

Submission by

Hamilton City Council Staff

A FAIR CHANCE FOR ALL INQUIRY - BREAKING THE DISADVANTAGE CYCLE

Due: 27 August 2021

It should be noted that the following submission is from staff at Hamilton City Council and does not represent the views of the Council itself.

1.0 EXECUTIVE SUMMARY AND KEY MESSAGES

- 1.1 Disadvantage occurs at individual level driven by a range of external factors. Focus should be given to intergenerational routes of persistent disadvantage rather than splitting energy and resources to try and address both brief life course and intergenerational circumstances/mobility.
- 1.2 Reports and publications from organisations such as Child Poverty Action and the Salvation Army provide robust and evidence-based solutions that the Government should listen to/take cognisance of and then implement. Solutions must be at local level.
- 1.3 Undertaking actions is more important (and possible) at this point in time rather than continually focusing on undertaking more research.
- 1.4 Part of the answer may lie in the likes of addressing household incomes and universal benefits, such as using the recommendations from Child Poverty Action.
- 1.5 The contribution that local government can make through its statutory purpose of promoting local democratic decision-making and action by and on behalf of communities and promoting the social, economic, environmental, and cultural well-being of communities in the present and for the future can also clearly play a key role in mitigating conditions within communities which give rise to persistent inequality.
- 1.6 Local government needs the resourcing and support from central government to deliver options and solutions that reflect the local environment.

2.0 INTRODUCTION

- 2.1 Hamilton City Council staff would like to thank the New Zealand Productivity Commission for the opportunity to make a submission to the **A Fair Chance for All Inquiry - Breaking the Disadvantage Cycle**.
- 2.2 Section 3.0 provides our feedback to the four questions outlined on the New Zealand Productivity Commission's website regarding the Inquiry.

3.0 RESPONSE TO THE INQUIRY'S FOUR QUESTIONS

- 3.1 **Question 1. What are the main aspects of disadvantage that should be investigated in this Inquiry?**
- 3.2 Disadvantage occurs at individual level driven by a range of external factors. Focus should be given to intergenerational routes of persistent disadvantage rather than splitting energy and resources to try and address both brief life course and intergenerational circumstances/mobility.
- 3.3 **Question 2. Where should the Commission focus its research effort?**
- 3.4 Although the Commission's 19 July 2021 Discussion Paper articulates that information is patchy, it also cites a number of solid research positions that outline not only the complexity of issues being faced, but also the importance of particular life phases (e.g., a child's first 1,000 days) alongside the deep connection of poverty "sticking" more in increasingly unequal societies. Enough data and evidence exists that should enable action that would see significant change in breaking persistent disadvantage in New Zealand.
- 3.5 The Commission should access research already undertaken by agencies that focus on the areas of persistent disadvantage, such as Salvation Army and Child Poverty Action, rather than creating additional research. Any research undertaken must be down to a level that is useful for other agencies such as local governments to apply to their regions and sub-regional and SA2 area levels to understand the different drivers for disadvantage at a local community level, as this is where the interventions are most effective to make change.
- 3.6 **Question 3. Where should government focus its effort on finding solutions?**
- 3.7 Reports and publications from organisations such as Child Poverty Action and the Salvation Army provide robust and evidence-based solutions that the Government should listen to/take cognisance of and then implement. Solutions must be at local level - and to ensure the best outcome, those working at the local level should have the flexibility to deploy options most relevant to the local situation.
- 3.8 **Question 4. Is there anything else that you would like to see covered in this Inquiry?**
- 3.9 Our view is that undertaking actions is more important (and possible) at this point in time rather than continually focusing on undertaking more research.
- 3.10 Part of the answer may lie in the likes of addressing household incomes and universal benefits, such as using the recommendations from Child Poverty Action i.e.:
- A. Indexing Working for Families (WFF) payment rates to wages to halt the relative erosion of income support for children, and indexing WFF thresholds, to the CPI or the minimum wage.
 - B. Make WFF child-centric by decoupling it from all paid work requirements. This entails extending the equivalent of the In-Work Tax Credit to all low-income children, whether their parents are on-benefit or not, in order to help ensure incomes for all children are adequate in the most cost-effective manner (particularly the first 1,000 days).
 - C. Increasing Family Tax Credit payment rates, over and above indexation, as a one-off (in conjunction with benefit increases), to help ensure incomes for all children are adequate and reduce government reliance on the Accommodation Supplement.
- 3.11 The contribution that local government can make through its statutory purpose of promoting local democratic decision-making and action by and on behalf of communities and promoting the social, economic, environmental, and cultural well-being of communities in the present and for the future can also clearly play a key role in mitigating conditions within communities which give rise to persistent inequality.

3.12 To further this matter, Hamilton City Council has as its purpose *'To improve the wellbeing of Hamiltonians'*. This means understanding the wellbeing of our community at a local level and partnering with others to provide options to address disadvantage drivers at this level. Local government needs the resourcing and support from central government to deliver options and solutions that reflect the local environment.

4.0 SUPPORT FOR WAIPA DISTRICT COUNCIL'S SUBMISSION

4.1 Hamilton City Council staff support and are a co-signatory to the submission lodged by Waipa District Council to the New Zealand Productivity Commission's **A Fair Chance for All Inquiry**.

4.2 This submission was co-signed by the Chief Executives of 10 councils in the Waikato Region i.e.:

- Richard Briggs - Hamilton City Council
- Garry Dyet - Waipa District Council
- Gareth Green - Taupo District Council
- Chris Ryan - Waitomo District Council
- Ben Smit - South Waikato District Council
- Geoff Williams - Rotorua Lakes Council
- Rob Williams - Thames Coromandel District Council
- Tanya Winter - Otorohanga District Council
- Don McLeod - Matamata-Piako District Council
- Chris McLay - Waikato Regional Council

5.0 FURTHER INFORMATION AND OPPORTUNITY TO DISCUSS OUR SUBMISSION

5.1 Should the New Zealand Productivity Commission require clarification of the submission from Hamilton City Council staff, or additional information, please contact **Mark Brougham** (Strategic Advocacy Programme Manager) on 022 136 1578, email mark.brougham@hcc.govt.nz in the first instance.

5.2 Hamilton City Council staff would welcome the opportunity to discuss the content of our submission with the New Zealand Productivity Commission in more detail.

Yours faithfully



Richard Briggs
CHIEF EXECUTIVE