



20 August 2021

Green Party of Aotearoa New Zealand submission on the terms of reference for the Productivity Commission's inquiry on persistent disadvantage.

The Green Party welcomes the opportunity to submit on the Productivity Commission's terms of reference for the inquiry into persistent disadvantage. We believe this inquiry is an opportunity to look at how Aotearoa New Zealand's income support and current social insurance systems function together, which New Zealanders may be falling through the gaps, and if we as a country are effectively utilising redistributive tools to counteract inequality.

We urge the Commission to consider terms of reference broad enough to encompass:

- An evaluation of 'welfare overhaul' progress to date and what changes to the welfare system will be needed to help prevent persistent disadvantage in Aotearoa, including changes beyond what was envisioned in the Welfare Expert Advisory Group report, *Whakamana Tāngata: Restoring Dignity to Social Security in New Zealand*. In particular, the Green Party would welcome findings on how relationship rules in the welfare system may be creating disadvantage.
- Whether broadening the tax base will enable a more effective redistribution of resources, greater income equality and greater productivity. The recommendations made in the inquiry should not be arbitrarily constrained by what is fiscally possible under the current fiscal settings.
- A comprehensive look at how the ACC, the welfare system and the disability supports available through the health system are working together and how the boundaries of each may be leading to inequitable support for women, disabled people, Māori, Pasifika and other ethnic minorities.
- Victims of family violence and sexual violence also rely heavily on the welfare system, ACC and the justice system. An exploration of the effectiveness of these systems to prevent and help the victims of family violence and sexual violence should be included in the Terms of Reference.

Green



The Green Party believes a fairer tax system will help redistribute wealth so we can support those with the least. A broader tax base that includes capital gains and/or significant asset wealth will ensure we can continue funding strong public services in the years to come, and make sure those with the least have enough income to live with dignity.

At the same time, our social safety nets have degraded over time. Recent efforts by the government to improve the welfare system are not happening fast enough to keep up with the increased cost of living and housing costs. We are deeply concerned that disadvantage is becoming more intergenerational and that the nature of many supports available are furthering the cycle of poverty.