

**Submission to the New Zealand
Productivity Commission
Te Kōmihana Whai Hua o Aotearoa
on the
A Fair Chance for All
Breaking the Disadvantage Cycle
Terms of Reference**

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Methodist Alliance Submission

Productivity Commission: Terms of Reference for “A fair chance for all – breaking the disadvantage cycle”

1. 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.

The Methodist Alliance is grounded in a 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.

2. Overview

The Methodist Alliance’s vision is for a just society in which all people flourish. We are committed to breaking the cycle of disadvantage and we work for a fair chance for all.

The impact of COVID-19 has disproportionately impacted on Māori, Pacifica, young people, women and those with disabilities. This combined with the intergenerational effects of trauma, colonisation, and racism has resulted in the widening gap between rich and poor – advantage and disadvantage.

17.6% of adults experience multiple disadvantage with 50% of sole parents with children experiencing multiple disadvantage.¹

Welfare based responses to disadvantage provides for immediate financial and material needs of people who are disadvantaged. However, if the root causes of the disadvantage are not addressed, the intergenerational cycle of disadvantage will not be broken. In addition, if

¹ Smith, Peach & Cording, The impact of multiple disadvantage on subjective wellbeing: New Zealand Families, Kotata Insight, December 2019, p5

this cycle is not broken, we risk creating or perpetuating dependency on welfare responses rather than providing a sustainable solution for individuals and whānau.

To break the cycle of disadvantage, investment in interventions which address the root causes of disadvantage like trauma informed practice during the first 1,000 days are needed, as well as investment in remedial support across the lifespan to stop risk factors early. Removing the barriers to accessing health, and education based on equity rather than an equality basis would increase social mobility opportunities.

3. What are the main aspects of disadvantage that should be investigated in this inquiry?

- **Intergenerational effects of toxic stress, trauma, and lack of attachment**

Our members, like many other social service providers, work with and for whānau whose parents and grandparents have had involvement with government agencies like Oranga Tamariki and Work & Income.

It is universally accepted that the prolonged activation of stress hormones in early childhood reduces the growth neural connections at a critical time during brain development when new neural growth should be expanding. Prolonged exposure to toxic stress increases the risk for stress-related disease and cognitive impairment not only during childhood but also in adults.²

Toxic stress includes extreme poverty, exposure to violence, food scarcity, physical or emotional abuse, chronic neglect, and caregiver substance abuse and/or mental illness. If a tamariki/child does not have a stable relationship with a healthy supportive adult, the tamariki/child risks potential change to their brain chemistry, anatomy and wiring which manifests as problems with learning, behaviour, and physical and mental health.

Studies have shown that the consequences of prolonged toxic stress during childhood include anxiety, depression, oppositional defiance disorder, impaired memory, inability to control mood, during childhood and diabetes, heart disease, chronic obstructive pulmonary disease, liver disease and cancer in adults.³

Many tamariki/children who experience trauma and toxic stress early in life exhibit negative consequences as they get older and this can affect their capacity and capability to parent their own children and the cycle of disadvantage continues.⁴

A close relational bond between children/tamariki and their parent or caregiver is crucial to child development. Nicola Atwool explains the significance of attachment being

² Point & Associates, Mana Whānau Final Evaluation, 2020, p17

³ [https://www.ajpmonline.org/article/S0749-3797\(98\)00017-8/fulltext](https://www.ajpmonline.org/article/S0749-3797(98)00017-8/fulltext)

⁴ The Smith Family, "Breaking the Cycle of Disadvantage," Submission to the Australian Government Social Inclusion Board July 2010, p5

essential for healthy brain development and resilience.⁵ Atwool goes on to state that “secure attachment acts as a protective factor for both infants and parents.”⁶ It is commonly accepted that strong attachment to the primary caregiver provides a good basis for emotional regulation, the ability to maintain healthy relationships, educational achievement and intellectual ability.

- **Intergenerational effects of colonisation, and racism**

Aotearoa New Zealand’s colonial history has resulted in tangata whenua being over represented in negative economic and social statistics. These include:

- Māori life expectancy is considerably lower than non-Māori⁷
- Māori health status remains unequal with non-Māori across almost all chronic and infectious diseases, as well as injuries, including suicide⁸
- Māori are disproportionately represented in the most deprived neighbourhood areas⁹ and are less likely to own their own home than other ethnic groups¹⁰
- Māori are less advantaged than non-Māori across many socioeconomic indicators¹¹

Māori adults are more than 1½ times as likely as non-Māori to report experiencing racial discrimination.¹² Māori adults were also more than 1½ times as likely as non-Māori to experience an ethnically motivated personal attack including physical or verbal attacks.¹³ Māori are more than twice as likely than non-Māori to experience unfair treatment based on ethnicity.¹⁴

Our member organisations that work with people experiencing homelessness report that Māori are disproportionately represented in this client group. Statistics NZ report that Māori and Pacific peoples experience severe housing deprivation at rates nearly four to six times the European rates.¹⁵ In addition, the rate of severe housing deprivation was the highest in Pacifika and Māori young people.¹⁶

The Department of Corrections report that Māori offenders are more likely to have Police contact, be charged, lack legal representation, not be granted bail, plead guilty, be convicted, be sentenced to non-monetary penalties, and be denied release to Home

⁵ Atwool, Nicola, “The role of secure attachment as a protective factor for vulnerable infants,” Social Work Now, 2007, p11

⁶ Atwool, Nicola, “The role of secure attachment as a protective factor for vulnerable infants,” Social Work Now, 2007, p17

⁷ <https://www.healthnavigator.org.nz/healthy-living/m/m%C4%81ori-health-overview/>

⁸ Ibid

⁹ Ministry of Health, Wai 2575 Māori Health Trends Report, October 2019, p16

¹⁰ Statistics NZ Tatauranga Aotearoa, Housing in Aotearoa: 2020, 2020, p10

¹¹ Ministry of Health, Wai 2575 Māori Health Trends Report, October 2019, p19

¹² Ministry of Health, Wai 2575 Māori Health Trends Report, October 2019, p20

¹³ Ministry of Health, Wai 2575 Māori Health Trends Report, October 2019, p21

¹⁴ Ministry of Health, Wai 2575 Māori Health Trends Report, October 2019, p22

¹⁵ Statistics NZ Tatauranga Aotearoa, Housing in Aotearoa: 2020, 2020, p102

¹⁶ Ibid

Detention.¹⁷ Corrections also report that age-standardisation shows that “Māori men are 3.5 times more likely to be sentenced to imprisonment.”¹⁸ Māori constitute 52.7% of our prison population¹⁹ and the Māori imprisonment rate is 700 per 100,000 while Aotearoa New Zealand’s overall imprisonment rate is 180 per 100,000.²⁰

Pasifika faced discrimination during the dawn raids where they were disproportionately targeted. Pasifika over-stayers who were invited to Aotearoa as workers during the economic boom of the 1950s. When the economy took a downturn in the 1970s these migrants were no longer needed and the Police and Immigration Officials enforced immigration laws on the Pasifika community during dawn raids.

More recently, the Pasifika community has again been the target of abuse as a result of the large cluster of COVID-19 cases resulting from a Pasifika church service.

Like Māori, our Pasifika population experience poorer health outcomes than other New Zealanders. These inequities are due to uneven access to the determinants of health and the intergenerational impact of colonisation.²¹

- **Health and wellbeing indicators**

Aotearoa New Zealand ranked 35 out of 38 countries in the UNICEF league table of child wellbeing outcomes.²² This composite ranking was made up of 23 out of 38 for social skills, 33 out of 37 for physical health, and 38 out of 38 for mental wellbeing.²³

Other concerning indicators of health and wellbeing including:

- Childhood obesity rate of 9.4% of children aged 2-14 years, with disproportionate childhood obesity rates amongst Pacifica at 29.1% and Māori at 13.2% of Māori tamariki.²⁴ In addition, tamariki/children living in the most socioeconomically deprived areas were 2.7 times more likely to be obese as those living in the least deprived areas.²⁵ Childhood obesity can cause physical and mental health problems in children as well as education and quality of life. These can limit later

¹⁷ <https://www.corrections.govt.nz/resources/research/over-representation-of-maori-in-the-criminal-justice-system/2.0-criminal-justice-system-bias-and-amplification/2.6-summary-and-conclusion>

¹⁸ Ibid

¹⁹ https://www.corrections.govt.nz/resources/statistics/quarterly_prison_statistics/prison_stats_march_2021

²⁰ <https://www.corrections.govt.nz/resources/research/over-representation-of-maori-in-the-criminal-justice-system/2.0-criminal-justice-system-bias-and-amplification/2.0-criminal-justice-system-bias-and-amplification>

²¹ Came, McCreanor, Haenga-Collins & Cornes (2019) Māori and Pasifika leaders’ experiences of government health advisory groups in New Zealand, *Kōtuitui: New Zealand Journal of Social Sciences Online*, 14:1, 126-135, DOI: [10.1080/1177083X.2018.1561477](https://doi.org/10.1080/1177083X.2018.1561477)

²² UNICEF Worlds of Influence – Understanding What Shapes Child Wellbeing in Rich Countries, Innocenti Report Card 16, p11

²³ Ibid

²⁴ <https://www.health.govt.nz/nz-health-statistics/health-statistics-and-data-sets/obesity-statistics>

²⁵ Ibid

capacity to earn higher incomes and increased likelihood of developing diabetes, and cardiovascular disease.

- Suicide is a leading cause of death among 15-19 year olds in Aotearoa New Zealand and we have the second highest rate of adolescent suicide in rich countries with a rate of 14.9 deaths by suicide per 100,000.²⁶
- At June 2021 2021, there were 5,250 tamariki/children and rangatahi/young people in care, and of those 57% are Māori and 11% are Māori and Pacific²⁷
- In March 2021, the NEET rate rose to 13.1% up from 12.4% in the last quarter.²⁸
- **Housing insufficiency, insecurity and affordability**
Our home ownership rates are the lowest since the 1950s and Māori and Pacific people are less likely to own their own homes.²⁹

One third of New Zealand households rent,³⁰ and these tenants have less security of tenure than owner-occupiers.³¹ Renters move more often than owner-occupiers.³² Renters are living in homes that are more likely to be cold, damp, have mould, and in need of repair than owner-occupiers.³³ Renters spend a higher proportion of their outgoings on housing costs than homeowners³⁴ this puts them at risk of experiencing poverty, and some choose to live in overcrowded homes to save costs, while others whose struggle to live on a very small disposable income may result in end up homeless.³⁵

One in ten tamariki/children living in rental accommodation do not have access to a fridge.³⁶ When low income whānau move, some do not have sufficient funds to pay for moving costs, so they have to leave everything behind including the refrigerator and their beds, which negatively impacts on their health and wellbeing. Statistics NZ report that Pacific people were the most likely to live in a household without access to all seven basic amenities.³⁷

²⁶ UNICEF Worlds of Influence – Understanding What Shapes Child Wellbeing in Rich Countries, Innocenti Report Card 16, p13

²⁷ <https://www.orangatamariki.govt.nz/about-us/reports-and-releases/quarterly-report/text-only/>

²⁸ <https://www.stats.govt.nz/information-releases/labour-market-statistics-march-2021-quarter#:~:text=The%20NEET%20rate%20for%20youth,20%E2%80%9324%20years%20were%20NEET.>

²⁹ Ibid

³⁰ Statistics NZ Tatauranga Aotearoa, Housing in Aotearoa: 2020, 2020, p26

³¹ Statistics NZ Tatauranga Aotearoa, Housing in Aotearoa: 2020, 2020, p44

³² Statistics NZ Tatauranga Aotearoa, Housing in Aotearoa: 2020, 2020, p42

³³ Statistics NZ Tatauranga Aotearoa, Housing in Aotearoa: 2020, 2020, p60

³⁴ Statistics NZ Tatauranga Aotearoa, Housing in Aotearoa: 2020, 2020, p55

³⁵ Statistics NZ Tatauranga Aotearoa, Housing in Aotearoa: 2020, 2020, p56

³⁶ Statistics NZ Tatauranga Aotearoa, Housing in Aotearoa: 2020, 2020, p72

³⁷ Ibid – the seven basic amenities are: a living room, a kitchen/kitchenette, at least one bedroom, a separate bathroom, a toilet, a facility for washing clothes

House prices have risen faster than wages, especially in Auckland & Wellington.³⁸ The associated increase in amount needed for a deposit to purchase a house has also increased making a higher barrier for young and/or first time homeowners.³⁹ This has seen a drop in the proportion of young adults who are homeowners.⁴⁰

- **Income insufficiency**

COVID-19 has disproportionately impacted those experiencing income insufficiency and systemic disadvantage. Māori, Pacifica, women, people with disabilities, and young people are more likely to face income insufficiency as they experience economic uncertainty due to the loss of jobs during the pandemic.

Benefit levels have not kept pace with the cost of living, especially for whānau/families with tamariki/children and those living in private rental accommodation. Work & Income's sanctions and stand-down periods result in significant harm as parents/caregivers are not able to provide tamariki/children with basic needs of food, clothing and shelter.

- **Employment**

Abatement rates do not incentivise beneficiaries to explore work options. They act as a barrier to entering or contemplating work opportunities.

Whānau that we work with are often in low paid jobs and are very skilled at making their money stretch as far as possible. While they are employed, they are the working poor carrying the extra stress of finding and arranging safe, affordable childcare and transport to and from work, school and childcare.

- **Disability**

People with disabilities fare worse across a range of outcomes when compared with non-disabled people.⁴¹ Compared with non-disabled people, those with disabilities are:

- Less likely to live in a suitable home that is warm, affordable and free from damp and mould⁴²
- More likely to live in households where total income is considered to be inadequate⁴³
- Achieve lower levels of educational attainment⁴⁴
- More likely to be unemployed⁴⁵

³⁸ Statistics NZ Tatauranga Aotearoa, Housing in Aotearoa: 2020, 2020, p48

³⁹ Statistics NZ Tatauranga Aotearoa, Housing in Aotearoa: 2020, 2020, p55

⁴⁰ Ibid

⁴¹ Stats NZ, Measuring inequality for disabled New Zealanders: 2018, (2020), p2

⁴² Stats NZ, Measuring inequality for disabled New Zealanders: 2018, (2020), p3

⁴³ Ibid

⁴⁴ Ibid

⁴⁵ Stats NZ, Measuring inequality for disabled New Zealanders: 2018, (2020), p42

- More likely to be lonely and experience discrimination⁴⁶
- **Sole parents**
Statistics NZ report:
 - one third of sole parents experienced poor mental wellbeing⁴⁷
 - are more likely to live in dwelling with major damp, mould or cold⁴⁸
 - one fifth of sole parents do not have enough money for everyday needs.⁴⁹
 Sole parents are also
 - more likely to have no qualifications⁵⁰
 - less likely to own their own home⁵¹
 - tend to have lower rates of employment than those that are employed have incomes lower than two parent families⁵²
- **Multiple disadvantage**
Different combinations of disadvantage can result in the total impact being greater than expected.⁵³ Research has shown that poor health combined with either poor housing or a lack of social connection is associated with lower levels of life satisfaction.⁵⁴

Multiple disadvantage is more likely to be experienced by sole parents who are younger, female, have young children, have more than three children, or are of Māori or Pacific descent.⁵⁵

4. Where should the Commission focus its research effort?

- The neuroscience of early brain development and brain plasticity
- Institutional racism and unconscious bias
- Intergenerational effects of trauma, colonisation, and racism
- Effect of multiple disadvantage
- The relationship between wellbeing and housing
- Intergenerational poverty
- Access to mental health services
- How to uphold Te Tiriti to promote better outcomes for Māori

⁴⁶ Stats NZ, Measuring inequality for disabled New Zealanders: 2018, (2020), p3

⁴⁷ <https://www.stats.govt.nz/news/wellbeing-outcomes-worse-for-sole-parents>

⁴⁸ Ibid

⁴⁹ Ibid

⁵⁰ Superu, Multiple disadvantage among sole parents in New Zealand, 2018, 11

⁵¹ Ibid

⁵² Ibid

⁵³ Smith, Peach & Cording, The impact of multiple disadvantage on subjective wellbeing: New Zealand Families, Kotata Insight, December 2019, p24

⁵⁴ Ibid.

⁵⁵ Superu, Multiple disadvantage among sole parents in New Zealand, 2018, p3

5. Where should government focus its effort on finding solutions?

- Trauma informed practice
- Safe, affordable and secure housing
- Housing accessibility and affordability for people with disabilities
- Promoting investment in a range of home ownership schemes
- Working with the community housing sector to review funding models and policies
- Exploring a range of options to address youth homelessness
- Rights based models to ensure equity and access to housing, education and justice
- Cost and accessibility of childcare and education
- Social inclusion
- An increase in minimum wage
- Achievable and realistic pathways for people to move from social welfare support into paid employment

6. Is there anything else that you would like to see covered in this inquiry?

The major issues the whānau we work for and with relate to housing and mental health. The Housing First model provides evidence that once a person has a stable place to live and are supported with wrap around services, they are better able to address their complex needs including mental health and addiction. They are then more able to find secure employment and better connection with their community.

Increasing levels of mental health issues combined with difficulty in accessing early intervention and prevention services results in poor long term outcomes and increased stress on the whole whānau. Multiple stressors are present particularly in Canterbury with the cumulative effects of the earthquakes, mosque shootings and COVID-19.

7. Summary

Most research suggests that access to a good education is the single most powerful factor in breaking the cycle of disadvantage. Removing toxic stress by ensuring policies that provide for safe, secure housing, access to affordable transport, childcare and health services, we can ensure our tamariki/children are more able to achieve better outcomes at school.

Investing in social inclusion long term means people are less likely to experience discrimination, and racism.

Thank you for the opportunity to offer our views on the Terms of Reference for the “A fair chance for all: Breaking the disadvantage cycle.”