

Breaking the cycle

Our failure to improve the lot of disadvantaged families costs us all. A new report calls for increased accountability for officials and more trust in frontline initiatives that work. **by REBECCA MACFIE**

Late last year, one of New Zealand's most powerful public servants made a startling observation: "For the first time in recent history, there is a possibility that the next generation won't be better off," wrote Treasury chief executive Caralee McLiesh.

Her judgment was based partly on the impact of climate change – which will be experienced most severely by the young and those who have not yet been born – and partly on the rise of geopolitical instability.

But it's also because of factors that are right under our noses: "Younger people fare worse than older people in three priority areas: mental health, educational achievement and housing quality and affordability," McLiesh wrote. "The latter is particularly the case for those who do not own their own homes."

Her warning that our kids and grandkids may be worse off than us was contained in Treasury's first-ever wellbeing report, "Te Tai Waiora", a document required under the Public Finance (Wellbeing) Amendment Act. In 114 carefully referenced pages, it reported a swathe of detail on the state of the nation: tenants here pay some of the highest rents in the OECD; the children of rich parents are more likely to be rich when they grow up and the children of poor parents are more likely to be poor; our 15-year-olds are scoring lower in reading, science and maths over time; we have high – although declining – rates of child poverty, the cost of which ranges from a conservative \$6.3 billion to \$16.3 billion a year, according to Te Tai Waiora.

No one took much notice. In our 15-minute news cycle, Treasury's wellbeing analysis was gone in a flash, joining the mountain of reports and initiatives that have sounded various alarms about hardship, poverty, alienation and inequality written by myriad expert panels and government agencies over the years.

"A FAIR CHANCE"

Now, there is a new set of warnings about the risks of failing to break the cycle of deprivation that robs families and children of the opportunity to thrive. A report released last week by the Productivity Commission, "A Fair Chance for All: Breaking the cycle of

"Persistent disadvantage wastes the talent and contribution of people ... the lost opportunities make us all worse off."

persistent disadvantage", concludes, for all the analysis and policy tweaks over the years, there's a lack of accountability on ministers and public servants to confront the issue and to consider the needs of future generations. It says the current system of social service delivery is stifling innovation, and needs to be re-engineered to support new ways of working with whānau that build on their strengths, are led by local organisations, and anchored in trusting relationships.

The 179-page report is the outcome of an inquiry ordered in 2021 by six government ministers, including Finance Minister Grant Robertson, who wanted to bring issues like economic inclusion and disadvantage into the search for solutions to New Zealand's poor productivity.

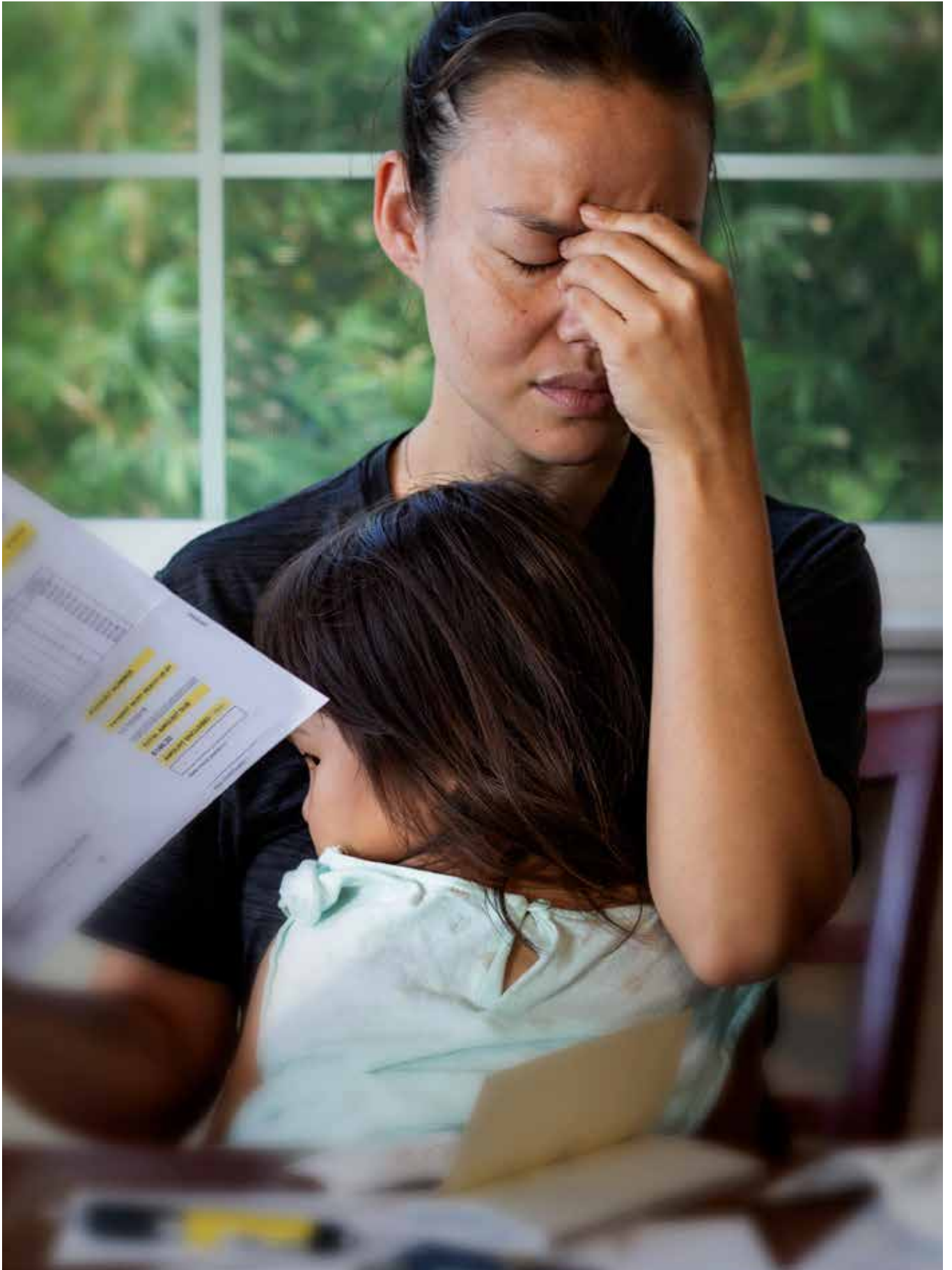
It would be a lost opportunity if, in the midst of a scrappy election contest for the median voter, the dire warning of commission chair Ganesh Nana is forgotten as quickly as that of the Treasury's McLiesh.

A "fair chance", says Nana, is an "illusory concept for many in Aotearoa New Zealand.

"Despite their best intentions, successive governments have failed to address persistent disadvantage. Well-meaning interventions and programmes, ranging from ad hoc and piecemeal to paternalistic directives with implied finger-pointing and victim-blaming, have not succeeded. This stain stubbornly remains on our nation and our communities. As a country, we must stop doing and supporting things that we know do not work and accept the challenge to try things that might."

Drawing on 2013 and 2018 census data, the commission estimates 697,000 people experience "persistent disadvantage" and 172,000 "complex and multiple forms" of persistent disadvantage.

When a chunk of the community can't get a fair go – because of poverty, deprivation or other forms of exclusion and disconnection – everyone loses out. "Persistent disadvantage wastes the talents and contributions of people who are unable to fully support their family and whānau and fully participate in their communities and the wider economy.



GETTY IMAGES

These lost opportunities do not just impact on individuals who experience persistent disadvantage; they make all New Zealanders worse off, including future generations,” the report says.

Nana points to a “collective reluctance to shift the dial. A seemingly resigned acceptance of this situation starkly risks further undermining the cohesion and trust – the social contract – on which our communities and businesses rely.”

ALPHABET SOUP

A glance back over the recent history of social policy tends to support Nana’s analysis. We’ve had talk of “whole-of-government” and “wrap-around” approaches to complex social issues for at least two decades. We had a go at “social investment”, using data to target the most high-needs families, but now we’re into “social wellbeing”. We’ve got a Living Standards Framework, and a newish law that’s supposed to make the public service better at responding to complex problems by being more “joined up” and agile. We’ve had the WEAG (Welfare Expert Advisory Group), which scrutinised the benefit system and recommended big changes – most of which still haven’t been implemented; we’ve got a Child Poverty Reduction Act (CPRA), with targets for the gradual decline in the number of children living in desperate hardship. We’ve cancelled the Office of the Children’s Commissioner (OCC), and are getting a new Children and Young People’s Commission (CYPC). There’s a Child and Youth Wellbeing Strategy (CYWS).

We’ve cooked up a veritable alphabet soup of good intentions. But it doesn’t seem to be making much difference. Social spending per person has doubled since 1980 (adjusted for population and inflation), according



Fears for future generations: Treasury CEO Caralee McLiesh, top, and Productivity Commission chair Ganesh Nana.

to NZ Institute of Economic Research economists Julie Fry and Peter Wilson. “And yet, all is still not well,” they note in a 2022 report. The real incomes of the poorest 10% of the population have hardly moved in 40 years, while those in the top 10% have increased significantly; 350,000 people still live in material hardship.

The number of working-age households suffering housing stress (spending more than 30% of their income on housing) has trebled since the 1980s. Food banks report soaring demand. And despite a mountain of international research showing the harm caused by poverty to young children’s cognitive, educational and health development, we tolerate the fact that close to 10% of New Zealand kids experience “material hardship” in their first eight years of life, according to findings from the Growing Up in New Zealand longitudinal study.

A LONG-TERM RELATIONSHIP

In its report, the commission has called out the intergenerational impact of racism and discrimination on Pasifika, migrants, people with disabilities, sole parents and LGBTQ+ people; and of colonisation and land alienation on Māori. “The impacts of historical and intergenerational trauma can include high rates of addiction and mental health issues, violence, poverty, and a loss of trust in institutions.”

It also highlights chronic short-term thinking in government – although its proposed solutions read as a utopian grab-bag. It wants a “social floor” – a set of basic social security guarantees – and calls for a Social Inclusion Act that would require the government to show short- and long-term objectives to reduce persistent disadvantage (to “complete” the Child Poverty Reduction Act). It

calls for a Wellbeing of Future Generations Act with a parliamentary commissioner.

These sound like further additions to the alphabet soup of noble-sounding intentions. But, Nana told the *Listener*, the proposed laws would establish the long-term framework needed to turn embedded disadvantage around, and recognise that success doesn’t come in “one-year rotating contracts” with service providers.

“We [need] longer-term relationships ... rather than the expectation of short-term wins.”

The needs of future generations are not represented in our current set-up, he says.

PSEUDO ACCOUNTABILITY

The report identifies public-sector systems of accountability for public spending on social programmes as a big part of the problem. What it calls “pseudo accountability” is stifling “collective, preventative and long-term approaches to addressing persistent disadvantage, including support for Māori and locally led, whānau-centred initiatives”.

“This pseudo-accountability trap means the appearance of doing something is often more important than the reality. As a result, wasteful and counterproductive practices – such as delivering unsuitable standardised services to people experiencing persistent disadvantage – continue, and individuals, whānau and communities experiencing disadvantage, along with wider society, bear the burdens that ministers and the public service fail to carry.”

Among the form-filling and box-ticking that community-based providers have to send “up the chain” to keep their funding, what’s missing is a sharp focus on what actually works for families and an ability to recognise what success might look like for individuals and whānau with complex needs.

In a research report for the inquiry, Fry and Wilson cite the example of a person who had previously refused to engage with services – perhaps because of prior trauma or loss of trust in state institutions – who finally agreed to sit down with a provider and have a cup of tea. That represented a breakthrough because it showed trust was forming, without which progress can’t be made. But that kind of success is impossible to measure on conventional accountability checklists.

BUILDING TRUST

But innovative, locally-led initiatives are making a difference for whānau entrapped by complex and intergenerational problems – often in spite of the system, not because



Putting whānau at the centre: Gisborne's Manaaki Tairāwhiti, from left, kaiurungi supervisor Laine Higham, chair & CEO Ronald Nepe; kaiurungi supervisor Lovey Poutu, programme lead Leslyne Jackson.

of it. One example highlighted by the commission is Manaaki Tairāwhiti, a regional social development group established in Gisborne in 2016 as one of three “place-based” initiatives. It operates in a region of huge and complex needs: two-thirds of Tairāwhiti’s population – 33,000 people – are living in material hardship, 77% of them Māori.

Manaaki Tairāwhiti puts whānau – rather than departments or social service providers – at the centre, taking time to establish trust and build an understanding of their needs and goals.

Kaiurungi (navigators) work with whānau for as long as required to connect them with the support that’s needed. They also collect data and insights that are used to identify blockages and barriers for families in the current system of social support. That information is then analysed and fed back into agencies to help them make changes.

Kaiurungi have been described as “the water you pour through the system to see where the holes are”.

The agency’s key areas of focus are addiction (the region has the second-highest rate of meth use in the country), family violence, child wellbeing, and housing. Its governance board brings together iwi leaders, the district mayor, and regional managers of health, education, social development,

justice, police, Kāinga Ora and Oranga Tamariki. The objective is to have all parts of the system working collaboratively, rather than in departmental silos.

“Individuals, whānau and communities bear the burdens that ministers and the public service fail to carry.”

FUNDING INNOVATION

Manaaki Tairāwhiti’s “learn, test and adapt” approach “provides ministers with the assurance that this approach is effective, and provides whānau with the confidence that they will be listened to, treated with respect, and supported to improve their lives”, the commission’s report says.

“In spite of our systems, they have been clever enough to combine enough resources and skills to service their people,” says Nana. “But that in itself has gobbled up a lot of resources to – and I don’t mean this to be pejorative – play the game. Most of those community providers will be delivering

more than what they are contracted for because they come across whānau and family requiring additional support, and they will do their best to source those supports elsewhere. They are not funded to do that other stuff, but that’s part of their kaupapa.

“We need to learn from what actually works on the ground rather than strangling it and saying, ‘No, you weren’t contracted to do that.’ We want to fund that innovation, that capability building, that ability to learn and evaluate the programmes as they go to see what works, and to – dare I say – be a bit ruthless on the ones that don’t work.”

The commission’s report is a “useful, valuable” contribution, says Grant Robertson, whose government has ditched a narrow focus on GDP in favour of wellbeing and has talked of unleashing grassroots innovation. The question, he says, is: “How do we make these models grow and flourish while also having accountability mechanisms and working out what the role of central government is in the midst of all of that.” ■

Next week, the Listener begins a major series, Hardship & Hope, focused on the work of local communities and organisations to improve the lives of some of the most deprived New Zealanders.