

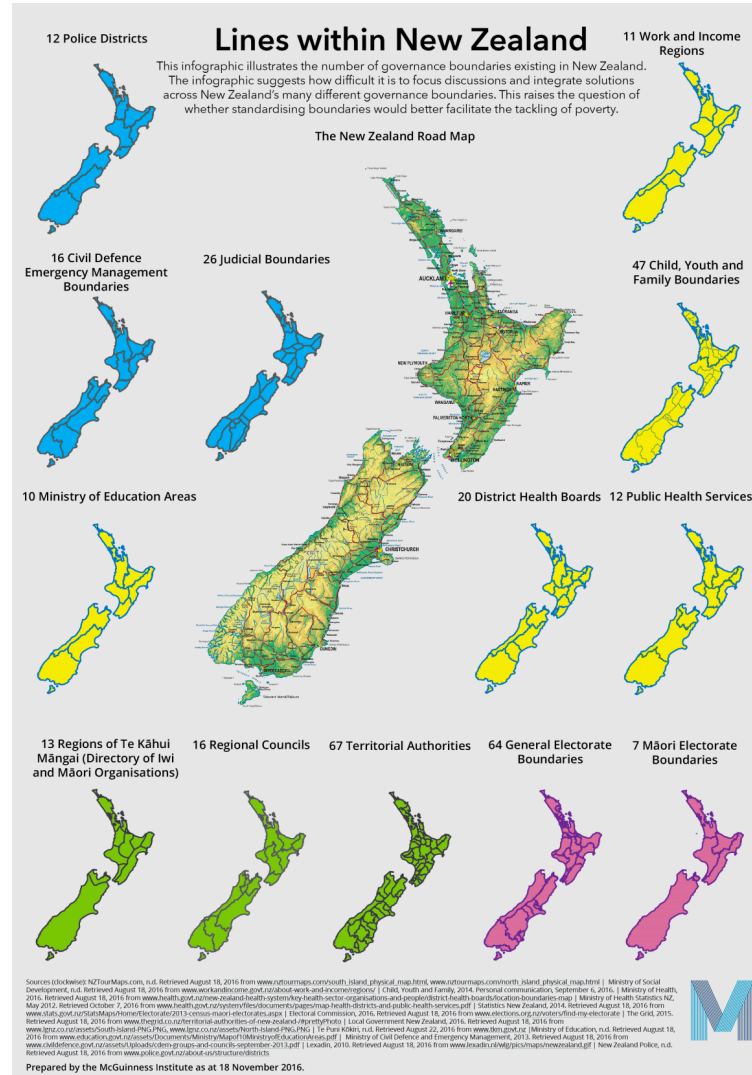
Proposal for Poverty Demarcation Zones

Wendy McGuinness, Friday, 16 June 2017



MCGUINNESS INSTITUTE

Lines within New Zealand



Demarcation Zones Proposal



Demarcation Zones for Public Policy Innovation

FAQ
As at 16 February 2017

This FAQ endeavours to clarify conditions surrounding the policy proposal to establish three 'demarcation zones' in Gisborne and District, the Far North and Rotorua. The full proposal, which contains more detail and background information about the zones, can be found [here](#). See press coverage about the proposal [here](#). For more information about the *TacklingPovertyNZ* project, see [here](#). This FAQ aims to answer questions raised by a range of parties over the last four weeks. Your feedback continues to be welcome, as we go about stress-testing this proposal with MPs, officials and the wider public.

AN INTRODUCTION

1. What is a demarcation zone?

Demarcation zones are a policy instrument that involves creating public policy boundaries around geographical areas in order to tackle poverty and build economic wealth in communities by integrating service delivery and creating a place for policy innovation. The boundaries create zones where communities have more freedom to experiment with innovative and integrated social and economic policy.

The zones would be led by a Zone Board.¹ The Zone Boards should be made up of people who reside in the area and are part of the community. For cost and efficiency purposes, we believe these boards should be quite small (between three and five members). As discussed in the proposal, the Zone Boards should be led by the three mayors: Hon John Carter, Hon Steve Chadwick JP and Meng Foon as the demarcation zone boundaries are designed to follow the established district council boundaries. However, this level of detail would be determined between the Minister Responsible and each Zone Board as part of a written agreement.

The demarcation zone proposal is based on the conviction that the current system is failing its people, trapping individuals, families and communities into dependency. The demarcation zone proposal aims to develop new types of operating systems. This proposal relies on the Zone Board having the ability over time to bring about change, which is why we have suggested a ten-year window as an appropriate timeframe. The Zone Boards would focus on helping sustain individuals, families and communities in the short term (getting people out of poverty) and empower individuals, families and communities in the long term (enabling people to remain out of poverty). Learn more about the *Sustaining and Empowering Factors Framework* in *Working Paper 2017/01 – TacklingPovertyNZ 2016 Tour: Methodology, results and observations*, pages 16-19, found [here](#).

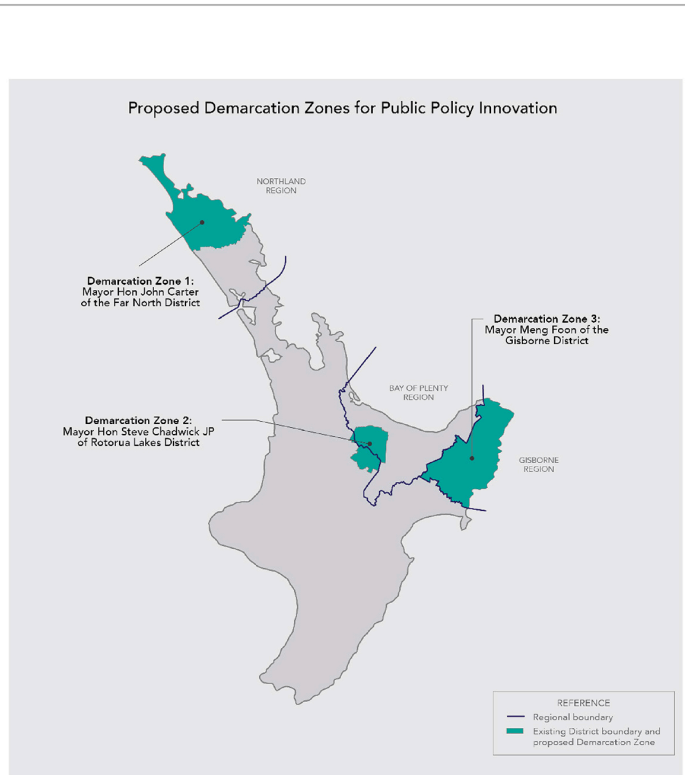
2. How close are the demarcation zones to being implemented?

The demarcation zone proposal is still in its early stages. The idea needs to be more thoroughly stress-tested by MPs, local communities and central government. Initial feedback from local communities is positive and there is significant interest in how the zones might operate in practice.

At this point, the necessary first stage of the process is a stock-take of current services. The stock-take needs to enable duplications and gaps to become apparent; therefore it will need to cover central and local government agencies and NGOs. Government should provide the information about agencies under their control, while the Zone Board could undertake a survey of the NGOs in the relevant area. The data gathered should include the following information:

- administrative details of central government service providers acting in the zone but based in Wellington, including the details of a contact person for this provider;
- administrative details (such as the name, number of staff, office address and geographical boundary under their responsibility) of service providers funded by central government and based in each zone, including the details of a contact person for this provider; and
- service details of each provider including
 - the purpose of the service provided,
 - the nature and type of services provided (both current and upcoming),
 - target recipients,

¹ 'Zone Board' is the working title of the local governance board for each zone.

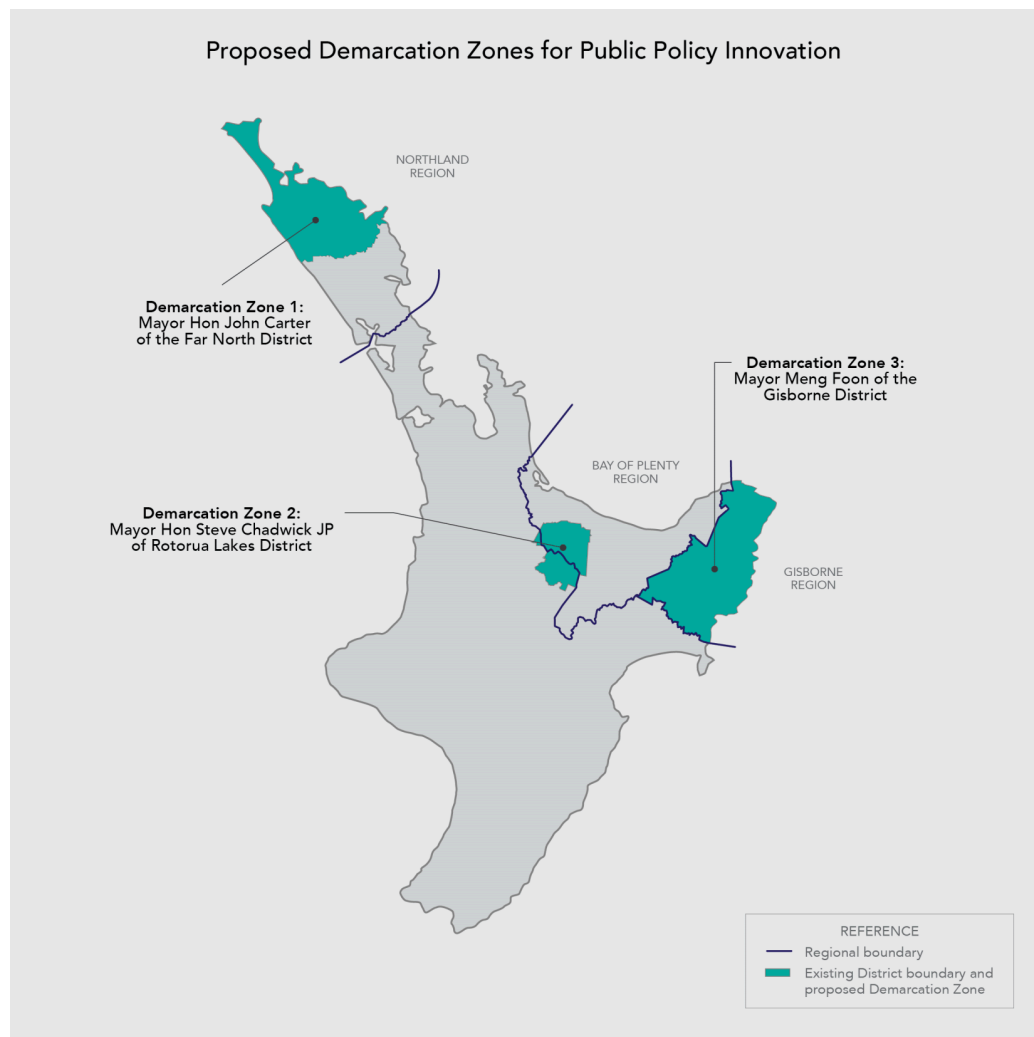


Proposal

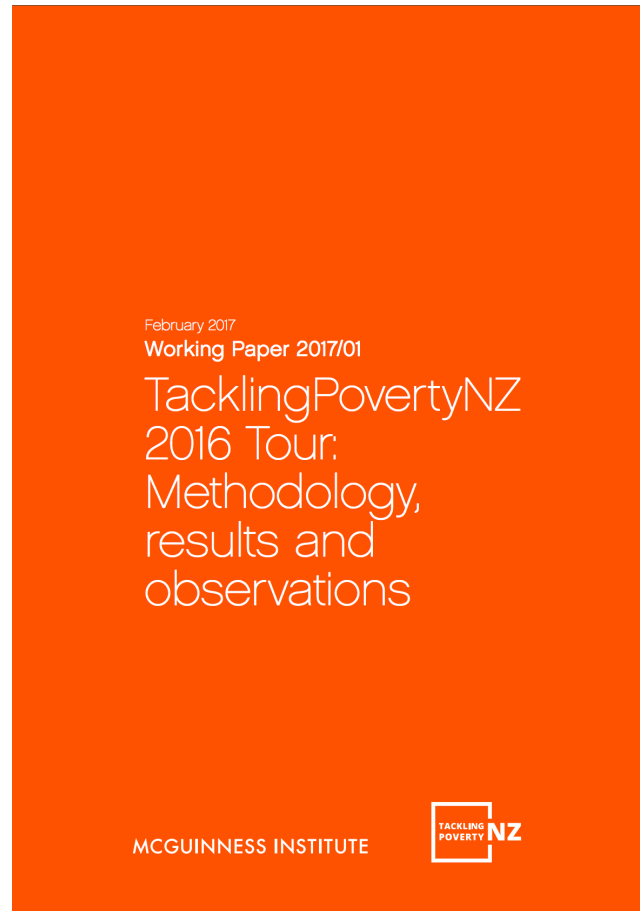
Demarcation zones for public policy innovation proposal to the Rt Hon Bill English

20 December 2016

Proposed Demarcation Zones

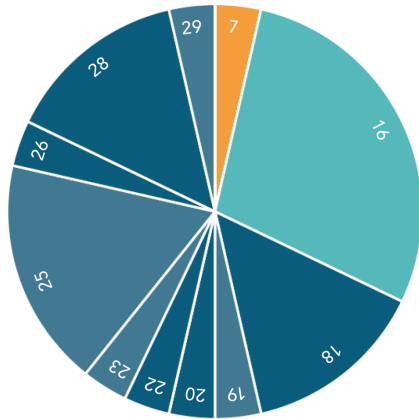


Working Paper 2017/01 – TacklingPovertyNZ 2016 Tour: Methodology, results and observations

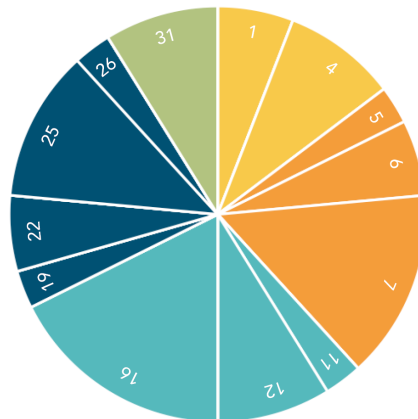


A regional perspective

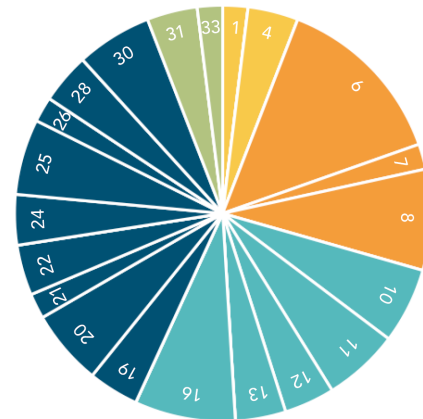
Queenstown



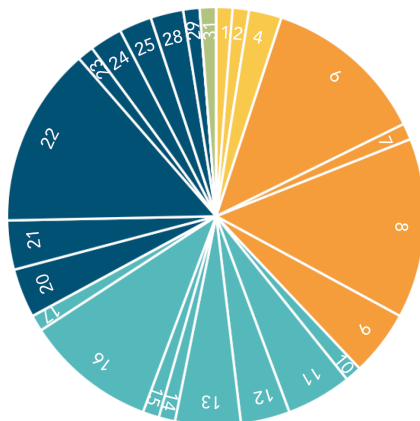
Manawatu



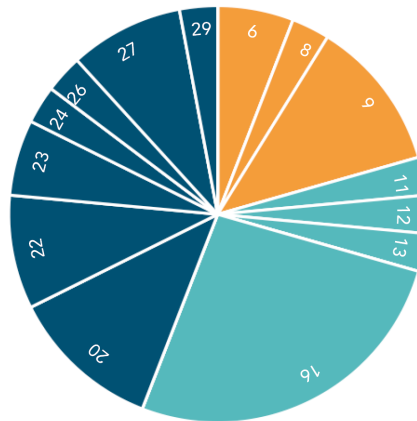
Rotorua



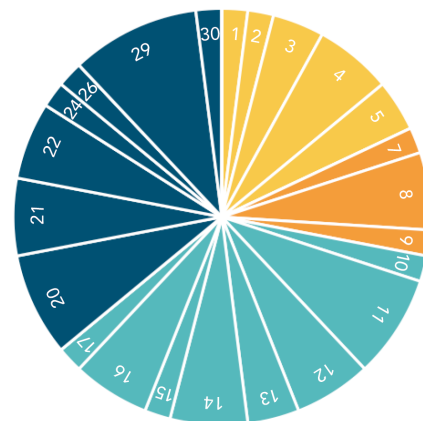
Gisborne



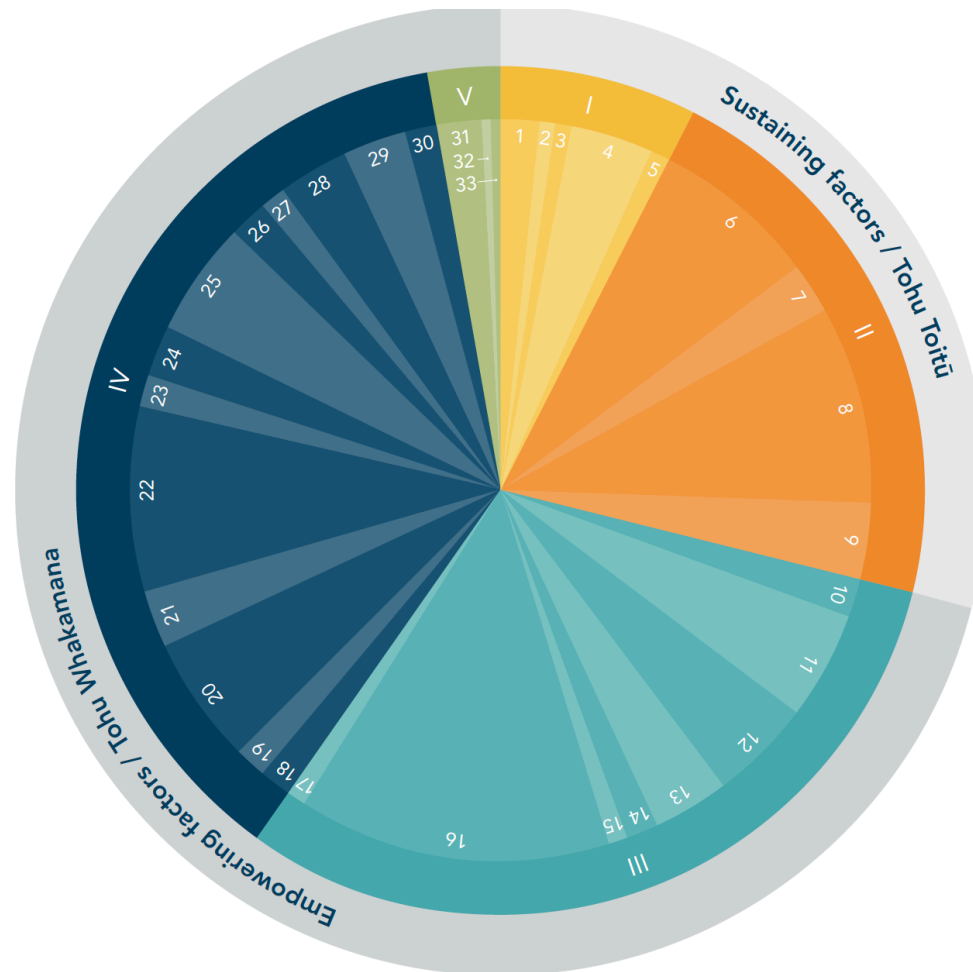
Kaitia



Kaikohe



An overview of the 2016 TacklingPovertyNZ regional workshops



33 Sub-factors

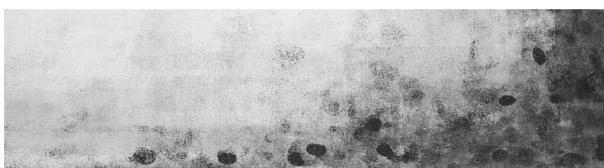
Sustaining Factors / Tohu Kaupapa	Factor I: Survival / Ka Morehu Providing emergency products and services for survival.
	1. Food
	2. Clothing and shoes
	3. Bedding
	4. Shelter (emergency housing)
	5. Accessibility
	Factor II: Security / Ka Mau Providing a sense of short-term security.
	6. Security of income
	7. Security of place (social housing)
	8. Security of health
9. Security of transport and technology	

Empowering Factors / Tohu Motuhake	Factor III: Self-determining individuals / Ka Tu Au Providing skills and tools for individuals to live the life they want.
	10. Employment literacy
	11. Education literacy
	12. Health literacy
	13. Financial literacy
	14. Transportation literacy
	15. Technological literacy
	16. Civic literacy
	17. Housing literacy
	Factor IV: Self-determining communities / Ka Rongo Au Providing social infrastructure to meet specific community needs.
	18. Resource allocation
	19. Community decision making
	20. Curriculum, teachers and students
	21. Harmful products and services
	22. Social infrastructure
	23. Community projects
	24. Medical services
	25. Home ownership, rentals and shared housing (affordable housing)
	26. Culture of care
	27. Grandparents raising grandchildren
	28. Financial assistance and tax systems
	29. Local economy
	30. Explore innovative ways to package debt
	Factor V: Self-determining nation / Ka Awatea Au Providing a strategic approach that optimises both public good and economic enterprise.
	31. Central government strategy to tackle poverty
	32. Mental health services review
	33. Think Tank: Te Kopai Tuatahi – The first footsteps

Think Piece 26 – Doing something about poverty in New Zealand

Doing something about poverty in New Zealand

Think Piece 26: May 2017



Shades of grey, Radford 2010



Conal Smith

About the author: Conal has worked as a senior economist at the OECD and in managerial and senior policy roles in a range of different government agencies. He led development of the first international guidelines on the measurement of subjective wellbeing and the OECD's first wellbeing themed country report. Conal developed and taught the first course in wellbeing economics at Sciences Po in Paris in 2014. His current research areas include the measurement of trust, social capital, and the policy uses of wellbeing measures.

Poverty in New Zealand is one of the foremost challenges we face as a country. Rates of poverty – particularly for children in workless households – are high by developed country standards.¹

In fact, poverty in New Zealand remains stubbornly high no matter how it is measured, and remains particularly entrenched in pockets of provincial New Zealand where it coincides with high rates of drug dependency, poor health outcomes – reaching third world standards in some areas – high crime and victimisation levels, and multi-generational cycles of disadvantage.²

This is despite historically high employment rates, and unemployment rates that are low in terms of both international and historical comparison. Total transfer expenditures – benefits and tax credits – are also relatively high (although somewhat down from historical highs). Whatever is driving poverty in

New Zealand is not as simple as a lack of jobs or the adequacy of the benefit system.

The problem is that we have reached a stable equilibrium where the impact of our collective efforts to address poverty are only holding the line against the social, cultural, and economic forces pushing people into poverty.³ More incremental change at the margin will not significantly impact on levels of poverty in New Zealand. We need a circuit breaker.

The *TacklingPovertyNZ* workshop tour was an attempt to find that circuit breaker by going outside of the traditional policy community to look at ideas on how to change the way we address poverty in New Zealand from the bottom up rather than the top down. The aim of the workshops was not to develop a definition of poverty or to gather information about the experience of poverty in New Zealand, but rather to crowd-source potential ways to address the issue. In total, the *TacklingPovertyNZ* project involved 400 participants across six regional workshops and identified 240 distinct ideas or proposals for ways to tackle poverty in New Zealand.⁴

The aim of *TacklingPovertyNZ* was to widen the debate about approaches to addressing poverty in New Zealand. Where current policy settings represent a considered and evidence-based view of what is likely to be the most effective, given commonly accepted parameters for the nature and scope of anti-poverty measures in New Zealand, the aim of *TacklingPovertyNZ* is explicitly to provide ideas that challenge those commonly accepted parameters.

HOW TO THINK ABOUT POVERTY IN NEW ZEALAND

In order to make sense of the proposals that emerged from *TacklingPovertyNZ* it is necessary to have a sense of what the workshop participants thought they were developing solutions to. In other words, it is important to know what the participants meant by poverty.

It was evident that most workshop participants saw poverty not simply as a state of low income, but as an outcome of low income, poor coping skills, and a 'culture' of poverty at the family level: of challenges grounded in poor regional infrastructure

1. simplify and standardise the benefit system,
2. introduce special demarcation zones in regions of high need,
3. revisit the role of the state as employer of last resort,
4. apply a social investment approach to investment in 'hard' regional infrastructure,
5. invest significantly in mental health,
6. target the behavioural drivers of poverty, and
7. introduce asset-based assistance for high-risk children.

Thank you!