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TO: Māori Affairs Select Committee

Submission:
Inquiry into the determinants of wellbeing for Māori children

Child Poverty Action Group thanks the Council for the opportunity to submit on this important plan. Child Poverty Action Group (CPAG) comprises a group of academics and workers in the field dedicated to achieving better policies for children. The aims of our organisation are:

- The development and promotion of better policies for children and young people.
- Sharing information and connecting with other groups with similar concerns.
- Elimination of child poverty in Aotearoa New Zealand by 2020

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Please note we wish to speak to our submission
Introduction

[1] Māori are over represented in every negative social statistic: Māori are more likely to live in poverty;¹ are more likely to be unemployed and reliant on benefit income; have higher rates of smoking and poorer health than the general population; and Māori young people are more likely to leave school without qualifications, and are less likely to take up tertiary training.

[2] The Māori population – along with the Pasifika population – has a much younger age structure than the older European population that designs the economic and social policies that ultimately determine the wellbeing of Māori children and young people. Child Poverty Action Group (CPAG) urges the Committee to be mindful firstly that the dismal statistics for Māori are the outcome of almost two generations of economic and social policies that have had a disproportionately negative impact on them, and righting the obvious wrongs will accordingly take many years; and secondly that policy and legislative measures must address the glaring lack of equity in the distribution of resources between older, wealthier New Zealanders, and poorer, much younger Māori and Pasifika New Zealanders. Improving the wellbeing of Māori and Pasifika children cannot just be policy for today: it must be policy that addresses New Zealand’s long-term demographic change.

[3] CPAG notes that the Committee’s terms of reference, as well as much of the discussion in both policy circles and the public domain, assumes ‘Māori’ to be both readily identified and homogeneous. However, ‘Māori’ is a diverse group, and one that reflects the widening income gap of the general population since the mid-1980s (Gould, 2008). Policies designed to address the disadvantage of many Māori children need to recognise that a one-size-fits-all approach is unlikely to be of universal value as differences in income, urbanisation and migration, and multi-generational disadvantage all impact on children’s lives.

[4] New Zealand must be committed to providing every child with every opportunity. The data below for Māori – and Pasifika – children clearly show we are falling well short of this ideal. The Committee has an opportunity to begin to correct this.

[5] CPAG’s submissions are in the next section. Commentary specifically addressing the terms of reference follows.

[6] This submission ends with references and a bibliography listing the significant body of research already done in New Zealand on Māori children and young people.

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¹ This includes any measure of poverty, including the Ministry of Social Development’s Living Standards Survey.
Child Poverty Action Group submissions

- Māori children cannot be considered independently of their whanau. Measures to improve outcomes for Māori children must therefore aim to improve overall outcomes for the wider whanau. This means addressing issues of poverty, the lack of decent jobs and housing, the ongoing and growing equity gap with non-Māori, and discrimination.

- The government must commit to improving outcomes for Māori employment, income, child poverty, education outcomes, household overcrowding, children’s hospital admissions for infectious diseases, youth suicide, and life expectancy.

- Targets for reducing Māori child poverty, and improving other social outcomes must be agreed, and regularly monitored and publicly reported. Where targets are not met, the variance must be explained. An example of regular monitoring and reporting is the Social Report published annually until 2010 by the Ministry of Social Development.

- Beneficiary Māori households must be given an immediate income boost through extending the In-Work Tax Credit to all children, regardless of their parents’ work status.

- Government investment in all children, especially very young children, must be increased, as per the OECD’s recommendation (OECD, 2009b). Services must be provided on a universal basis, scaled with a proportionate increase to alleviate the hardship of less well-off groups, and address particular needs of disadvantaged children (The Marmot Review, 2010).

- Every New Zealand child should have equal opportunity to become an educated, contributing citizen. The data below show clearly that this is not presently the case, with Māori and Pasifika children in particular being far more likely to miss out on opportunities others take for granted. CPAG strongly urges the Committee to focus on policies that will begin to reduce the equity gap between Māori and non-Māori.

- The Committee must also recognise and recommend appropriate action in relation to New Zealand’s national and international legal obligations, including the Treaty of Waitangi, the UN Convention on the Rights of the Child, the Convention on Economic, Social and Cultural Rights, and the Convention on Indigenous People.

Current health, education, and welfare profiles of Māori children

[7] There is now a great deal of data in the public domain detailing overall health, education and welfare profiles of Māori children. At the end of this submission is a bibliography with just some of the publications containing this data.
The New Zealand Child and Youth Epidemiology Service (NZCYES) compiles data from a number of different sources, including hospital admissions from District Health Boards (DHBs). Their 2011 update notes:

In New Zealand, there are currently large disparities in child health status, with Māori and Pacific children and those living in more deprived areas experiencing a disproportionate burden of morbidity and mortality…during 2000–2010, hospitalisations for medical conditions with a social gradient were consistently higher for Pacific > Māori > European and Asian children. For Pacific children, admissions increased during the early 2000s, reached a peak in 2003 and then declined. An upswing in rates was again evident during 2007–2009, with rates then declining during 2010. For Māori children, rates were static during the mid-2000s, but then increased between 2007 and 2009…during 2004–2008, mortality from medical conditions with a social gradient was significantly higher for Pacific and Māori > European and Asian children, and those in more deprived (Decile 7–10) areas. Similarly mortality from injuries with a social gradient was significantly higher for Māori > Asian, Pacific and European children, males and those in more deprived (Deciles 3–4 and 7–10) areas (Craig & et al, 2011, pp. 43, 47, 50) (See also Percival, 2011; and Turner, Asher, Bach, Fancourt, & Merry, 2011).

Figure 1: Hospital Admissions for Conditions with a Social Gradient in Children Aged 0–14 Years by Ethnicity, New Zealand 2000–2010

Source: Craig et al (2011), p. 48
Increasing inequality and household overcrowding have also been associated with a rise in rheumatic fever (Jaine, Baker, & Venugopal, 2008), as well as skin infections (O'Sullivan, Baker, & Zhang, 2010).

A recent study by Dr Michael Baker found that reported rates of hospitalisation for infectious diseases “increased from 20·5% of acute admissions in 1989–93, to 26·6% in 2004–08…clear ethnic and social inequalities [were evident] in infectious disease risk. In 2004–08, the age-standardised rate ratio was 2·15 (95% CI 2·14–2·16) for Māori (indigenous New Zealanders) and 2·35 (2·34–2·37) for Pacific peoples compared with the European and other group. The ratio was 2·81 (2·80–2·83) for the most socioeconomically deprived quintile compared with the least deprived quintile. These inequalities have increased substantially in the past 20 years, particularly for Māori and Pacific peoples in the most deprived quintile” (Baker et al., 2012, p. 1). Dr Baker noted that the common factor among the increase in hospital admissions was poverty. The paper also noted that while hospitalisation rates for infectious diseases had been falling in other developed countries, New Zealand was unusual in recording an increase (Baker et al., 2012) over the period of the study.

Increasing inequality and household overcrowding have also been associated with a rise in rheumatic fever (Jaine, Baker, & Venugopal, 2008), as well as skin infections (O’Sullivan, Baker, & Zhang, 2010).

Figure 2: Rheumatic fever first admissions, 1996-2005

Dr Baker’s paper as well as previous work done by him (Baker et al., 2000) has cited household overcrowding as a key risk factor for children catching infectious diseases (p7). The 2010 report for Housing New Zealand Corporation (HNZC) on Māori housing trends notes Māori are more likely to live in overcrowded housing than the general population (although they are less likely to be overcrowded than Pasifika families). “In 2006 however, about 14 percent of Māori households accommodating
about 23 percent of the Māori population were overcrowded. Even though the level of crowding for Māori has steadily declined between 1986 and 2006, and has done so at a greater rate than for Pacific households, the difference between the crowding level of Europeans and Māori remains the same. In 2006, four times as many Māori households as European households were crowded” (Flynn, Carne, & Soa-Lafoa'i, 2010, p. 30). In other words, Māori children are more likely to live in overcrowded conditions that in turn make them more susceptible to infectious diseases.

[13] The HNZC report also notes about 12% of Māori live in a HNZC house, compared with 5% for the general population” (Flynn, Carne, & Soa-Lafoa'i, 2010, p. 29). Due to the scarcity of social housing in New Zealand (a situation currently being made worse by changes to HNZC listing rules, and a significant reduction in new state house investment), living in a Housing New Zealand house is likely to be associated with low income and/or disability. Housing reflects and exacerbates existing inequalities and their associated health gradients. Any policies designed to address the inequities in Māori health must address housing. Current policies upgrading existing social housing are insufficient. There must be greater investment by the state in quality state housing if we are to begin to improve the health of Māori and other New Zealand children.

**Education**

[14] The Prime Minister’s Chief Science Advisor 2010 report on young people included a chapter on education outcomes for Māori and Pasifika young people. The chapter noted: “A significant group of children in New Zealand, many attending low decile schools and particularly Māori and Pasifika children, have educational risks in the adolescent years...Low engagement and achievement patterns for these children are associated with contemporaneous and longer term problems of health and wellbeing” (McNaughton, 2011, p. 97).

[15] Although New Zealand’s education system ranks well by international standards, the so-called ‘fat tail of underachievement’ is predominantly filled by young Māori and Pasifika, especially young men. Data from the Ministry of Education shows Māori have higher rates of school suspensions, early leaving exemptions, and the lowest rate of leaving school with Level 2 NCEA of any ethnic group (Ministry of Education, 2010, pp. 22-24). This has obvious implications for the ability of these young people to obtain employment or take advantage of educational opportunities further down the track.

[16] The economic disadvantage experienced by Māori is a factor in the educational underachievement of Māori young people. OECD data shows that for New Zealand the percentage of variance in student performance explained by the PISA index of economic, social and cultural status is significantly above the OECD average, and well above that of neighbouring Australia.² The data also shows New Zealand’s socioeconomic gradient in education to be the highest in the OECD.

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² Data available [http://dx.doi.org/10.1787/888932381418](http://dx.doi.org/10.1787/888932381418).
Education is not simply about improving teacher quality – it reflects the socioeconomic circumstances of students, including the relative deprivation of Māori and Pasifika students in New Zealand. CPAG is alarmed at Treasury suggestions that teacher/student ratios be reduced (The Treasury, 2011), with the implication that the socioeconomic backgrounds of many Māori students can be offset by improved teacher training.

[17] The Gluckman report (p11) notes the disadvantage that is evident at secondary school has its roots in unequal access to early childhood care and education (ECCE). While the government has made improved access to ECCE a policy goal, there remain gaps in the availability of ECCE that mean Māori and Pasifika children in low-income areas are undersupplied with available early childhood centres. In parts of Auckland only 30-40% of children are able to attend local early childhood centres due to a shortage of places (Ritchie & Johnson, 2011). Moreover, the so-called 20 hours free care is often not free, with some ECCE centres charging up to $200 per week. Due to their own funding requirements, ECCE centres often charge 52 weeks fees even if parents do not use them the whole year, and demand some or all of this is paid in advance. For families on low incomes this represents an impossible financial burden, further restricting access to ECCE.

[18] Nevertheless, there has been significant investment in the early childhood sector in recent years. However, the data for Māori remains dismal.

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Figure 3: ECCE attendance rates for European and Māori children under 5

Adapted from Salvation Army Social Policy and Parliamentary Unit (2012).

[19] The graph shows attendance rates per 1,000 children. Although the number of Māori children attending ECCE increased from 2006-2011, the proportion attending was no higher in 2011 than in 2006, and the equity gap between Māori and non-Māori had increased. This graph provides stark evidence of the need for additional funding for disadvantaged groups. Funding a for-profit sector in the hope
that some will trickle down to low-income children is not sufficient. Indeed, this graph suggests that the gains of increased funding were the group that was already comparatively advantaged.

**Welfare, income and employment**

[20] The terms of reference for this inquiry specify the “welfare” profile of Māori children. Such a profile cannot be established in isolation from a more general consideration of family income. Again, there is a great deal of data showing the outcomes for Māori are, on the whole, worse than of other groups (Stephens, 2011). Māori children are over-represented in welfare statistics (Welfare Working Group, 2011, pp. 61-62); with generally lower skill levels, Māori are more likely to work in unskilled low-paid jobs (Satherley & Lawes, 2006), as a group they have an unemployment rate of 13% (the same as Pasifika) as against the population average of 6%, and the Māori median income in June 2011 was $459 as against the population average of $550.

[21] 2006 census data also shows a distinct sociospatial aspect to Māori un/employment. Māori are more likely to live in areas of high unemployment, in particular rural Waikato, the southeastern Bay of Plenty, Poverty Bay, and Northland. In urban areas the de-industrialisation of South Auckland, combined with historical migration patterns has resulted in about 300,000 people, with a higher than average proportion of Māori and Pasifika families, living in the most deprived areas in New Zealand. While high rates of Māori unemployment are often portrayed as a welfare problem – as implied, for example, in the terms of reference for this inquiry – the problem is the broader and more difficult issue of economic development, or its absence. Welfare is what people have for income when there is insufficient work to support families.

[22] The income and welfare profile of Māori children is particularly worrying. Ministry of Social Development data show Māori are over-represented in benefit statistics. In December 2011, of the 114,230 Domestic Purposes Beneficiaries 42% were Māori. Unsurprisingly, this has increased since 2008 with economic growth being all but stalled, and a steady stream of job losses in both the public and private sectors. There are approximately 220,000 children in DPB-dependent households, and approximately 43% of these will be Māori.

[23] This huge equity gap is compounded by government policies that operate to actively discriminate against the children of beneficiary families on the basis of their parent’s income. The In-Work tax Credit, worth $60 per week for three children and an additional $15 per week per child thereafter, is not available to parents on a benefit. Technically (and despite its name), the In-Work tax Credit is a support for the child (it goes to the caregiver, not the income earner). As such, it should be available to all children, regardless of the work status of their parents.

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The impact of the off-benefit rule and the work hours requirement (20 hours per week for a sole parent, 30 hours per week for a couple) for both the In-Work Tax Credit and the Minimum Family Tax Credit is particularly inequitable for Māori and Pasifika families. Not only have they lost their jobs – and hence their tax credits – at a faster rate during the recession, they are also far more likely to be in casualised work where work hours are erratic. Thus redundancy means not only losing one’s job, but also losing the financial support for the children. Casualised work means families can end up owing money to IRD at the end of the tax year as a result of overpayments (For a discussion of the inequitable consequences of the In-Work tax Credit, as well as its general ineffectiveness as a work incentive, see St John, 2011).

In 2006 CPAG calculated that the non-availability of the In-Work Tax Credit was costing Māori and Pasifika families approximately $480 million per annum (Wynd, 2006). In 2012 this amounts to an accumulated $2.8 billion (probably more) that ought to have been available to Māori and Pasifika families living in the most disadvantaged communities in New Zealand.

The starkest outcomes of the multi-generational disadvantage of Māori whanau are revealed through two statistics: life expectancy and suicides. Māori life expectancy, although improving, remains well below that of Europeans. The other compelling statistic is that of youth suicides. Data released by the Coroner’s office in 2011 highlights the very high rates of suicide among young Māori, young men in particular. This appalling statistic is not an indictment on the young people whose lives have ended well before their time: it is an indictment on a polity prioritising support for older Pakeha. It is this statistic that will be the ultimate arbiter of whether this inquiry has improved the wellbeing of Māori children and young people and their whanau.

The key issue is poverty. Improving outcomes for Māori must acknowledge and deal with the high levels of poverty experienced by many Māori whanau. Longitudinal research from Christchurch and Dunedin consistently shows poverty is correlated to reduced children’s wellbeing, while more recent research has highlighted the likelihood that children growing up in poverty will themselves have poor educational outcomes and end up poor as adults (Fergusson, Horwood, & Gibb, 2011). The New Zealand Child and Youth Epidemiology Service (NZCYES) argues that ongoing exposure to socioeconomic disadvantage in the first five years of life has repeatedly been associated with detrimental long-term outcomes for children. Socioeconomic disadvantage has been shown to impact negatively on health, development and wellbeing. The social determinants of wellbeing are as relevant for Māori as other children, and the depth and persistence of poverty in some communities means many are likely to get caught in the cycle of low educational attainment, unemployment, low income, inadequate housing, and persistent ill-health that has become the norm in many families.

In 2006 CPAG wrote: “Ending child poverty is one of its [the Agenda for Children] key action areas. It affirms the importance of government support to family and whanau to help them meet children’s needs. It acknowledges the Crown’s
obligations under the Treaty of Waitangi and UN Convention on the Rights of the Child (UNCROC) to work in partnership with Māori to protect the collective and individual interests of Māori, and to reinforce (not simply protect) Māori children’s rights” (Wynd, 2006). CPAG submits that this remains the case in 2012.

Public investment in Māori children across the health, education, social services, and justice sectors –is it adequate and equitable?

[29] There is insufficient information in the public domain to address the question of how much public investment there is in Māori children. This question also assumes “Māori” is a readily identifiable category. However, the health, education, ECCE, housing and income data suggest that expenditure on Māori is not equitable. On the contrary, in some sectors the equity gap is growing, and this must be of concern to the Committee.

[30] The data also strongly suggest that spending is not adequate. In 2009 the OECD noted: New Zealand spends less than the OECD average on young children and much less than it does on older children. Spending more on young children is more likely to generate positive changes and, indeed, is likely to be fairer for more disadvantaged children. Based on international evidence, the OECD concludes that New Zealand should spend considerably more on younger, disadvantaged children” (OECD, 2009b).

[31] Given the statistics above, this clearly means that greater expenditure on Māori children is essential.

[32] CPAG submits it is important to consider children’s services on a universal basis as the evidence suggests this is the most efficient and effective way of ensuring children get access to them (OECD, 2009a). The key risk in targeting selected groups is that it will miss the broader need to create an environment wherein all children have equality of opportunity, and from within which to identify children’s multiple needs (especially Māori children who may have multiple disadvantages). In addition to basic universal services there needs to be proportionate universalism for additional, more specialised, services as described by Sir Michael Marmot (The Marmot Review, 2010). Here, universal services are scaled with a proportionate increase to alleviate the hardship of less well-off groups, and address particular needs of disadvantaged children. “Focussing solely on the most disadvantaged will not reduce health inequalities sufficiently. To reduce the steepness of the social gradient in health [or education, or ECCE], actions must be universal, but with a scale and intensity that is proportionate to the level of disadvantage” (The Marmot Review, 2010, p. 15). School decile funding is an example of proportionate universalism.

[33] Such a system of funding would be a great deal more equitable than current policies which increasingly seek to target high needs groups. Experience from the justice sector suggests that this approach not only fails to improve outcomes for the
targeted group, but fails to provide services for others who may need them.\(^4\) New spending on children must be an imperative. Children in low-income families should not be forced to pay the cost of fiscal decisions from which they get no benefit.

*How public investment in the health, education, social services, and justice can be used to ensure the well-being of Māori children*

[34] This has largely been addressed in the preceding sections.

*The social determinants necessary for healthy growth and development for Māori children*

[35] This, too, has been addressed in the preceding sections.

*The social determinants necessary for healthy growth and development for Māori children*

[36] Again, this has been dealt with in the preceding sections. The key social determinants are an adequate income and decent, stable housing. Without a commitment to addressing these underlying core determinants, any solutions will be temporary and inadequate. Improving incomes must encompass a positive economic development programme and job creation. Government plans to move people off welfare in the absence of stable, well-paid jobs will simply result in more poverty, and historically this means more poverty for Māori and Pasifika families. Poverty does not result in healthy growth and development for children; its consequences are the opposite, that is, poor health, poor individual and whānau outcomes and lost and wasted opportunity.

*The significance of whanau for strengthening Māori children*

[37] Children and young people live within the context of their families: outcomes for any child are dependent on what happens to their families, and on their families’ overall wellbeing.

[38] Whanau have a critical role in supporting Māori tamariki, an emphasis which has been increasingly reflected in a range of policy and practice. However, is not a support which can be maximised if provided alone; that is, whānau economic and social wellbeing is essential in enabling that support to be provided. Whanau support is enhanced by having an adequate income, good housing and good employment opportunities and, as this submission has noted in a number of places, in all of these three areas Māori are at a significant disadvantage. In short, effective whanau support requires reduced levels of poverty, improved educational and employment opportunities and improved housing for Māori.

\(^4\) Kim Workman, pers comm, 2011.
Appropriate policy and legislative pathways will depend on the findings of this inquiry, and what the Committee recommends.

Given that this inquiry overlaps with the government’s Green Paper on Vulnerable children – many of whom are Māori and Pasifika – CPAG submits that the same principles be applied.

- Any focus on Māori and Pasifika children must include a commitment to improving the wellbeing of their whanau. This means addressing issues of poverty, the lack of decent jobs and housing, the ongoing and growing equity gap with non-Māori, and discrimination.

- The government must set targets for improving outcomes for Māori and Pasifika children, commit to meeting them, and monitor and report on them. Where targets are not met, the variance must be explained.

- Targets can be compiled from readily accessible data, and should include targets to: reduce Māori and Pasifika child poverty; reduce income inequality that is associated with sub-par outcomes for low-income children; improve Māori and Pasifika children’s health and reduce health disparities; improve educational outcomes, including reducing dropout rates for young Māori men; increase participation in and access to ECCE; reduce overcrowding in Māori and Pasifika households; increase the home ownership rates of whanau; reduce suicide rates among young Māori; and increase Māori life expectancy and reduce the gap between the life expectancy of Māori and non-Māori.

Achieving these targets would require: improved employment opportunities and opportunities for training and education in later life; boosting the income of families reliant on benefits through extending the misnamed In-Work Tax Credit to all children; making a greater provision for state housing for low-income families through HNZC, including partnerships with iwi to help provide housing on Māori land; greater funding for low-decile schools (which are more likely to have a high proportion of Māori and Pasifika children enrolled), especially in areas of high unemployment where community resources are severely constrained; greater access to healthcare for all children, including free after-hours care; greater access to ECCE; greater support for teen parents through culturally appropriate institutions such as teen parenting units, and ending the stigmatisation of Māori and Pasifika through welfare and other social policies.

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5 Māori are more likely to be teen parents. High levels of teen parenthood are positively correlated with high levels of income inequality.
References and further reading


