

A fair chance for all

Your feedback



What we heard from your submissions on the interim report

February 2023

NEW ZEALAND
PRODUCTIVITY COMMISSION
Te Kōmihana Whai Hua o Aotearoa



The New Zealand Productivity Commission
Te Kōmihana Whai Hua o Aotearoa

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Part 1

About this document

The Government has asked the Productivity Commission to undertake an inquiry into economic inclusion and social mobility – *A fair chance for all* – with a focus on helping those experiencing persistent disadvantage. The inquiry has focused on the overall settings of the “public management system”, taking a whole of system view, rather than assessing policies and services in one or two government sectors.

In September 2022, the Commission published an interim report. The report presented preliminary findings and recommendations about the drivers of persistent disadvantage in people’s lifetimes and across generations and how the public management system contributes to that. The Commission proposed four system “shifts” to improve the public management system’s macro settings, accountability, policymaking, funding, and learning to address the barriers contributing to persistent disadvantage.

Feedback on the interim report

The Commission sought feedback on the findings, recommendations and questions raised in the interim report, inviting submissions by 11 November 2022. The Commission accepted both written submissions and responses to a short survey based around the content of the interim report. We received 68 submissions (submitters are listed at the end of this report) covering a range of perspectives, and a broad spectrum of themes. Submitters were united in their passion for addressing persistent disadvantage. The Commission greatly appreciates the time taken by submitters to contribute to the inquiry process.

This document summarises the key themes from submissions on our interim report for the *A fair chance for all* inquiry and identifies the challenges and recommendations for the Commission to consider for the final report. In summarising, we have focused on the most commonly raised issues and grouped these thematically.

Direct quotes are provided to illustrate the summarised feedback and to show the range of submissions and ideas received by the Commission. Each quote is referenced by the submission number (eg, sub. DR141) and all submissions are publicly available on the [A fair chance for all inquiries page](#) on our website.

The quotes presented in the report are not an indication that the Commission agrees with or endorses these views.

The Commission has also engaged with a wide range of stakeholders, including social service providers, professional industry organisations, academics, and government agencies. Haemata Limited were commissioned to run a series of wānanga engaging with Māori communities on the issues covered by the interim report, and the Ministry of Pacific Peoples hosted a talanoa session involving the Commission and Pacific community leaders. Summaries of the wānanga and talanoa sessions are published separately alongside this report and are available for reading on our website.

Wānanga Feedback Report, Prepared for Te Kōmihana Whai Hua o Aotearoa, New Zealand Productivity Commission, for the inquiry A Fair Chance for All: Breaking the Cycle of Persistent Disadvantage (November 2022)

Talanoa Feedback Report, for the inquiry A Fair Chance for All: Breaking the Cycle of Persistent Disadvantage (October 2022)

Next steps for the inquiry

The report does not provide a response by the Commission to the submissions made on the interim report. Submissions received will inform the final report for this inquiry. We expect to release our final report at the end of May 2023.

Please stay in touch. To keep up to date with the inquiry, you can subscribe for updates at www.productivity.govt.nz/have-your-say/subscribe/

Part 2

Summary of themes



Persistent disadvantage is experienced by different people in different ways



What we heard

- Submissions confirmed our view that the causes of persistent disadvantage are interconnected and intergenerational.
- Vulnerable communities who experience persistent disadvantage are often overlooked by the system and are absent in the data.
- Submitters agreed that persistent disadvantage is not an isolated circumstance, but a cycle with multiple barriers preventing people from escaping.

The issue of persistent disadvantage resonated with submitters. Several submitters told us that some groups are more likely than others to experience persistent disadvantage. Many submitters highlighted the specific barriers stopping particular groups from accessing the support they need.

The causes of persistent disadvantage are interconnected and intergenerational

Submitters agreed that the causes of persistent disadvantage are interconnected and intergenerational. Submitters supported the interim report's definition of disadvantage as holistic and not just focused on a single aspect of disadvantage:

SSPA welcomes the discussion of the causes of persistent disadvantage (Chapter 4) and that the report highlights the interconnected factors that can compound in people's and whānau lives, resulting in a person or family or whānau group becoming persistently disadvantaged. (Social Service Providers Aotearoa, sub. DR129, p. 4)

I agree with the importance of the first 3 years of children's lives, which can be quite chaotic in disadvantaged families... There is a lot of good being done but more needs to be done earlier to prevent difficult situations getting worse. (Valerie Dewe, sub. DR110, p. 2)

A submitter urged the Commission to not ignore the transmission of disadvantage across generations because of a lack of data:

A lack of empirical data on the extent to which persistent disadvantage is intergenerational in Aotearoa New Zealand should not lead the Commission to ignore the well-established fact that a person's chances of social advancement are significantly determined by their class background. (New Zealand Council of Trade Unions, sub. DR134, p. 8)

Communities who experience persistent disadvantage are often overlooked by the system

Several submissions focused on vulnerable communities being overlooked because they struggle to be heard by the system, or feel they are invisible. Examples provided by submitters included:

- children needing to be heard and supported in their early years;
- older people experiencing deteriorating material conditions;
- some vulnerable communities not being visible in the system.

Children need to be heard and supported in their early years

Social Service Providers Aotearoa suggested greater inclusion of the voices of children could lead to better outcomes for them:

The direct perspectives and voices of children and whānau need to come through more strongly in the final report. Weaving in discussion of the factors that children and rangatahi identify as impacting their wellbeing and ability to chart their own course and thrive, as well as their hopes and aspirations, would strengthen the report. (Social Service Providers Aotearoa, sub. DR129, pp. 6–7)

Several submissions highlighted the complex and unique position of children in relation to persistent disadvantage (sub. DR90, 100, 107, 117, 119, 124, 127, 129, 139, 140). Poverty Free Aotearoa (sub. DR139) and David King (sub. DR155) made the point that persistently disadvantaged households are likely to experience 'toxic stress'¹, which may prevent the future thriving of children. Several submissions agreed with the finding that early intervention to prevent disadvantage during a child's early years is critical to breaking the cycle of disadvantage (sub. DR100, 124, 140).

Older people are experiencing deteriorating material conditions

A group of submissions challenged the omission of people over 65 in our quantitative analysis (sub. DR111, 116, 120, 152, 154). Several of these submissions identified deteriorating material conditions for many people approaching an older age:

Our providers observe a growing population of older people who are not home-owners, who are reliant on employment beyond age 65 and/or are facing significant disadvantage due to lack of accessible, affordable, and stable housing, and increases in the cost of living. (New Zealand Council of Christian Social Services, sub. DR120, p. 4)

According to the McGuinness Institute, poverty among older people is hidden in communities and those suffering persistent disadvantage are often too embarrassed to seek support (sub. DR154, p. 12).

¹ Poverty Free Aotearoa define toxic stress as "Stress generates a fight or flight response, which is perfectly normal and healthy in short episodes. However, if this stress is ongoing it causes the developing brain to atrophy resulting in under development of those centres of the brain responsible for abstract thinking, empathy, the skills of collaboration and cooperation" (Poverty Free Aotearoa, sub. DR139, p. 5).

Some vulnerable communities are not visible in the system

Several submissions expressed concern that disabled people (sub. DR142, 097, 152), neurodiverse people (sub. DR145, 101, 100), and those with mental health and addiction issues (sub. DR135, 122, 109, 108) were often ignored by the system, resulting in services that did not meet their needs or were difficult to access:

So many of our families are tired of piece-meal half-assed approaches that “tinker at the edges” and don’t address the challenges and barriers they and their disabled child face. (Parents with Vision Impaired NZ, sub. DR97, p. 3)

Submitters suggested improvements to the way we define population groups and better data collection practices to help improve the visibility of vulnerable groups:

It would be good to clarify the definition of ‘disabled people’ to know if people with experience of mental health and addiction are included within this definition. (Platform Trust, sub. DR122, p. 2)

Other submissions expressed concerns about the invisibility of ethnic minorities, refugee communities, and people with limited English proficiency (sub. DR95, 119, 150):

Government approaches remain transactional and don’t acknowledge relationships with the communities. Over the years, there have been many hui and consultations held with the communities to get feedback. However, there is often no follow up efforts to build sustainable relationships with the communities. (ChangeMakers Resettlement Forum, sub. DR150, pp. 3–4)

Submitters also felt data collection practices about their communities are poor and an obstacle to accessing support through the system (sub. DR89, 150).

Persistent disadvantage is a cycle with multiple barriers preventing escape

The idea that persistent disadvantage is not an isolated event, but a cycle with multiple barriers preventing people from escaping, resonated with many submitters:

The list of situations, life experiences and circumstances included in the interim report shows intersectionality at play for many children, rangatahi, families and whānau where persistent disadvantage is part of their reality, and how different aspects of their identity or situation lead to them experiencing overlapping forms of discrimination and/or marginalisation. (Social Service Providers Aotearoa, sub. DR129, p. 4)

Several submitters provided examples of the features of this cycle and how different drivers interact and prevent people from escaping persistent disadvantage. Three common examples were:

- the system not working for everyone;
- digital provision of social services excluding the people who would benefit the most; and
- toxic stress being a major barrier to breaking the cycle of disadvantage.

The system doesn’t work for everyone

The system’s individualistic principles make it difficult for people from communities grounded in collective values to effectively engage with the system:

A person applies for a \$400 food grant for the “whānau” but the case manager is only prepared to approve \$150. The case manager explains they are only able to provide assistance to the “immediate family”. Other family members living at the same address will have to make separate applications for a food grant. (Poverty Free Aotearoa, sub. DR139, p. 2)

The system's limited accommodation of different worldviews means that its services are culturally inappropriate for many people. For these people and their communities, it creates mistrust of the system and its services. People who do not trust or "see themselves" in the system are more likely to stop trying to access support from services:

People may simply be unwilling to apply if they have to go into a WINZ office and discuss, with a perfect stranger, very personal family matters in order to qualify for this benefit. Some people simply refuse to apply despite the fact that they may be entitled to a benefit of several hundred dollars. It's just all too demeaning. (Poverty Free Aotearoa, sub. DR139, p. 3)

Digital provision of social services often excludes the people who would benefit the most

There are other ways in which the principles behind service delivery can create barriers for disadvantaged people. We heard from multiple submissions that *digital by default* policies in the provision of social services often excluded the people who would benefit most from accessing those services (sub. DR130, 136, 140, 142):

The groups who have the most to gain from the digital world, including families on low incomes, seniors, Māori, Pacific peoples, those with disabilities, those new to Aotearoa and our remote communities, are often the ones who face barriers. (Digital Equity Coalition, sub. DR136, p. 3)

Toxic stress is a major barrier to breaking the cycle of disadvantage

Several submissions identify toxic stress as a major barrier to breaking the cycle. A submitter drew the inquiry's attention to the role of toxic stress in preventing children from getting a good start in life:

Children in households where parents are constantly worrying about where they are going to find the money to pay the bills, pay the rent, put food on the table, are going to experience chronic stress... While we may attempt to address the symptoms by, for example counselling, unless we relieve the stress in the home through appropriate income support measures, these children will continue to endure chronic stress and anti-social behaviour. (Poverty Free Aotearoa, sub. DR139, p. 6)



The proposed system barriers were generally endorsed, with some challenges



What we heard

- Generally, submitters endorsed the system barriers set out in our interim report.
- Some submitters disagreed that addressing the proposed system barriers would be sufficient to reduce persistent disadvantage.
- Some submitters suggested that changes elsewhere were needed instead.

The interim report identified four barriers that prevented the public management system from addressing persistent disadvantage: power imbalances, discrimination and the ongoing impact of colonisation, a siloed and fragmented government, short-termism and status quo bias. Overall, submissions endorsed the four barriers, however, some submitters questioned whether our focus was right.

Generally, submitters endorsed the system barriers

Some submitters endorsed the four system barriers, identified in the interim report, that prevent the public management system addressing persistent disadvantage. One submitter talked about how their service provider members observed these barriers every day in their work:

Our members evidence these barriers through the experiences their clients face in interacting with systems and services designed to offer help to those experiencing disadvantage. More and more kaimahi time is being spent advocating for clients who are weary, disillusioned, and desperate as a result of their mana being diminished in their attempts to access the support they are entitled to. (New Zealand Council of Christian Social Services, sub. DR120, p. 2)

Discrimination and the ongoing impacts of colonisation and power imbalances were barriers that resonated with submitters:

The acknowledgement of the ongoing impacts of colonisation, structural and institutional racism, power dynamics among other things in this report is important, because it gives us a start point from which to make progress. It is also important, given that these factors and breaches of Te Tiriti o Waitangi underpin and drive many of the inequities experienced by some of our whānau Māori today, and the stratification of our society. Acknowledging these underlying drivers is part of what enables action to get to a better place as a nation and within our communities. (Social Service Providers Aotearoa, sub. DR129, p. 5)

The provision of interpreters provides an example of how a siloed and fragmented government creates a service that is costly and inconsistent:

A centrally funded and provided language assistance programme that could be used by anyone with limited english proficiency would be a more effective and efficient way of providing this service. The current system is dependent on each government department having a budget for interpreting services and the consequent complex accounting system to determine how it is paid. (Ben Gray, sub. DR95, p. 6)

Several submitters agreed that these barriers exist, but that there is more work to be done in linking them to the causes and drivers of disadvantage, as well the potential impacts of the four system shifts proposed in the interim report (sub. DR104, 124, 134, 148).

Some submitters disagreed that addressing the proposed system barriers would be sufficient to reduce persistent disadvantage

Some submitters challenged the proposed barriers in the inquiry's interim report, and suggested alternative obstacles to reducing persistent disadvantage:

I disagree that Māori disadvantage results from colonisation and institutional racism. A more convincing argument is that too much focus has been placed on culture and identity and too little on socio-economic class issues. (Peter Winsley, sub DR131, p. 1)

The Commission does disservice to Government by using the term "siloed" as there is little evidence the information, goals, tools or processes are not shared with other groups. On the contrary millions each year are in fact wasted on consultants, reports, focus groups and public relations etc. (Warwick Alexander, sub. DR109, p. 3)

Some submitters suggested that changes elsewhere were needed instead

Some submitters suggested that the solution to addressing persistent disadvantage lay outside of the public management system. It was suggested that changes in public policy (eg, health, education etc.) were needed instead, or that the proposed changes in the public management system may not be enough on their own.

The focus should be on changing public policy

Some submitters suggested that the link between the public management system and persistent disadvantage is not obvious and that the inquiry should focus on changes to public policy:

It's a really tough job to unpack what indirect contribution the public management system is making to persistent disadvantages as opposed to the more direct contribution from how some public policy regimes are implemented. I suggest the focus of the next phase of the inquiry needs to be on the public policy regimes and how they operate in practice. (Derek Gill, sub. DR148, p. 3)

Changes in the public management system may not be enough on their own

Submitters suggested that the implementation of the inquiry's recommendations would have a much greater effect if changes were made in areas beyond the public management system as well. These submitters generally agreed that addressing the assumptions and settings underpinning the public management system is important, but only one part of the change that is needed (sub. DR88, 120, 130, 134, 151):

Disadvantage can't be solved solely by the public management system and separated from the dominant economic paradigm – it will take redesigning the economy so that by default it does not encourage disadvantage. Until other macro tools, such as the welfare system and tax system, are also utilised as part of a concerted and joined-up mission to deliver dignity, purpose, nature, fairness and participation thereby reducing disadvantage, it is unlikely to succeed. (Wellbeing Economy Alliance Aotearoa, sub. DR151, p. 5)

While submitters acknowledged these areas are outside the inquiry's terms of reference, submitters suggested that reforming these areas would give changes in the public management system the greatest chance of success in addressing persistent disadvantage:

- The role of income and economic policy (sub. DR88, 130, 135, 139, 144, 148).
- Constitutional reform (sub. DR155, 121, 141).
- Changes to legislation, including the Public Finance Act, Social Security Act, and Charities Act (sub. DR154, 149, 139, 121, 105, 088).

Another submitter said that the inquiry missed an opportunity to do more to "stick up for productivity", which could have provided a different perspective compared to the other inquiries and initiatives focused on reducing persistent disadvantage (sub. DR143).



We need a system that prioritises wellbeing



What we heard

- The values of the public management system need updating.
- The process for updating the system's values needs to be inclusive.
- A strengths-based approach is needed to achieve wellbeing for everyone.
- Advantage for some means disadvantage for others.
- Te Ao Māori and Te Tiriti challenge the existing values of the public management system.
- A wellbeing approach needs to be grounded in human rights.

Submitters were particularly interested in the wellbeing approach taken in the interim report. We received several endorsements for our direction, as well as submissions who identified various areas of our concept that needed strengthening. Overall, submitters agreed that the underlying system assumptions need to be re-examined, and that this process must be inclusive and participatory.

The values of the public management system need updating

Some submitters agreed that the values of the public management system need to be updated. Submitters made the link between adherence to these values and the lack of prioritisation of wellbeing in policy and funding frameworks:

[The] current settings favour efficiency and effectiveness as per new public management approaches rather than enacting human rights-based approaches, which work to achieve freedom and dignity for all. If new values and assumptions were founded in human rights-based approaches, which recognise the inherent value, worth and dignity of every single individual and community, the barriers of discrimination and power imbalances could to some extent be mitigated. (Aotearoa New Zealand Association of Social Workers, sub. DR141, p. 2)

These submissions highlighted some of the existing structures holding these values in place, as well as examples of where changes are occurring.

Investment—not 'fiscal discipline'—should be a priority

Several submissions agreed that the predominance of 'low debt orthodoxy' inhibits the development of competing economic value frameworks that prioritise holistic wellbeing and the needs of the collective. One submitter explained some of the ways in which this tension manifests:

Rather than relying on long-held assumptions about how to deliver 'fiscal discipline', the Government needs to adopt a strategic-investment led approach to policymaking, particularly in the context of the climate transition. This fundamentally needs to move from an incremental to a transformational approach... that is Government-led and based on risk-opportunity analysis that, in particular, focuses on the most vulnerable first, appropriately partners with Māori and targets transformational investment in a way that reduces inflationary and cost-of-living pressures. (Rewiring Aotearoa, sub. DR128, p. 7)

However, one submission did caution the Commission that changing the current fiscal rules and processes could make persistent disadvantage worse:

Our current fiscal rules and processes are essential to provide both macro-economic stability and micro-economic flexibility. Without them we face serious economic risks, including the exacerbation of permanent disadvantage. (Peter Winsley, sub. DR 131, p. 2)

Values are already shifting in the public management system

Several submissions suggested that values are already changing in the system, albeit within siloes. The Association of Salaried Medical Specialists (sub. DR 153) suggests that models from the health sector could be adapted across the public management system:

We have recommended the adoption of a Health in all Policies (HiAP) approach. The aim of HiAP is to ensure health, wellbeing, sustainability, and equity issues are explicitly addressed in all policy, planning and decision-making processes to improve health outcomes and mitigate health disparities. (Association of Salaried Medical Specialists, sub. DR153, p. 2)

The process for updating the system's values needs to be inclusive

In our interim report, we recommended that a national conversation take place to reconsider the system's underlying assumptions and values. This was a popular idea with submitters, although many of them saw obstacles to making a national conversation a reality. Many submitters suggested that guiding this process using the principles of He Ara Waiora could overcome these barriers and increase the conversation's chances of success, and that changes to the public management system needed to be non-partisan.

A national conversation could be used to the update system values

Submitters agreed with the idea of a national conversation and had some suggestions about how to do it:

[A national conversation] should not only be about the machinery of how wellbeing is delivered but also what wellbeing is, the priorities to be invested in, and not assuming that the three-yearly electoral cycle is sufficient mandate on its own. These conversations should not be one-offs, but an ongoing series of regular check-ins with the community about what matters to them and how they would like to see services and wellbeing delivered to them. (Waikato Wellbeing Project, sub. DR124, p. 11)

The Commission is right to be exploring the Wellbeing in Wales Act as a model. While there will never be anything approaching a political consensus on means and values, the so-called Welsh model has provided for a degree of bipartisanship in agreeing upon the ends (i.e. wellbeing objectives). This provides some degree of consistent overall policy direction. (Taituarā, sub. DR121, p. 4)

... but there will be challenges in making the conversations inclusive

Submitters also shared reservations about the idea of a national conversation. These concerns were around the potential to create further divisions, and further entrench social inequities:

Starting a national conversation about the values to adopt by saying that the dominant culture does not have the right values is probably not the best starting point... It is very easy for good intentions to create much harm (through othering). (David King, sub. DR155, p. 6)

A national conversation should also ensure that privileged and powerful voices do not dominate the conversation:

Enabling a national conversation, the co-creation of new system settings, and ongoing engagement in public accountability will only be possible if social partners are adequately resourced to participate. If this does not happen, then existing power imbalances will simply be reproduced. (New Zealand Council of Trade Unions, sub. DR134, p. 13)

Using the principles of He Ara Waiora may help make a national conversation successful

Many submitters expressed hope that He Ara Waiora, and the principles the framework encompasses, could be used as a tool for introducing and embedding values into the system that better enable wellbeing approaches:

The vision expressed in He Ara Waiora is one that will benefit all in Aotearoa New Zealand. A framework that centres on the mana of individuals and communities sits at the heart of who we uniquely are as Aotearoa New Zealand and is to be embraced. (Kore Hiakai Zero Hunger Collective, sub. DR118, p. 1)

There was a consensus among submissions that it is important that frameworks and models are consistent across the system and that duplication of wellbeing frameworks is a symptom of a siloed and fragmented system:

The existence of competing frameworks manifests itself in planning and action... We also concur with the conclusions of the McGuinness Institute that these are fragmented and overall hinder progress. We'd add that this is characteristic of areas beyond poverty and inequity. It's perhaps also a reflection of the siloed nature of the policy process, and the incentives to short-termism. (Taituarā, sb. DR121, p. 4)

A non-partisan platform is needed to address persistent disadvantage

Several submitters said that politics has become a major barrier to addressing the issue of persistent disadvantage:

Political debates on income support and social welfare policies over the last few decades have generally been a dialogue of the deaf between advocates focusing on raising benefits levels at one extreme and 'work for the dole' at the other. In reality, dealing with disadvantage and social mobility is more complex and neither increasing benefits nor increasing work readiness will work on their own. (Derek Gill, sub. DR148, p. 4)

One submitter suggested a way to build a non-partisan platform:

The report should require cross-party definition of persistent disadvantage and commitment to the use of He Ara Waiora across the Public Management System. (New Zealand Council of Christian Social Services, DR 141, p. 3)

There was a suggestion that there are existing models for getting agreement across political lines, which could be emulated to enable governments 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. (Methodist Alliance, sub. DR117, p. 3)

A strengths-based approach is needed to achieve wellbeing for everyone

The interim report highlighted the importance of a strengths-based approach for promoting wellbeing in all communities, especially communities where services have concentrated on deficits. One submitter suggested deficit models can mask the structural drivers of disadvantage:

Stigma and exclusion perpetuate structural and systemic inequities and add to the harm [and] trauma of the most vulnerable in our society. (Methodist Alliance, sub. DR117, p. 4)

A model for services that focuses on strengths can also improve trust in the system, which makes it more likely that people will access services:

[A strengths-based approach] means that those being assisted are made aware of the options available to them and can opt to be supported on the pathway forward that they choose. Time again we hear that whānau facing hardship are not feeling able to trust a process. This becomes a barrier to them engaging with systems designed to support those at risk of persistent disadvantage. (FinCap, sub. DR135, p. 5)

Submitters told us that a strengths-based approach should be made explicit in funding and policy decisions:

We recommend funding services that are trauma-informed... 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'. (Methodist Alliance, sub. DR117, p. 7)

Advantage for some means disadvantage for others

Submitters told us that it would be worthwhile considering not only the strengths that exist in disadvantaged communities, but also to look at the dynamics of structurally advantaged groups. Several submitters suggested that persistent disadvantage and systemic advantage is a zero-sum game, where costs for disadvantaged communities benefit those in more affluent positions:

Power imbalances and assumptions that maintain the flourishing of some at the expense of others must be challenged, but this cannot be achieved if we focus consistently on the problem of poverty, without equally recognising the problem of excess and its impacts on the long-term wellbeing of our communities. (New Zealand Council of Christian Social Services, sub. DR120, p. 3)

The New Zealand Council of Trade Unions gave an example of how these dynamics play out:

Housing is a case in point: by purchasing multiple houses to accumulate wealth, richer New Zealanders shrink the pool of available houses to purchase and contribute to driving home ownership out of reach for some. (New Zealand Council of Trade Unions, sub. DR134, p. 9)

Several submissions saw addressing both ends of the spectrum of advantage as the best approach going forward:

We believe that equity can be achieved when the system that supports privilege is dismantled. (Association of Salaried Medical Specialists, sub. DR153, p. 1)

Te Ao Māori and Te Tiriti challenge the existing values of the public management system

Many submitters agreed that Te Ao Māori and Te Tiriti are important perspectives that challenge values, such as fiscal discipline, in the current system. Submitters pointed out that despite gaining momentum behind movements to better embed these perspectives in the system, the public management system needs strengthening and has been slow to move on this issue:

SSPA would like to see the final report reflect a strong recommendation around how the public finance system can be strengthened to be more transparent, enable equitable outcomes for tangata whenua consistent with Te Tiriti o Waitangi, drive investment over the long-term to address persistent disadvantage, and prevent siloed vote appropriations from being a barrier to mauri ora. (Social Service Providers Aotearoa, sub. DR129, p. 10)

The Social Security Act was amended as recently as 2018 and yet no where in the Act is there any reference to Te Tiriti o Waitangi. The Act is the foundations of the Social Security system but is entirely silent on Treaty obligations. (Poverty Free Aotearoa, sub. DR139, p. 2)

A wellbeing approach needs to be grounded in human rights

Some submitters talked about the need for the public management system to provide a social floor to prevent persistent disadvantage and recommended agreeing a set of human rights:

A comprehensive policy commitment to wellbeing, as advocated for in the report's recommendations, must be guided by our responsibility to uphold dignity, to provide an adequate standard of living, to enable access to housing, healthcare and education, and freedom from discrimination... we must ensure that our commitment to these rights and responsibilities are explicit in any discussion regarding the purpose of our public management system and the wellbeing of our people. (New Zealand Council for Christian Social Services, sub. DR120, p. 3)

One submission demonstrated how the current values of the public management system do not promote the dignity and rights of people:

The current values underlying the Social Security Act are detrimental to the whole community. There is a need to move from charity to a rights-based approach. Even the debate over the level of benefits is unhelpful where the debate is reduced to arguing over whether a \$30 increase is adequate or should the level be increased by \$60. (Poverty Free Aotearoa, sub. DR139, p. 5)

Several submissions emphasised the notion that New Zealand's obligations under United Nations human rights charters, such as the Declaration of Human Rights (UNDHR), the Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Convention on the Rights of the Child (UNCRC) are vehicles for strengthening intergenerational wellbeing by establishing a 'social floor' or baseline standard of living (sub. DR117, 120, 122, 127, 129, 139, 141, 142, 150).

We need a system that is more accountable to the needs of all New Zealanders



What we heard

- The current accountability arrangements are not fit-for-purpose and should be reviewed.
- The system needs stronger stewardship.

Our interim report found that the current accountability system needed to change to make it more accountable to a broader range of New Zealanders. This subject was of particular interest to many submitters. We received several endorsements for our recommendation around a first-principles review, and submitters broadly agreed that this is an area that needs attention. However, submitters were less convinced about whether the proposed centralised role for system stewardship was needed.

The current accountability arrangements are not fit-for-purpose and should be reviewed

Several submitters endorsed our recommendation for a first principles review of current accountability arrangements:

Weaknesses in public accountability settings are a constraint on how best to effectively and efficiently reduce persistent disadvantage. They are also consistent with the findings from our previous work that has found, for example, that it is often not clear to Parliament or the public what outcomes are being sought by government, how that translates to spending, and ultimately what is being achieved with public money. (Office of the Auditor-General, sub. DR114, p. 2)

Submissions on the public management system's accountability settings focused on four key areas that need attention:

- The system needs to improve its accountability to whānau and communities.
- The accountability system needs to be "top-down" and "bottom-up".
- The public management system must become better at communicating its goals and activities.
- More accountability doesn't necessarily lead to better accountability.

The system needs to improve its accountability to whānau and communities

Many submitters told us that current accountability settings don't work for whānau and local communities:

We have heard from many of our members that the reporting burden associated with government contracts directly impacts on social workers' time with whānau and communities. Accountability settings need to reflect what matters most to communities and whānau, the outcomes they hope to achieve in assisting them out of or prevent them from entering persistent disadvantage. (Aotearoa New Zealand Association of Social Workers, sub. DR141, p. 3)

Several submissions suggested that enhancing the system's accountability to whānau and communities requires establishing better principles for data collection and use:

While there have been improvements in the collation of regional and territorial level statistics, even statistics at territorial level can be misleading. There can be some degree of 'aggregation beyond meaning'. For example, Auckland has the second highest level of household income on most measures, but this masks one of the largest intra-city differentials in the country... (Taituarā, sub. DR121, p. 8)

The accountability system needs to be "top-down" and "bottom-up"

The idea that a better accountability system would join "top-down" and "bottom-up" approaches together was an important point for several submitters:

Most legislation attempts to codify, regulate and 'assist' our sector's organisations but does so from a government lens. In attempting to increase transparency and accountability without considering how many organisations are created (i.e., in direct response to a need that has arisen locally), this top-down approach is not sympathetic to the beneficial running of community organisations. This brings about organisational and funding uncertainty, and the removal of support for New Zealanders who may already be vulnerable. (Community Networks Aotearoa, sub. DR142, p. 3)

Submitters highlighted the unresponsiveness of central agencies to the organisations that communicate insights from the field and try to hold the system to account from the lower levels.

Noting the interim report's comments on the importance of genuine consultation, this is fully supported by NZHR and sadly has not been our experience in respect [of the many] documents where we believe we could have contributed important insights with the potential to positively impact outcomes related to persistent disadvantage. (New Zealanders for Health Research, DR 133, p. 5)

The public management system must become better at communicating its goals and actions

To increase accountability to the public, the public management system should invest in ensuring its objectives and plans are made clearer to the public.

A broader understanding of the system in communities would have the benefit of increasing the level of trust people have in the system:

Increasing communication between the public sector and the public would better enable the public to be involved in the governance, decision making and accountability of the public management system. More information could be made publicly available, including what public organisations do, their projects, and progress or developments in these projects. (McGuinness Institute, sub. DR154, p. 17)

More accountability doesn't necessarily lead to better accountability

Submitters cautioned that changes to accountability arrangements must be strategic, and that increasing reporting requirements can sometimes make things even more difficult for service providers:

[Social service providers] spend considerable time completing quantitative and qualitative reporting to inform government agencies. Our members convey frustration at the level of contractual reporting and evaluation they prepare, which appears to be used to trigger further funding and then shelved, rather than leveraged for broader evaluative and monitoring purposes. (New Zealand Council of Christian Social Services, sub. DR120, p. 5)

The accountability system needs stronger stewardship

Our recommendation for a system-lead role for stewardship of the accountability system generated a range of responses from submitters (sub. DR97, 122, 124, 141, 149, 154, 155). There was a consensus that system stewardship ought to be stronger:

Additionally, we see the benefit of such a lead role could result in de-politicising social issues such as child protection, rights to healthy housing, responses to family violence and ensuring adequate benefit levels, amongst others. Enabling a bipartisan approach to such issues, which tend to both perpetuate and intersect with persistent disadvantage may be the only way to achieve meaningful progress, which requires a consistent effort over time. (Aotearoa New Zealand Association of Social Workers, sub. DR141, p. 3)

Conversely, some submitters noted that better system stewardship does not necessarily require a new leadership role:

We are unsure whether a single lead role around public accountability would make a difference—as this sounds like a silver bullet, and there are already similar roles such as the Office of the Auditor General and the Ombudsman. The bigger issue may be what systems of accountability and openness to input in the development of strategy, budgeting and implementation the government sets and holds itself accountable for. (Waikato Wellbeing Project, sub. DR124, p. 11)

Another important consideration raised by submitters is the interface between the parliamentary and public management systems. David King (sub. DR155) suggested relationships between ministers and top-level public servants are politicised and opaque, presenting a major challenge to achieving stronger public management accountability. Several submissions made the point that strengthening stewardship more broadly in the public management sector could release these bottlenecks in the accountability system.

Solutions for addressing persistent disadvantage exist in local communities



What we heard

- Communities cannot help people in persistent disadvantage without adequate support.
- Current funding models can work against disadvantaged communities.
- The public management system should acknowledge when others are better suited to delivering services.

Many submissions came from organisations working in the social sector. A consistent theme among these submissions was that the tools for addressing persistent disadvantage already exist within communities, but that they need to be activated through better support and resourcing arrangements from government.

Communities cannot help people in persistent disadvantage without adequate support

Several submissions provided examples of factors that limit the ability of communities to maximise their skills, knowledge and tools to address persistent disadvantage:

Solutions to our wellbeing challenges are already in our communities, often operating with insufficient support and frustrated by institutional processes that work often inadvertently against them (for example policy, regulation, bureaucracy, funding processes and political bargaining). (Waikato Wellbeing Project, sub. DR124, p. 2)

Current funding models can work against disadvantaged communities

Funding models can contribute to entrenching disadvantage and creating inequitable outcomes:

Class 4 Trusts and Societies are required to return 40% of the gaming machine profits (GMP) to the community by the way of grants or applied funding. This has inextricably linked gambling harm with the survival of community groups, sports and services. However, we know that this distribution of gambling funds is inequitable. Overall, less deprived communities (decile 1–5) provide 26% of the GMP but receive 88% of the grants. Conversely, more deprived communities (decile 6–10) provide 74% of the GMP but receive only 12% of the grants. (Problem Gambling Foundation Group, sub. DR149, p. 4)

Other submissions identified how funding in the public management system creates “blind spots” (Community Networks Aotearoa, sub. DR142, p. 3), which can mean valuable community resources are not used:

It is well known in our sector that if you aren't funded by a government agency you are not seen by them... Government only sees approximately one-third of the agencies, organisations, and people who work and volunteer to keep an incredible amount of social support active in our communities. (Community Networks Aotearoa, sub. DR142, p. 3)

Government should acknowledge when others are better suited to delivering services

Several submitters from the social service and local government sectors presented a big-picture vision of “locally led, centrally enabled initiatives” (Inspiring Local Communities, sub. DR126, p. 3).

This shift would involve central government agencies respecting the “legitimate roles and plans of whānau, hāpū, iwi and local government” (Ōpōtiki District Council, DR 123, p. 2):

Tangata whenua and local communities have aspirations, plans and long-term strategies designed with and for their communities. They have multiple accountabilities. Local government in particular has to follow stringent processes laid down by central government to engage community in long term and annual planning, and to regularly report on progress. Sadly, there is no corresponding requirement on central government to engage with, plan and report to communities in this way. (Ōpōtiki District Council, sub. DR123, p. 2)

Submitters suggested three main principles to guide this mindset change around policy and funding arrangements:

- The voices of people experiencing persistent disadvantage must be amplified.
- The system can help by supporting facilitators in the social sector.
- Local government has an important role to play.

The voices of people experiencing persistent disadvantage must be amplified

Submitters made the point that activating communities to address persistent disadvantage needs to begin with listening to the voices of those who are struggling. The public management system has a role in resourcing communities to make this step:

Often the most important role missing is the facilitation/co-ordination function, with the capacity and resources to ensure all voices are heard, and respected. Those experiencing disadvantage are vitally important contributors to creating change. Yet they are so frequently ignored. (Ōpōtiki District Council, sub. DR123, p. 3)

Inspiring Communities (sub. DR126) argued that input into service design should be truly participatory:

Engagement needs to transition into ‘activation’ whereby those impacted by intergenerational disadvantage are supported to both participate in and lead change processes. (Inspiring Communities, sub. DR126, p. 2)

The system can help by supporting facilitators in the social sector

Submitters told us that resources from the public management system would be better spent supporting organisations who have already gained the trust and respect of communities, rather than focusing on their own providers. One solution focused on using local brokers:

These intermediary system supports work in the middle space – lightly, but intentionally supporting and connecting across a number of locally-led initiatives, feeding practice learning, evidence and insights up to central systems while concurrently supporting capability building, shared learning and implementation across a number of locally-led but centrally enabled initiatives. (Inspiring Communities, sub. DR126, p. 3)

Local government has an important role to play

We received several submissions from district councils, local government professional bodies and other organisations telling us the importance of involving local government organisations in plans to address persistent disadvantage in communities:

Local government’s knowledge of, and connection to, local communities, and our role in promoting community wellbeing, means that we are uniquely placed to act as an advocate on behalf of the community, or to design and deliver local services (Manawatū District Council, sub. DR112, p. 1)

The system needs to get better at learning from success and failure



What we heard

- A wider range of success indicators and more evaluation of policies and programmes would help address inequities within the system.
- The system needs to learn so it can improve and better understand the people it serves.
- A forward-looking system is best placed to address intergenerational disadvantage.

Several submissions engaged with the finding that evaluation is an essential part of tackling complex problems (sub. DR104, 110, 120, 124, 132, 149, 150, 154). A key theme coming out of the submissions was that learning is weakened by the public management system's poor awareness of its own limitations:

Institutional and political systems also tend to become self-justifying and unwilling to acknowledge things aren't working as well as was promised and changing accordingly, even when evidence suggests otherwise. (Waikato Wellbeing Project, sub. DR124, p. 2)

A wider range of success indicators and more evaluation of policies and programmes would help address inequities within the system

Submitters suggested that the limitations of success indicators in the evaluation system exacerbates equity issues for those who are not adequately represented in data:

Reliance on numbers as standard measure for success and outcomes for government funded programs is insufficient as it does not capture the social impact of these programs. For instance, the success indicator across all resettlement areas is the number used, i.e. housing, employment, health, and education... Focusing only on numbers as an indicator for success misses out other necessary information such as programme quality, social impact and community contribution. (ChangeMakers Resettlement Forum, sub. DR150, p. 5)

Submitters also suggested that more robust monitoring and analysis of the system could help identify hidden inequities:

The current different legislative status within departments sees debt to government departments managed differently, manifesting in systemic inequity that reinforces persistent disadvantage. When IRD will readily forgive the IR debt of a pakeha male high earner, but MSD penalise the holder of MSD debt through benefit deduction, typically impacting a Māori or Pacific female parenting alone, we have a broken system reinforcing persistent disadvantage on race and gender lines. (Kore Hiakai Zero Hunger Collective, sub. DR118, p. 2)

System learning can help the system improve and to better understand the people it serves

Submitters saw the value of increasing evaluation and monitoring systems to strengthen the system itself and to improve outcomes:

Currently some of the public engagement by government appears to be outsourced to consultancy companies. This means that money which could be invested into capability development of public sector workers to engage in a meaningful and sustainable way and to share knowledge, experiences and learnings, are lost" (Public Service Association, sub. DR138, p. 4)

Submitters highlighted other areas where workforce skills, knowledge and experience are lacking. Several recommended that the public management system should invest to become less remote from the people accessing its services:

[Policymakers need to be better educated] on the reality of living hand to mouth for a lifetime and how that affects health, both physical and mental and what leads to addiction/law breaking/poor choices. (Valerie Dewe, sub. DR110, p. 2)

A few submissions raised the issue of cultural expertise and accountability as a key workforce consideration in the public management system:

Central government policy and management is frequently remote from people and communities of Aotearoa. It is often steeped in colonised mindsets and frames of reference and can lack experience or understanding of the sectors and people it will impact. (Ōpōtiki District Council, sub. DR123, p. 2)

A forward-looking system is best placed to address intergenerational disadvantage

Many submitters endorsed the Commission's recommendation that central agencies explore an anticipatory governance model (sub. DR121, 132, 138, 140, 141). Submissions acknowledged that a forward-looking system would be best placed to address the issue of intergenerational disadvantage:

The Public Service Association acknowledged the role of the Public Service Act 2020 in making:

... considerable progress in integrating a future focus to ensure Aotearoa New Zealand is able to anticipate tomorrow's problems, protect the public interest and to build institutions that are fit for the future. (sub. DR138)

We received a range of suggestions on how a more anticipatory public management system could be achieved:

- Adapting international models such as the Welsh and Finnish models to the New Zealand context (sub. DR141).
- Establishing a centralised foresight unit in the public service (sub. DR121).
- Taking a "just transition" approach that prioritises at-risk communities (sub. DR140).
- "Strong use of deliberative engagement processes, stakeholder forums and collaborative governance mechanisms, the building of exemplary employment relations help to identify and address long-term policy changes" (Public Service Association sub. DR138).

Part 3

List of submitters

| Number | Submission Name |
|--------|---|
| DR87 | Alec Kynaston Waugh |
| DR88 | Coalition for Equal Value Equal Pay |
| DR89 | Dr Sandy Callister |
| DR90 | Jade Speaks Up Trust |
| DR91 | UK2070 Commission |
| DR93 | Leon Iusitini |
| DR94 | The Gama Foundation |
| DR95 | Associate Professor Ben Gray |
| DR96 | Jason Ashton |
| DR97 | Parents of Vision Impaired (NZ) Inc |
| DR98 | Institute of Community Psychologists Aotearoa |
| DR99 | Wendy Dowling |
| DR100 | Anonymous |
| DR101 | Helen Gilby |
| DR102 | Jason Duncan |
| DR103 | Child Poverty Action Group |
| DR104 | Shenagh Gleisner |
| DR105 | Sue Barker Charities Law |
| DR106 | Susan S |

| Number | Submission Name |
|--------|--|
| DR107 | James Soligo |
| DR108 | Te Whatu Ora Hauora a Toi Mental Health & Addiction Services Consumer Consultant Group |
| DR109 | Warwick Alexander |
| DR110 | Valerie Dewe |
| DR111 | Grant Beaven |
| DR112 | Manawatu District Council |
| DR113 | Girol Karacaoglu |
| DR114 | Office of the Auditor General |
| DR115 | Rangitikei District Council |
| DR116 | Luis Arevalo |
| DR117 | The Methodist Alliance |
| DR118 | Kore Hiakai Zero Hunger Collective |
| DR119 | Asian Family Services |
| DR120 | New Zealand Council of Christian Social Services |
| DR121 | Taituarā |
| DR122 | Atamira Platform Trust |
| DR123 | Ōpōtiki District Council |
| DR124 | Waikato Wellbeing Project |

| Number | Submission Name |
|--------|---|
| DR125 | Local Government New Zealand |
| DR126 | Inspiring Communities |
| DR127 | John Cody |
| DR128 | Rewiring Aotearoa New Zealand |
| DR129 | Social Service Providers Aotearoa |
| DR130 | Citizens Advice Bureau |
| DR131 | Dr Peter Winsley |
| DR132 | Aotearoa New Zealand Evaluation Association |
| DR133 | New Zealanders for Health Research |
| DR134 | New Zealand Council of Trade Unions |
| DR135 | FinCap |
| DR136 | Digital Equity Coalition Aotearoa |
| DR137 | David Stuart and Tom Eats |
| DR138 | New Zealand Public Service Association |
| DR139 | Poverty Free Aotearoa |
| DR140 | New Zealand Nurses Organisation |

| Number | Submission Name |
|--------|--|
| DR141 | Aotearoa New Zealand Association of Social Workers |
| DR142 | Community Networks Aotearoa |
| DR143 | Alex Penk |
| DR144 | Tim Hazledine |
| DR145 | Mike Styles |
| DR146 | Leonie Tolua |
| DR147 | Lesley Aabryn |
| DR148 | Derek Gill |
| DR149 | Problem Gambling Foundation of New Zealand |
| DR150 | ChangeMakers Resettlement Forum |
| DR151 | Wellbeing Economy Alliance Aotearoa |
| DR152 | Anonymous |
| DR153 | Association of Salaried Medical Specialists |
| DR154 | McGuinness Institute |
| DR155 | David King |
| DR156 | Tōfā Mamao Collective |



All submissions are available for viewing on our website

