

Living Standards Framework 2021 Consultation



New Zealand Council Of
Christian Social Services

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Organisation Name:	New Zealand Council of Christian Social Services (NZCCSS)
Ko wai au Who we are:	<p>The New Zealand Council of Christian Social Services (NZCCSS) welcomes the opportunity to provide feedback on Treasury's Living Standards Framework.</p> <p>NZCCSS has six foundation members; the Anglican Care Network, Baptist Churches of New Zealand, Catholic Social Services, Presbyterian Support and the Methodist and Salvation Army Churches.</p> <p>Through this membership, NZCCSS represents over 250 organisations providing a range of community and social support services across Aotearoa. We believe in working to achieve a just and compassionate society for all, through our commitment to our faith. We strive to honour te Tiriti o Waitangi. Further details on NZCCSS can be found on our website www.nzccss.org.nz.</p>

Tirohanga Whānui | Overview

NZCCSS appreciates the public engagement on the updated Living Standards framework by Treasury, and also the opportunity to attend the Motu Research webinar. The parallel work of He Ara Waiora / A Pathway Towards Wellbeing is invaluable.

We acknowledge the enormous scope of wellbeing across social, cultural, economic and environmental arenas. We make this contribution in the interests of integrating these fields and in recognition of making selective commentary within our time capacity.

Taunakitanga | Recommendations

We raise the following points and recommendations for consideration:

1. Community and Social Services Sector identified within the Civil Society Domain

Wellbeing relies on a functioning and vibrant community and social services sector. We suggest that due to its specific nature, high degree of impact and increasingly challenging delivery that there is value in measurement by Treasury.

The Living Standards Framework 2021 mentions "firms and markets" but does not include reference to the for-purpose sector. The community and social services sector have a measurable impact on

GDP, and a material impact on wellbeing. JBWere report that the charitable and ‘for-purpose sector contributed \$12.1b to GDP in 2018.ⁱⁱ This equates to 4% of GDP.

The community and social services sector contribute significantly to wellbeing aspirations. Broadly speaking the role of the community and social services sector is to support people to move from dependency, poverty and isolation to interdependence, income sufficiency and participation. While philanthropy may be an avenue to address social needs, and contributes to public good, the sector is massively underfunded. Throughout 2021 there is been consistent and growing evidence of the desperate recruitment crisis across this workforce – creating severe organisational stress and jeopardy to the delivery of services.

1. Recommendations | Taunakitanga

1. That the Wellbeing framework refer to Community and Social Services within the Level 2 Domain, in order to bring analysis of this sector to the specific attention of Treasury advice. Indicators could include:
 - a. Impacts of community and social sector on wellbeing
 - b. Functioning and vibrant community and social sector workforce

2. Focus on Children

Treasury forecasts from the 2021 budget projects a 17% drop in child poverty with the increases in benefits over 4 years between 2023-2028.ⁱⁱⁱ This may now be out of step with the impacts of Covid-19. We know that children living in families with inadequate resources – particularly disadvantaged tamariki Māori and Pacifica children – are bearing the heaviest Covid-19-related burdens.

The Child Poverty Action Group (CPAG) report, ‘The first year of Covid-19’^{iv} tracks food insecurity, energy insecurity, communications and digital insecurity, and the impacts of on-line learning and impacts for children with disabilities.^v Analysis of income loss during the first year of Covid and inequities in financial security show the lower the income the more likely were job losses during lockdowns. Job losses for Pacific 11%, Asian 10% and Māori at 8%, with Māori most likely to be essential workers (CPAG 2021 p.17)

The CPAG Report shows the correlation of poverty with risk of COVID and the disadvantage of tamariki Māori. The profile of Pacific children is similar to that of Māori and is included in the CPAG analysis.

‘Even prior to Covid-19, many children and young people were facing deprivation. Levels of food insecurity (an indicator of severe income inadequacy) were already deeply troubling: 20% of children were living in households which sometimes or often ran out of food, including 30% of Māori children and 46% of Pacific children (DPMC, 2021).

The Youth19 survey found that 29% of high school students had experienced housing deprivation in the previous 12 months, including 10% whose family had needed to split up because their home was too small and 10% who had experienced inadequate housing such as sleeping in a car, in a garage, on the floor, or in emergency accommodation; couch-surfing; or sharing a bed due to lack of adequate places to sleep/live (Clark et al, 2021).

Of children and young people aged 0-19, around 15% lived in crowded homes at the time of the 2018 census, including approximately one in four tamariki and rangatahi Māori, and over four in every ten Pacific children and young people (Stats NZ, 2020). CPAG 2021 p. 15’

The practical side of poverty and hardship for children starkly shows up in their examples of now systemic dependence on food parcels. Our food provider network (Kore Hiakai) has consistently advised government that with each lock down the “new normal” is twice as high as previous need –

with no abatement in sight. Alongside constantly rising rents, power and other necessities the challenges are growing. A budget advisor at a member service in West Auckland shared:

"Food has become very expensive, our power has increased even our water seems to have got a little pricey as well, so our basics are expensive, let alone the rent. We are finding that nearly every client that is coming through is needing assistance with food."

We agree with the integration of child wellbeing across domains, and support the reference to the UN Declaration on the Rights of the Child. We suggest consideration of a specific child domain in Level 1, while retaining references to children throughout the levels and domains. In addition to indicators for children in LSF 2021, Appendix 2.

2.Recommendations | Taunakitanga

We refer to Girol Karacaoglu's distinction between anti-poverty strategy to reduce pain and deprivation, and a 'leave no-one behind' or capability investment strategy, oriented to opportunity with investment and 'pre-distribution wellbeing'.^{xiv}

1. An NZCCSS recommendation is therefore that measures of investment in capability building be added to the domains, either in the knowledge and skills domain, or a new capability investment domain (LSF, 2021 p. 56).
Alternatively
Under the Level 3 Wealth, and the Human capability domain, add a domain for investment in social capability, with indicators that measure progress or decline in investment.
2. The 'Indicator type' column in Appendix 2, show measurements of progress towards equity, and towards growth in capability be added.
3. Prepare indicators for lifting single people, families, whanau, fanau out of poverty through changing the tax thresholds. (Level 1, within the domain Income, Consumption and Wealth)

3. Inequality

Inequality is the most entrenched social injustice in New Zealand. Inequality has risen steadily since 1987 and the New Zealand tax system has a very low effect of reducing inequality. Internationally, we rank 25th out of 31 countries for the low effect of taxes in reducing inequality. Overall, New Zealand sits at 29 out of 36 OECD countries on inequality.

The LSF 2021 offers a holistic approach to wellbeing as a 'state of play' on wellbeing. NZCCSS considers that outcomes for wellbeing should be more explicit so that indicators and measures include progress towards achieving these. Thus we propose a high level statement of wellbeing, such as in the GPS-HUD, with indicators of progress towards this aspiration, and therefore a more dynamic approach to wellbeing.

When we analyse inequality and how to change it, most often we focus on poverty – on low wages and low benefit levels and the high cost of housing and good quality food. The heart of the issue is however wealth, and the ways in which our systems work to allow wealth to accumulate in the hands of a small proportion of the population. New Zealand has a low top tax rate of 33%, high revenue from GST, and income from capital gains through the sale of houses and businesses is largely untaxed. The disproportion in our tax system is fairly obvious.

3.Recommendations | Taunakitanga

Under the institutional indicators (LSF2021, p. 59) indicators for wealth distribution be added which include the ways in which the tax structure:

- c. Improves wealth distribution,
- d. Impacts on Māori

4. Epistemology of Wellbeing: Living Standards 2021, He Ara Waiora

We support the Living Standards Framework 2021 and *He Ara Waiora* as two distinctive frameworks. While points of overlap and integration are important, *He Ara Waiora* supports a rangatiratanga approach to Living Standards standing on the merits of tikanga Māori.

He Ara Waiora and the Living Standards framework 2021 offer the components of a Te Tiriti framework. This should be explicit with indicators and measures for improved Te Tiriti of Waitangi outcomes. We do not consider that reference to outcomes for Māori encompasses a full Te Tiriti framework. A Te Tiriti framework encompasses rangatiratanga as a governance framework alongside the Crown.

This section refers to the LSF 2021 as a whole and cannot be confined within Level 2 'Our Institutions and Governance'. However this section refers to specific areas of wellbeing, and with the additional insights discussed, additional indicators are proposed:

- Level 2, in the domain Whānau, Hapū, Iwi
- Level 3, the domain Environment, with the addition of Te Taiao
- Level 3, in the domain Financial and physical capital, include Taxation
- Level 1, in the domain Housing.

As recognized in He Ora Waiora 2018 Discussion Paper, the concepts that constitute He Ara Waiora have a whakapapa, and cannot be extracted from their cultural context and lineage:^{xvi}

'We recognise the weight of responsibility of seeking to draw on concepts of such cultural, spiritual and historical significance. We recognise that there is a whakapapa, or lineage, to these kupu and that they fit within a wider values-based framework within Te Ao Māori. We are seeking to build our understanding as we develop this framework, as well as developing tools to support practical implementation in public policy and to enable impact to be identified through outcome measures. This will also support the evolution of the Treasury's Living Standards Framework Dashboard.'

A parallel reflection on the assumptions that underlie the Living Standards Framework is missing. Much of the wellbeing analysis is attributed to leading economists, in particular the esteemed Amyarta Sen, without explicit reference to the liberal premises of economic theorists.

The premises of liberalism are broad and complex – and beyond the scope of a submission. Broadly speaking the premises of liberalism include the pre-eminence of the individual and associated rights and freedoms, a system of private property, equality before the law, the authority of written history, the social contract, sovereign authority. The liberal concept of family is understood as parents and children. Human rights are a mechanism to redress breaches of human wellbeing. These can be recognized as inordinately different from those of Te Ao Māori and need to be taken into account as Treasury, and government more generally develops a framework of wellbeing for Aotearoa New Zealand.

The difference conceptualizations of whanau, hapū and families serves as an example. The Superu report refers to whānau as a complex web of reciprocal relationships

'Whānau sit at the complex nexus between the social configuration of whānau, hapū and iwi, and the philosophical tradition articulated through Māori cultural knowledge, methods

and practice. At this nexus ‘being Māori’ is a lived reality in which whānau negotiate authentic pathways to new futures.’^{xvii}

The term whanau rangatiratanga, as used in the Superu Report refers to the authority of whanau in the context of tikanga and Te Ao Māori. The report opens with the important observation that data collection is based on a definition of family that is not a whānau. It refers to official statistics, ‘a family is defined as ‘a couple, with or without children, or one parent with children, usually living together in a household.’^{xviii}

Tā Taihākurei Durie, writing for the NZ Māori Council explains that whānau , amalgamating as hapū are the basic unit of Māori society:^{xix}

‘A key assumption is that hapū are the basic unit of customary society, and that these often find their modern form in urban marae and Māori organisations, including Iwi Post-Settlement Governance Entities. A second key assumption is that democratic responsibilities are not individually held, but exercised by the group, the hapū. Following on from this, participation is through the group.’

Wellbeing, in the LSF 2021 needs a robust account of the social structures of Te Ao Māori as distinct from the social structures of the Pakeha /Western world. An example of indicators referenced to Te Ao Māori may include resourcing of hapū and Māori communities to engage in resource management, provision for building marae, employment in Marae, investment in formal and informal wananga, access to funds for development through independent Māori authorities.

4.a. Mana Maori, Rangatiratanga Recommendations | Taunakitanga

4.a. 1. Under the Level 2, domain Whānau, Hapū, Iwi add indicators for recognition of and provision for Māori structures, such as:

- a. Growth in marae restoration or building
- b. Investment in wananga
- c. Engagement of Māori in Education and training
- d. Provision of structures that recognize Hapū and Māori community rights and obligations in addition to Post Settlement Governance Entities.
- e. Policy development on Māori rights, interests and obligations in respect of water.

4.a. 2. Indicators of growth in independent Māori authorities (such as the Māori Health Authority, Te Mana Hauora Māori)

4.a.3. Use Indicator of Supreme Court decisions in respect of recognition of tikanga, Te Ao Māori, Māori proprietary rights and obligations.

4.b.Environment, Te Taiao

Environment and Te Taiao are central to the forthcoming Natural and Built Environments legislation. In western thought, environment and nature are considered as distinct from humans and from society. Environment is categorized as a separate entity – a separation which is the subject of much philosophical inquiry, including being termed a system of power relations, in which nature is the inferior term to the human, also known as a system of mastery, The effect of this separation has been for humanity to lose its recognition of interdependence with nature and allowed the destruction of forests and waterways and biodiversity , and unravelling of the climate system to take place.

Economically it has allowed for externalities so that the costs of pollution, for example, can be discounted from the economic benefits of productivity and growth. The more complex ecosystem

science provides a narrative of interconnection - however when we use the term environment this legacy of thought perpetuates the separation, and stands in contrast to Te Taiao.

Humans and society are an integral part of Te Taiao, not separate from it. This is expressed through the concept of whakapapa. Te Taiao reflects the Maori world view that everything in the natural environment is related for all things descend from the one source of life, the union of Rangi and Papa, or scientifically, the union of earthly and atmospheric phenomena.

Adopting a Te Taiao view therefore means that all aspects of the environment must be respected, and the social values that go with that respect, so that the focus is not on the bottom lines of how much degradation can be tolerated. but on the best outcome that can be achieved in looking at developmental options.

A key requirement of mana whenua is for guaranteed access to water for cultural and economic purposes. The right to development is confirmed in the United Nations Declaration on the Rights of Indigenous Peoples, and affirmed throughout Waitangi Tribunal claims and settlements. Provision of catchment based Mana Whakahaere Councils is proposed to provide for the authority of mana whenua alongside the Crown, inaugurating a good faith process for decisions on a revised allocation system.

4. b. Environment, Te Taiao Recommendations | Taunakitanga

Indicators include:

- 4.b.1. Pricing for pollution
- 4.b.2. Biodiversity enhancement / decline

4. c. Tax Working Group, Taxation and Environment

The *Future of Tax* used the following framework for assessing the value of taxation for environmental outcomes:

- Measurement: It is feasible to measure?
- Maori rights and interests
- Pricing: to encourage efficiency of use.
- Equity

Underlying New Zealand's economy is a system in which pollution and loss of biodiversity are treated as externalities to productivity. In reality our natural capital is losing capacity to produce ecosystem services we depend on, such as clean water, soil quality and productivity of land. We need to change from an exploitative economy to a circular economy in which minimizes extraction and use of new material and energy resources, and incentivizes regeneration.

Currently New Zealand has minimal use of environmental pollution taxes. Taxes can also be applied to greenhouse gas emissions; water pollution; water abstraction; solid waste; and road transport. The Emissions Trading Scheme to pay for the pollution of carbon emissions has been plagued by a low price on carbon so has been ineffective at reducing emissions, although indications are that this is changing.

Taxes could be applied to both urban and rural source of pollution from nitrogen, phosphorus, sediment, pathogens (e-coli). A parallel measure could be to tax 'inputs' such as fertilizers which are fossil fuel intensive to produce and which negatively impact land and waterways.

Regulation may be more effective in managing pollution.

As with all tax proposals, effectiveness and social justice considerations have to be evaluated, including additional burdens on low income people.

A water abstraction tax could be used to ration the amount of water taken from springs and aquifers. A limit could be set through the National Policy Statement with a tax on the resource use would improve efficiency of use as well as providing a fund for the restoration of degraded water. Water abstraction is challenging because of so many interests in the resource. Considering equity issues alone, those who have consents to take water for agriculture, hydro energy generators, urban users could pay a tax on their use. However we have the unsolved problem that water is overallocated and we have to find access to allocation of water resources for Māori.

Land assets with access to water allocations, such as for taking water or for irrigation have capitalized value in land, and thus a 'capital gain' of the improved value of the land asset. This brings a cross over between resource use tax and a Capital Gains tax and we see some of the complexity of adjusting the tax system for social equity and for environmental responsibility and stewardship.

4. c. Taxation and Environment Recommendations | Taunakitanga

Indicators include

4.c.1. Taxation for pollution

4.c.2. Tax incentives to reduce use of water, including taxation on commercial use

4.c.3 Equity of access to environmental resources

4. d. Housing

Housing is one of the most critical issues of wellbeing in Aotearoa NZ. It covers matters of ownership and rental accommodation, policy to address housing supply and major issues of affordability. Access to affordable housing is critical for home ownership and for rental accommodation. Additional issues for rental accommodation in the face of scarcity, include security of tenure and permanency and quality standards for health. On the landlord side restrictions of rent rises need to be addressed. The social housing waiting list is currently at 24,474 on the Housing Register. ^{xx}These issues are not traversed here, although we include some indications for housing to support social justice interests in housing. We recommend additional indicators to those in LSF 2021, Appendix 2. p.56)

As an example of policy advice NZCCSS recently submitted to the HUD Consultation on Long Term planning for housing for an aging population. In our submission we distinguished between the trajectory of general population aging and that for Māori in the context of whānau, and for Pacific Peoples. This leads to very different options for providing for housing in these populations. In brief, for all populations we identified provisions for the increasing numbers of aging people facing retirement without owning a home, and reliant on rentals. National Super does not provide for rental costs, nor mortgage payments.

Tauwi needs may be in affordable housing such as reactivating provision of pensioner / kaumatua housing, Abbeyfield style shared living, retirement villages. In addition, there is a need across all groups to facilitate home ownership for low income people so that security of housing is retained throughout old age as long as an older person is capable of independence or co-accommodation arrangements. These include rent-to-buy and leasing.

Then specific whānau requirements need to support provision of more collective options. An issue for Long Term planning for aging Māori is to collect data relevant to whānau rangatiratanga, recognizing that information about whānau is nested within Te Ao Māori and tikanga values. One of the wellbeing dimensions proposed in the Superu report is social capability:

'Strong connections and ties in the Māori and mainstream community (internal and external social cohesion) Could include indicators relating to: people, social relations and networks, including whānau through extended family and tribal structures. In terms of potential this includes enablers of, and barriers to, social interaction as Māori and

as whānau on marae as well as in wider society. It also includes demographic structures and characteristics of whānau.^{xxi}

Work on Māori wellbeing continues in the refreshed Living Standards Framework and the work of HUD on Long Term ageing and housing needs to be in dialogue with this work.^{xxii}

Considerations for Māori housing include provision of urban and rural papakāinga with provision for intergenerational living. Kuia and kaumatua will often be bringing up mokopuna and may have adult whānau returning home. They are thus providing a home for multigenerational living. Whānau living for aging Māori should be supported, not discouraged, as it offers reciprocal support and benefit across generations. Collective housing arrangements allow for sharing resources including care and costs such as household goods - washing machines, lawn mowers, etc and sharing of rates.

4.d. Housing Recommendations | Taunakitanga

Housing Indicators include:

- 4.d.1. Access to affordable housing including both rental housing, and home ownership through schemes such as shared equity, leasing, rent-to-buy schemes.
- 4.d.2. Regulation for limitations on rent rises
- 4.d.3. Provision of rural and urban papakāinga
- 4.d. 4. Provision for public housing.

5. Te Tiriti o Waitangi

Te Tiriti o Waitangi should provide the orienting structure for wellbeing and the Living Standards framework. This should be explicit in the diagram. It would then provide greater clarity for Treasury advice in respect of Māori policy informed by He Ara Waiora and for general policy advice that is considerate of He Ara Waiora, corrective of historical legacies of colonization, and reflective of the Aotearoa New Zealand context.

Te Tiriti O Waitangi provides for governance by the crown with responsibility to ensure and provide for ongoing tino rangatiratanga as full Māori authority over their country. If wellbeing is to be consistent with Te Tiriti o Waitangi does Treasury advice on wellbeing support Tino Rangatiratanga. During the Motu Wellbeing Webinar, Prof Tracey McIntosh referred to 'co-determination' as a framework that gives effect to Te Tiriti o Waitangi, and to the UN Declaration on the Rights of Indigenous Peoples.^{xxiv}

It is valuable to track provisions for Te Tiriti in legislation. For example the proposed Natural and Built Environment Act is likely to provide for 'giving effect to the principles of Te Tiriti o Waitangi. Supreme Court decisions are also providing an import source of recognition of customary law and Tikanga. For example the 2021 TransTasman Resources Supreme court decision recognizes rangatiratanga, tikanga and Principle of equity.^{xxv}

This submission proposes further development of a Te Tiriti o Waitangi analysis and clarity as the framework evolves.

5. Recommendations | Taunakitanga

1. Add a Te Tiriti o Waitangi framework to the LSF 2021 diagram.
2. A Tiriti framework which includes Māori specific and Crown/tauiwi spheres as well as provision for the areas of common, shared interests and responsibilities.
3. Indicators for a Te Tiriti o Waitangi Framework for wellbeing include:

- d. measures of the establishment of Māori authorities as indicators of recognition of rangatiratanga frameworks for governance and decision-making.
- e. Identifying provisions for Tiriti o Waitangi in legislation and public institutions.
- f. Reference to Supreme Court decisions in respect of Te Tiriti o Waitangi and recognition of customary law and tikanga.