

A Fair Chance for All: Breaking the cycle of persistent disadvantage

Launch of final inquiry report on 20 June 2023 at Wellington Museum

Speech by Dr Ganesh Nana, Productivity Commission Chair

Tēnā koutou katoa

Kei te mihi au ki te kaupapa o te rā

E ngā wai tapu, ngā maunga whakahi, ngā whare puni, me ngā whare wānanga, o tenei rohe.

Tena koutou te inanahi, te ināiane, me te āpōpō.

Ko tenei taku mihi ngā tangata whenua o te rohe ne.

E ngā iwi, e ngā mana, e ngā reo, e rau Rangatira mā.

Tēnā koutou katoa.

Ko Ahirao tōku whānau.

Ko Ganesh tōku ingoa.

No reira, tēnā koutou, tēnā koutou, kia ora koutou katoa.

Welcome, welcome, welcome.

My name is Ganesh Nana, and I am Chair of the Productivity Commission. I am a first-generation New Zealander, born here in Te Whanganui a Tara, to parents who immigrated here as young newly-weds from India many decades ago. Namaste.

I acknowledge Māori as tangata whenua of Aotearoa. And I pay my respects to those who have passed before us, and those who are yet to arrive. I acknowledge the sacred waters, places, and lands around us, and my respects to mana whenua of this rohe – Te Atiawa, Taranaki whanui, Ngati Toa.

Today, I have the privilege of launching the final report of the Productivity Commission's inquiry into economic inclusion and social mobility.

The Productivity Commission, Te Kōmihana Whai Hua o Aotearoa, is an Independent Crown Entity, with a legislated purpose of providing advice to government on improving productivity in a way that

is directed to supporting the overall wellbeing of New Zealanders.

The Commission was tasked with this inquiry by the Ministers of

- Finance
- Child Poverty Reduction
- Māori Development
- Pacific Peoples
- Revenue
- Social Development and Employment.

I thank them for placing this critical mahi in our hands. They each received a copy of our report a couple of weeks ago. The Commission is eager to hear their response, which we hope will be forthcoming in due course.

I also note and acknowledge the presence of Green Party co-leader, and Minister for the Prevention of Family and Sexual Violence, Hon Marama Davidson. Thank you for your attendance here. And thank you all for your attendance – including those online – for your time, your interest, and your investment in this kaupapa.

I am joined in this launch by my colleague Commissioners – Associate Professor Diane Ruwhiu and Bill Rosenberg. Both Bill and Diane, alongside myself wish to record a special thanks and shout out to the inquiry team at the Commission – more than ably stewarded by director Catherine Proffitt – who managed to progress this work and deliver this report despite the many challenges encountered along the way. Catherine and her team are to be applauded for the courage and commitment with which they have met these challenges.

My kōrero today will provide an overview of our report, while Diane will follow up with some specific insights particularly focussed on people and their communities. There will be an opportunity for questions after Diane's kōrero.

I begin with another statement of acknowledgement and respect....to those in our communities who have experienced – and continue to experience – persistent disadvantage. Lived under unimaginable and ongoing stress and deprivation, where opportunity, potential and hope seem so distant – and yet lives are continued, living day by day by day – with perseverance and demonstrating resilience that can and should be acknowledged and indeed respected. This inquiry, and our report, is presented in acknowledgment of their efforts and with a view of a future where all will experience the opportunity, potential and hope that some of us are currently privileged to enjoy.

Our report is titled “A fair chance for all – Breaking the cycle of persistent disadvantage”.

A fair chance for all – a concept I believe most – if not all – New Zealanders would buy into. All of us want to live good lives and we inherit a long history of valuing fairness and “a fair go”.

A fair chance for all means all New Zealanders, present and future, feel proud of their cultural identities, are supported to achieve their aspirations, have genuine choices, and access to

opportunities to live better lives.

Indeed, many New Zealanders do thrive – and continue to thrive – as they exercise their choices and explore the opportunities available to them.

But, disturbingly, “a fair chance” remains an illusory concept for many. The numbers not getting a fair chance are sobering.

Our analysis indicates 697,000 New Zealanders experienced disadvantage in both 2013 and 2018, with sole parents and Pacific peoples experiencing the highest rates, followed by Māori and people with disabilities. Amongst this number, an estimated 172,000 people experienced complex and multiple forms of persistent disadvantage.

These experiences cannot be ignored, or tolerated as inevitable, or put off till another day, or accepted as too difficult to overcome. The costs are borne by all – individuals, families, whānau, businesses, communities, government, and our nation.

I reiterate “a fair chance” is an illusory concept for many in Aotearoa New Zealand.
Social contract.

But perhaps more disturbing, is a collective reluctance to shift the dial. A seemingly resigned acceptance of this situation starkly risks further undermining the cohesion and trust – or social contract – on which our communities and businesses rely.

I do not hide my frustration that, despite their best intentions, successive governments have failed to successfully address persistent disadvantage. Well-meaning interventions and programmes ranging from the ad hoc and piecemeal to paternalistic directives with implied finger-pointing and victim blaming have not succeeded. And, so, this stain stubbornly remains.

I note an April 2020 editorial from the Financial Times titled Virus lays bare the frailty of the social contract ... and I quote:

“Radical reforms are required to forge a society that will work for all ... the great test all countries will soon face is whether current feelings of common purpose will shape society after the crisis. As western leaders learnt in the Great Depression, and after the second world war, to demand collective sacrifice you must offer a social contract that benefits everyone.

Today’s crisis is laying bare how far many rich societies fall short of this ideal. ... Sacrifices are inevitable, but every society must demonstrate how it will offer restitution to those who bear the heaviest burden ...” end quote.

That social contract ... it would do us well to reflect just who is holding up their end of that bargain, and who is dragging the chain? For we are all fooling ourselves if we think we can ignore this contract – we all lose out as our collective potentials are eroded and our productivity and wellbeing aspirations thwarted.

Equally, we all stand to gain – improved productivity and better wellbeing – when this cycle of persistent disadvantage is successfully broken.

However, we do not start from scratch – indeed, a future without persistent disadvantage is within our grasp.

There have been many reviews and reports relating to many and varied aspects of disadvantage. While sector specific policies have received attention on many occasions, there has been much less investigation into the role of the public management system itself in addressing this challenge.

The Commission’s ability to look beyond individual sector or agency work, is well placed to fill this gap.

In line with our Terms of Reference – and consistent with what we heard from submitters – this inquiry took a system-wide whole-of-government perspective to identify system shifts and changes to break the cycle of persistent disadvantage.

We have drawn on He Ara Waiora, a tikanga framework built on te ao Māori knowledge and based on evidence about wellbeing that applies to everyone. We worked with the Treasury and Ngā Pukenga, a group of Māori thought leaders, to adapt He Ara Waiora to describe the wellbeing and productivity outcomes we are seeking in this inquiry. We acknowledge that mātauranga Māori belongs to Māori, and we have sought feedback and are thankful for the guidance received on its application throughout this inquiry.

In addition, we drew on:

- the Treasury Living Standards Framework and the All-of-Government Pacific Wellbeing Strategy;
- the many valuable submissions, meetings, and reports;
- commissioned research;
- our own previous inquiries; and
- earlier Royal Commissions on social inclusion.

Successes (albeit small) point the way

I am excited by our findings that point to many small successes. There are indeed clear examples of how families, whānau, and communities have overcome disadvantage. And there are clear examples of how people, organisations, and agencies have worked with families and whānau to help them achieve their aspirations.

A future without persistent disadvantage is within our grasp.

My challenge to governments – of today and of tomorrow – is to build on these examples to create a future where all New Zealanders can lead better lives.

A cross-party, long-term commitment to partner and adequately resource efforts is needed to ensure a fair chance for all.

We must be honest and open ... persistent disadvantage cannot be fixed overnight or by a few disconnected actions. A system problem demands a systemic response.

There is no single approach that works. But there are 3 common themes – the importance of locally-led, whānau-centred, centrally-enabled approaches, trusted relationships between funders, providers, and the people and their communities – holding each other to account, hearing and learning from the voices of people and their communities.

As a country, we must stop doing things that we know do not work and accept the challenge to try things that might. We need to get better at preventing and anticipating disadvantage and build a system that enables us to test, learn, and adapt our responses as understanding and circumstances change.

In short, people, families and whānau thrive when they have access to resources, are empowered to grow and develop on their own terms, and feel a sense of belonging within their communities.

We make 20 findings in our report, I will here highlight a few ...

Barriers

A central finding (F02) of this inquiry is that people experiencing disadvantage and those trying to support them are constrained by powerful system barriers. Siloed and fragmented government and short-termism reflect well known challenges that we have been grappling with for decades. Outside the public management system, power imbalances, discrimination, and the ongoing impact of colonisation form part of the economic and social context of the main drivers of disadvantage – and advantage – in Aotearoa.

Further, and reinforcing that the future we strive for is within our grasp, we find (F04) that a combination of approaches from the current and previous Governments would be a promising way forward to improve our wellbeing approach. This would carefully consider both material and non-material impacts of policy choices take a comprehensive approach to data analysis.

Wellbeing, assumptions and voice of future generations

While advances in wellbeing approaches are a good start, we find (F06) that many of the key assumptions underlying our system settings are hampering the implementation of a fully integrated wellbeing approach.

Other findings note that wellbeing approaches will not achieve their full potential (F08) until there is direction, with long-term objectives and prioritisation, a recognition of and greater weight for collective values (F07) would help in broadening perspectives, short-termism (F09) limits the ability to take decisions with multi-generation timeframes.

Accountability and learning systems

We find (F10) three critical gaps in the accountability system, namely:

- the absence, or neglect, of te Tiriti o Waitangi;
- settings that constrain ongoing learning and the ability to devise innovative and more effective ways and methods; and
- weak direct accountabilities for Ministers and the public service in addressing persistent disadvantage.

The absence of community voice is also evident. And the system does not collect the performance information it needs.

Evidence shows locally-led, whānau-centred and centrally-enabled approaches (F11) can provide more effective assistance to people and families. But, these approaches are typically short-term, under-resourced and often struggle to meet the level of need and aspirations within communities.

Consequently, we find (F17) a shift to two-way learning and accountability between communities and government needs collective learning mechanisms, governance including national and community-level representatives, and stronger connections with communities.

Building from these findings, we make 20 recommendations ... Again, I will headline a selection.

Build on system change already underway

System change is not easy and requires time and commitment. But many people are already working to shift the system, and the broader values and ideas needed are already available and present in the system. I reiterate, again, a future without persistent disadvantage is within our grasp.

To bolster ongoing efforts, we recommend (R01) the Government should give better effect to te Tiriti o Waitangi by embedding tikanga frameworks such as He Ara Waiora into the public management system.

And we recommend (R08 and R09) that a social floor be established, while also recommending that existing work related to protective factors be progressed and expedited.

Protective factors include:

- adequate income, housing, health, and social connection;
- cultural identity and belonging;
- knowledge and skills;
- access to employment;
- stable families; and
- effective government policies and supports.

Many people can get themselves through a temporary period of disadvantage by drawing on their own resources and networks. But, in the absence of effective support, temporary disadvantage can persist and compound, trapping people – hence the need for expediting existing work.

A social protection floor is described as “nationally-defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion” (International Labour Office, 2012).

Establishing this baseline is necessary to give effect to the implied social contract that enables business and economic activity.

In the New Zealand context, such a baseline standard of living would need to be consistent with Tiriti obligations. Several submitters also noted that a social floor would be consistent with our human rights obligations under national laws and international agreements.

Such a floor can be defined as part of the Living Standards Framework and He Ara Waiora, including levels of income to meet the material requirements for social inclusion, while recognising the importance of non-material requirements.

Cross-party agreement on long-term wellbeing objectives

In line with our finding seeing the value of a combination of approaches we recommend (R03) that a cross-party agreement be pursued to develop and implement generational strategic wellbeing objectives (over at least a 20 to 30 year horizon). These are essential for sustaining the long-term commitment needed to address persistent disadvantage.

In a similar vein, we recommend (R05) that there be an alignment of wellbeing roles and responsibilities of local and central government – noting that the final recommendations of the Review into the Future of Local Government are being released tomorrow.

Legislation and institutions to accelerate system shifts

We recommend (R13) the introduction of a Social Inclusion Act, with a primary purpose to require the Government of the day to state their short- and long-term objectives towards reducing persistent disadvantage in measurable terms and explain how they propose to meet those objectives. This act would lie alongside, and be complementary to, the current Child Poverty Reduction Act.

And in recognition of the current absence of voice for future generations, as well as the inherent short-term bias within the system, we recommend a Wellbeing of Future Generations Act (R07) to establish a Parliamentary Commissioner for Future Generations whose statutory role would be to represent the interests of future generations.

Adapt, evaluate, listen, learn, and innovate

As to accountability and learning systems, these should be reviewed and revitalised to encourage new approaches and to value evidence from people and communities experiencing disadvantage. More specifically, we recommend (R10) a first principles review of the accountability system with an objective to develop a system that builds trust and empowers people, particularly those experiencing persistent disadvantage.

And we recommend (R14 and R15) a programme of policy work to sustain more locally-led, whānau-centred and centrally-enabled initiatives. This work should be in collaboration with community

partners – and will necessitate resourcing for both agencies and community partners.

This work should also develop eligibility and accountability settings to ensure organisations authentically engage with, and are accountable to, their respective communities – in particular, to the people in their communities that are experiencing persistent disadvantage.

Collect better information

And, we recommend investment in data collection (R20). New Zealand has poor data on how people's fortunes change through time and across generations. Investment in longitudinal data is required for measuring wellbeing and disadvantage over lives, between generations, and within communities.

In closing, people and communities experiencing persistent disadvantage need to be empowered to influence the decisions that affect their lives.

The benefits will be enjoyed across Aotearoa New Zealand, as the individual and collective potential of all are together nurtured and increasingly realised.

Finally, and in all humbleness, I would like to thank the many people and organisations who helped inform this inquiry. Your experiences, knowledge, insights, and evidence have been invaluable in shaping our findings and recommendations that will help create the foundations for a future without persistent disadvantage – a future that is within our grasp.

I thank you for your time and I submit this report for you to use and circulate.

Nō reira, tēnā koutou, tēnā koutou, tēnā koutou katoa.

[ends]

A copy of the full inquiry report *A Fair Chance for All: Breaking the cycle of persistent disadvantage* is available on the Commission's website - <https://www.productivity.govt.nz/inquiries/a-fair-chance-for-all/>.

A Fair Chance for All: Breaking the cycle of persistent disadvantage

Launch of final inquiry report on 20 June 2023 at Wellington Museum

Speech by Diane Ruwhiu, Commissioner, New Zealand Productivity Commission
Te Kōmihana Whai Hua o Aotearoa

Tēnā koutou katoa
Ko Tārai O Rahiri te Maunga
Ko Mangakāhia te Awa
Ko Ngāpuhi te Iwi
Ko Parahaki te Marae
Ko Diane Ruwhiu toku ingoa
No reira, tena koutou

Thank you, Ganesh.

My kōrero is focused on how we engage and empower the voice of people and community in addressing persistent disadvantage.

As a new commissioner, coming on board just as the Fair Chance for All interim report was released last September, I was fortunate to participate in some of the hui with different stakeholders, public agencies and community groups.

During these events, I saw and heard the frustration, anger, and even grief, from people who felt their experiences and voice were at best ignored and at worst silenced by a system, so large and disconnected from the lived reality, facing so many individuals and whānau experiencing persistent disadvantage.

At the same time, I saw and heard the commitment, passion and hope for real action that would make a difference for the work they undertook for the people and communities they represented.

It was evident that within these communities there is a depth of wisdom and expertise, a vast array of experience in working with people and communities that are struggling to navigate the ebbs and flows, and sometimes downright tsunami of negative consequences associated with persistent disadvantage.

In our Fair Chance for All report, those voices and experiences contribute to the collective spirit captured in our findings and recommendations to give effect to positive change in our public management system – some subtle, some more voracious – to empower people and communities, to influence decision-making, to provide stronger and more effective support and accountability.

A key finding of this inquiry is that effective approaches to persistent disadvantage need to be centrally enabled by national-level policy and investment decisions based on what matters most to individuals, families, whānau and communities.

And this then highlights the importance of having initiatives that are locally led and whānau centred. What does that mean – because it is easy to say, but more difficult to put into play.

Fundamentally, it means that we look for effective approaches to persistent disadvantage that are ‘by, with and for’ the people and communities most effected by persistent disadvantage.

By centrally enabled – we are referring to purposeful investment in the central and local level infrastructure that is critical for successful responses to persistent disadvantage.

Locally led refers to how we can empower those who are at the forefront of working with our people and communities living with persistent disadvantage.

And whānau-centred acknowledges the importance of building trusted relationships with people, individuals, and collectives, and in particular embracing the wholeness of people in our approaches to addressing persistent disadvantage.

As Ganesh has mentioned, we are not starting from scratch and today we have an opportunity to build on the success of the initiatives already in play to create a stronger response to persistent disadvantage in the future.

We already have relatively new models of public management that emphasise the co-creation of support through networks and partnerships, such as Whānau Ora that prioritise the voice, needs and aspirations of people experiencing disadvantage in the design and provision of services.

The potential from collaboration is evident in Ngā Tini Whetū, a reporting framework developed by the Whānau Ora commissioning agency involving the cross-agency experience of Te Puni Kōkiri, Oranga Tamariki and ACC designed to strengthen families and improve the safety and wellbeing of children.

Placed-based initiatives, such as Manaaki Tairāwhiti and South Auckland Social Wellbeing Board, are locally led, collaborative approaches to address social, economic, and environmental challenges in specific geographic locations.

These initiatives involve community members, government agencies, businesses, iwi and other stakeholders working together to develop and implement strategies that are tailored to the unique needs and strengths of a particular place.

Their mandate is to work with whānau and front-line staff to collect, collate and synthesise real-world experiences to identify system-level gaps, barriers, inefficiencies, and inequities.

The goal is to improve outcomes and opportunities for people living in those places by leveraging local assets and resources, promoting community engagement and participation, and aligning government policies and programs with local priorities.

These and other examples, such as 'Enabling Good Lives' - a national initiative designed to improve choice and control over disability support services for people with disabilities and their families - are evidence that locally led, whānau-centred and centrally enabled ways of working are opportunities to build stronger and effective partnerships with communities.

They are confirmation that government working together with communities in partnership and achieving genuine joint accountability to ministers and to the people experiencing persistent disadvantage is possible.

And that local level contextualised knowledge and understanding of the lived realities of individuals, families, whānau, and communities experiencing persistent disadvantage, gives stronger and more direct insight into what matters to them.

However, as Ganesh has alluded to New Zealand's public funding and accountability settings are stifling the uptake of these collective, preventative, and long-term approaches to addressing persistent disadvantage. They are operating with funding models that are short term, transactional and under resourced.

In our recommendations, we call for the commission of a programme to support locally led, whānau-centered and centrally enabled initiatives to directly support people's autonomy to make changes in their lives.

I won't ruin the storyline for you in reading the report, but spoiler alert - it does call for: Purposeful stewardship and leadership for locally led, whānau-centred and centrally enabled initiatives.

Dedicated resourcing of 'backbone' support to these types of initiatives so that strong project management, data collection and reporting capabilities are available.

And a commitment to long-term funding to provide for ongoing effectiveness and improvement.

I conclude with a whakatauki:

Ka whati te tai ka pao te tōrea.
When the tide ebbs, the oyster catcher strikes.

This challenges us to not sit idly by while opportunities to effect change, are available here and now.

The Fair Chance for All report identifies that the challenges we face are deeply embedded within the system. They are significant, but not insurmountable.

The Fair Chance for All inquiry is our wero, our challenge, to government, ministries, and agencies (including the Productivity Commission), and our NGOs, to work together and think beyond the status quo when it comes to resolving persistent disadvantage.

We know this is not a kumbaya moment where we will magically come together to hold hands around the campfire.

We know this is not a simple fix.

We know this work is complicated, nuanced and even heart-breaking.

We know this because we heard it from the people and communities who are doing the mahi.

Our challenge is to ensure that we stay the course. We take the bold steps needed to build and give effect to a system that is capable of realising the fulfilment of our individual and collective potentials.

And in doing so enhance productivity and wellbeing for all of Aotearoa New Zealand.

No reira ... tēnā koutou.

[ends]

A copy of the full inquiry report *A Fair Chance for All: Breaking the cycle of persistent disadvantage* is available on the Commission's website - <https://www.productivity.govt.nz/inquiries/a-fair-chance-for-all/>.