher for those where household income comes from the government (beneficiary) compared with those for children where household income comes from the market (working).⁴

Benefit levels have not kept pace with the rising costs of the essentials of rent, food, transport and medical care. The abatement rate is equivalent to 7.5 hours at the minimum wage which is half of what it was when it was first introduced in 1986 when it was equivalent to 15 hours. Another indication that benefit levels are too low to provide for the basics to live are the additional supports that "top up" the basic benefit including the Accommodation Supplement, Income Related Rent Subsidy, and the Temporary Additional Support. Further testament to benefit inadequacy is the explosion in the numbers and size of foodbanks and those requiring regular assistance from them.

⁴ Bryan Perry, "Child Poverty in New Zealand", MSD, 2022, p10

The welfare and tax systems need to be completely overhauled to provide a fairer redistribution of wealth and provide for dignity when living on a benefit.

Nā tō rourou, nā taku rourou, ka ora ai te iwi

With your food basket and my food basket the people will thrive

We agree with our member organisation Wesley Community Action that “the current welfare system is broken and no longer fit for purpose...the current system supports the status quo of persistent disadvantage.”⁵

We also agree with Wesley Community Action’s suggestion that there is a need to study “persistent advantage” alongside persistent disadvantage. There are structures and systems in place that maintain advantage and prevent equity. Racism, the old school tie network, and neoliberalism have ensured economic dominance of the rich elite who maintain their control over access to resources, thereby preserving inequality and privilege. In this focus we need to encourage an appreciation that our wellbeing is strongly interconnected. What can initially be viewed as ‘losing’ wealth can transform to experiencing increased wellbeing via living safer communities. Underpinning this is a deeper understanding of what makes a good life.

We agree that social sector commissioning needs to shift to a relational approach rather than the current competitive approach.

It would be a welcome and significant shift from the Government’s paternalism if services were co-designed and oriented around whānau with their voices shaping and directing the services they identify they need. The value of whānau voices is essential and should set the foundational pou for service design. Engagement with service providers and community groups is also necessary for service design. This wider input into service design, strengthens relationships with everyone working together to achieve the same agreed outcomes.

This collaborative work takes time and needs trust in the relationships to enable successful innovative solutions. It is an iterative co-design process which allows for testing, revising, and refining. This builds the evidence for what does and does not work. Successful collaboration also needs to address the paradox that arises wherein when everyone is responsible, no one is responsible.

Most social service organisations are rooted in their communities with programmes that are flexible to meet the individual needs of the whānau they serve and the programmes are often whānau-led. One example of this is Mana Whānau, which is offered by

⁵ Wesley Community Action Submission to the Productivity Commission - A Fair Chance for All, p 1

Lifewise in Auckland and Wesley Community Action in Wellington. It is an in-home intensive parenting programme that supports and works on the goals and priorities set by the whānau.

4. Taunakitanga | Recommendations

Figure 7 graphs the prevalence of disadvantage showing it as being steady or declining over time. However as this graph stops at 2021, this may change due to the increase in inflation and cost of living. We **recommend** the inclusion of more up to date data, if possible, to inform government on the impact of the current economic changes.

While the report is focussed on the five to 64 year age group, there is reference to those at retirement age. P63 states that the pension provides sufficient income for “people who have managed to pay off a mortgage and save money for retirement.” The interim report, however, does not mention those who have been life-long renters who are just making do and upon retirement, they have no resources, and no longer have the ability to rent on the open market or enough resources to meet their needs. Our members report that this is a growing cohort and we **recommend** it is included in the final report.

We agree with the suggestion of a framework to guide decisions about devolution of funding. However, we **recommend** that greater consideration is given to the devolution of funding sitting with one organisation. Better outcomes would be achieved if devolution of funding was given to a local community with participation from many community groups. This would build relationships and collective responsibility when community organisations share this responsibility.

We **recommend** funding services that are trauma-informed as poverty, multiple disadvantage and trauma are often interconnected and trauma-informed services are needed to break the continuum of harm. An example of this is the shift from the ‘Gang Intelligence Unit’ to the ‘Gang Harm Insights Centre’.

We seek further clarification of how a relational approach to social sector commissioning will address the power imbalance between the public and social service sectors. Without a plan, the current reality of government dictating what services they want to buy, prescribing how they will be delivered and how much they will pay for the services is unlikely to change.

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