

# *The April Report*

VOLUME IV

## Social Perspectives

*Report of*

The Royal Commission on Social Policy

Te Kōmihana A Te Karauna Mō

Nāi Āhuatanga-Ā-Iwi

*April 1988*







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The original publication details are as follows:

Title: The April report: report of the Royal Commission on Social Policy. Volume 4: Social Perspectives

Author: New Zealand Royal Commission on Social Policy

NLNZ Identifier: 512673

URI: <http://natlib.govt.nz/records/21493187#4>

Published: The Royal Commission on Social Policy, Wellington, N.Z., 1988



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## VOLUME IV

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First published by

The Royal Commission on Social Policy  
Mayfair House, The Terrace,  
P.O. Box 5192, Wellington  
New Zealand.

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ISBN 0-908813-05-8

Production: Daphne Brasell Associates, Publishing Services  
Design: Margaret Cochran  
Typeset and printed by the Government Printer  
Wellington, New Zealand.





THE ROYAL COMMISSION ON SOCIAL POLICY

TE KŌMIHANA A TE KARAUNA MŌ  
NGĀ ĀHUATANGA-Ā-IWI

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Marion Bruce *member*

Len Cook *member*

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# Contents

## SOCIAL PERSPECTIVES: AN INTRODUCTION 1

Sir Ivor Richardson

- 1 Introduction — 2 Health — 3 Education — 4 Housing —
- 5 Justice — 6 Personal Social Services — 7 Energy —
- 8 The Environment — 9 Transport — 10 The Mass Media:
- A Maori Perspective — 11 Recreation and Leisure —
- 12 Immigration — 13 Ethnic Equality and Diversity —
- 14 Pacific Island Peoples' Perspectives — 15 Family —
- 16 The Elderly — 17 Youth — 18 Disability —
- 19 Consumer Affairs

## HEALTH 41

*A Brief Historical Overview*

Judith Reinken

- 1 A Brief Historical Overview — 2 Implications of the Move
- to Area Health Boards — 3 Issues Raised by Developments in
- the Health Area

## MAORI EDUCATION FOR A JUST SOCIETY 89

Wally Penetito

- 1 Introduction — 2 The Changing Nature of the Debate on
- Māori Education — 3 Policies for Māori Education Versus
- Māori Education Policies — 4 Education 'In' Māori 'About'
- Māori and 'For' Māori Schools, and a Māori Education
- Authority — 6 Conclusions

## EDUCATION 115

Cathy Wylie

- 1 Why Education — 2 Views, Reviews, and Research —
- 3 Major Issues — 4 What Can We Do? — 5 Specific Issues

## HOUSING 149

Campbell Roberts

- Introduction — 1 Housing Policy—A Basis for Social Equity
- 2 Issues of the New Zealand Housing Market —
- 3 Delivery of Housing Assistance — 4 Conclusions and
- Recommendations

## JUSTICE

195

Warren Young and Caroline Bridge

Justice and the Legal System — 1 Introduction — 2 Access to Justice — 3 The Need for Flexibility in the Justice System — 4 White-collar and Corporate Crime — 5 Sentencing (Punishment and the Police) — 6 Victims  
Matrimonial Property — 7 Introduction — 8 Problems with the Matrimonial Property Act 1976 — 9 The Economic Consequences of Marriage Breakdown — 10 Housing and the Matrimonial Property Act — 11 Housing and the Needs of Children — 12 The Clean Break Principle — 13 Housing Options for Women — 14 Principles for the Future — 15 De Facto Marriages

## PERSONAL SOCIAL SERVICES

231

*Implications of the Principles of Social Provision*

John Cody

Introduction — The Royal Commission's Position on Social Provision — Roles and Responsibilities of the State — The Organisation of Social Services — Personal Social Services — The Way Needs Were Defined — Subsidiarity and Choice in Decision-Making — Perspectives — Providing Services under these Conditions — Monitoring — The Dual Role of the State — Conclusion —

## ENERGY AND SOCIAL POLICY

251

Molly Melhuish

1 Introduction — 2 Concerns about Energy: Is Energy Special? — 3 Manaaki: Resource Management — 4 Energy Pricing — 5 Control and Public Participation

*Rents in the New Zealand Energy Sector*

Geoff Bertram

Introduction — Differential Rent: Some Simple Economic Theory — Some New Zealand Examples — Conclusion

## THE ENVIRONMENT

327

Christine Dann

1 Introduction: A Fair, Just, and Sustainable Society — 2 Environment—People — 3 People and Environment of New Zealand — 4 The Foundations of Policy — 5 The Formation of Policy — 6 Conclusion — Appendices



TRANSPORT: ACCESS OR ISOLATION? 385

Raewyn Good

- 1 A: Executive Summary — 2 B: Background and Overview
- 3 C: Key Issues

SOCIAL POLICY AND THE MEDIA IN NEW ZEALAND 455

John Farnsworth

- The Cultural Importance of the Media — Broadcasting —
- Deregulation — The Consequences of Deregulation —
- Access and Concentration of Ownership — The Print Media
- The Film Industry — Recapitulation — Proposals for
- Broadcasting — Advertising, A Media Bank Concept and
- Print Media — Conclusion

THE MASS MEDIA : A MĀORI PERSPECTIVE 481

Derek Tini Fox

- In the Beginning — For the Record — Consider the History
- Present Developments — The Way Ahead — He
- Whakamutunga — Appendix

RECREATION AND LEISURE 505

Grant Cushman and Allan Laidler

- 1 The Relevance of Recreation and Leisure to Social Policy
- 2 Recreation in the Social Service Fabric — 3 The
- Economic Significance of Recreation and Leisure — 4 The
- Political Significance of Recreation and Leisure — 5 The
- Standards of The Fair Society — 6 Recreation Policy and
- Strategies for Action — 7 Recommendations

IMMIGRATION POLICY 533

Justin Hurrelle

- 1 Objectives and Considerations Underlying Immigration
- Policy Formulation — 2 The Extent of Interest Group
- Involvement in Formulating Immigration Policy — 3 The
- Labour Market and Immigration Policy

TOWARDS ETHNIC EQUALITY AND DIVERSITY 561

Finau Kolo

- Ethnic Diversity in New Zealand — Issues of Ethnicity —
- 1 The Legacy of History — 2 Immigration Policy —
- 3 Refugees — 4 Policies of Support after Arrival — 5 Policies
- for Cultural Maintenance — 6 Employment Issues —
- 7 Discrimination — Strategies for change

PACIFIC ISLAND PEOPLE'S PERSPECTIVES	573
Kiwi Tamasese, Paula Masoe-Clifford, Sui Ne'emia-Garwood	

Historical Analysis — Housing — Employment — Income Levels — Health — Education — Immigration — Women — Recommendations — Appendix

FAMILY	593
Marg Gilling	

I What Family Means — II The Family and the State — III Contradictions — IV The Need for Family Policy

PERSPECTIVES ON THE ELDERLY IN NEW ZEALAND	629
Peggy G Koopman-Boydén	

1 Theoretical Perspectives on the Elderly—Myth and Reality of Ageing — 2 Specific Issues (Arising from Submissions and Research Findings) — 3 Summary Viewpoint—Towards a National Policy on Ageing and the Elderly

RANGATAHI: YOUTH PERSPECTIVES	711
National Youth Council	

Introduction — Maori Caucus Vision — Pākehā Caucus Vision — Pacific Island Caucus Vision — Issues/Policies — Appendix I — Appendix II

PEOPLE WITH DISABILITIES	767
Robyn Hunt	

1 Introduction — 2 Historical Background — 3 Changing Structures and Lack of Co-ordination: Power and Accountability — 4 Problems of Defining Disability — 5 Lack of Knowledge About the Disability Community — 6 Biculturalism — 7 Human rights — 8 The Status of Women with Disabilities and Women who are Caregivers — 9 Mental Health — 10 Funding and the Charity Ethic — 11 Public Attitudes and Education — 12 Income — 13 The Accessible Society — 14 Dependence, Independence and Interdependence — 15 The State Sector — 16 Work and Equal Employment Opportunity — 17 Rehabilitation — 18 Issues of Change — 19 Conclusion

CONSUMER AFFAIRS	805
Peter Benge	

1 Introduction — 2 Consumer Organisation in New Zealand — 3 The Rights and Responsibilities of Consumers — 4 Disadvantaged Consumers — 5 Consumer Rights and Responsibilities in New Zealand



# Contents of Other Volumes

## VOLUME I NEW ZEALAND TODAY

- Warrants
- Letter of Transmittal
- Preface
- Social Policy in New Zealand: An Historical Overview
- The People of New Zealand
- The Voice of the People *An Analysis of Submissions*
- Attitudes and Values: A New Zealand Survey 1987
- A Chronological Narrative of the Inquiry

## VOLUME II FUTURE DIRECTIONS

- Future Directions: An Introduction
- The Treaty of Waitangi *Directions for Social Policy*
- Te Tiriti O Waitangi He Tohutohu: *Te Kaupapa Mō Ngā Āhuatanga-ā-Iwi*
- Women and Social Policy *Part I Māori Women*
- Women and Social Policy *Part II*
- The Inter-relationship of Economic and Social Policy
- Social Wellbeing
- Work
- Outcomes of Social and Economic processes
- The Funding of Social Provision
- Income Maintenance and Taxation
- Social Provision: Access and Delivery
- Policy Development, Assessment and Monitoring

## VOLUME III FUTURE DIRECTIONS:

### ASSOCIATED PAPERS Part 1

#### *Standards and Foundations*

- Ngā Tikanga Me Ngā Ritenga O Te Ao Māori *Standards and Foundations of Māori Society*
- Standards and Foundations for Social Policy

#### *The Treaty of Waitangi*

- Te Reo o Te Tiriti Mai Rano *The Treaty Always Speaks*
- Ngā Take i Puawai Mai i Ngā Wānanga *Issues Raised in the Discussions*



## x CONTENTS

### *Women*

Statistical Profile of Women in New Zealand

### *Social Wellbeing*

Objective Measures of Social Wellbeing

Me Āro ki te hā o te Tangata *Let the People Speak*

Restructuring The State: Restructuring Society

What the Novelists See

The S-Factor: Taha Wairua

The World We Have Gained

The Negative Mirror: *Social Wellbeing as Reflected in the  
Philosophy of Normalisation*

Te Hono ki te Wairua *The Spiritual Link*

### *Work*

Statistical Profile of Work (in New Zealand)

Wage Determination

Labour Market Policy and New Zealand's Welfare State  
*An Overview of Developments Since World War II*

Active Labour Market Policies

The Placement Service and Benefit System

Regional Policy

Evaluation of Employment programmes *A Background Paper*

## VOLUME III FUTURE DIRECTIONS:

### ASSOCIATED PAPERS Part 2

#### *Outcomes of Social and Economic Processes*

Housing Issues

The State or the Market *The Impact of Housing Policy on Women*

Middle Class Capture: A Brief Survey

How Fair is New Zealand Education

Fairness in Māori Education

#### *Income Maintenance and Taxation*

General Considerations

The Social Security System

Families with Children

The Sick, the Injured, and the Disabled

The Elderly

*Social Provision: Access and Delivery*

Social Policy and the Move to 'Community'

Social Policy and the Move to 'Community' *Practical Implications  
for Service Delivery*

Te Reo O Te Tai Tokerau *Community Evaluation of a Māori  
Language Programme*

Current Systems of Social Provision in New Zealand *A Directory*

*Policy Development, Assessment and Monitoring*

Hapū and Iwi Resources and their Quantification

Assessment and Monitoring *The State of the Art*





SOCIAL PERSPECTIVES:  
AN INTRODUCTION





# Social Perspectives: An Introduction

## 1 Introduction

As foreshadowed in the Preface to Volume I of this Report, this volume contains position papers prepared for the Royal Commission. These draw on the submissions and other work of the Commission and each was prepared in consultation with the Commissioner having responsibility for that subject area.

The range of papers in this volume reflects the wide scope of social policy. In 'meeting the needs of New Zealanders' as the terms of reference put it, social policy must be concerned not only with material wellbeing, but also with all those other features of living in New Zealand that contribute to the quality of life and to relationships with each other. Health, Education and Housing, so crucial to social wellbeing and social justice, are the first 3 subject areas covered. They are followed by papers on Justice, Personal Social Services, Energy, The Environment, Transport, The Media, Recreation and Leisure and Immigration Policy. Further papers are written from the perspectives of particular sections of the community, drawing together threads of what has come through in the general analyses in Volumes II and III. These include the perspectives of Pacific Island people, ethnic minorities, families, the elderly, youth, people with disabilities and consumers.

There are 3 general points before we shortly review each paper. The first concerns the relationship between Volumes II and III and this volume. Volume II, called *Future Directions*, discusses in fairly extensive overview chapters, the broad areas around which the work of the Royal Commission has been organised. Supporting papers relating directly to the overviews are included in Volume III following the same subject sequence. The first 6 broad areas—*Standards and Foundations*, *The Treaty of Waitangi: Directions for Social Policy*, *Women and Social Policy*, *The Inter-relationship of Economic and Social Policy*, *Social Wellbeing*, and *Work*—approach in different ways and with different emphases the features of today's society which we consider should govern social policy, and the chapters



on *Funding, Income Maintenance and Taxation, Social Provision: Access and Delivery*, and *Policy Development, Assessment and Monitoring* raise questions of principle of wide general application. The papers in volume IV, by contrast, address more specific areas of concern.

The second and related point is that the general conclusions reached in the Volume II papers, and the framework developed in those papers for considering social policy questions in terms of the objectives, principles and criteria specified there, can and should be applied across areas of social policy. Thus, the papers *Income Maintenance and Taxation* and *Social Provision: Access and Delivery* in Volume II adopt the same set of objectives, principles and criteria. The first and fundamental objective is:

To ensure that all New Zealanders have access to a sufficient share of income and other resources to allow them to participate in society with genuine opportunity to achieve their potential and to live lives that they find fulfilling; and in so doing, to provide a measure of certainty and security for all throughout their lives.

As papers in Volume II emphasise, by using the word 'resources' the statement of the objective recognises that access to social provision such as health, education and housing has a crucial impact on standards of living and on social wellbeing. In the paper called *Funding*, in Volume II, which highlights some of the key issues surrounding the funding of social provision, we conclude that there is a range of social services which are important in themselves, as basic ingredients of the social fabric, and which the state should take a large hand in providing. Much of health and education fit into this category and, to a small, but no less important, extent, housing. These categories contain services which the Government ought to ensure are provided and available to the sections of the population to which they are directed in order to achieve social justice. It does not at all follow that there should be a state monopoly of provision. Other channels of provision—kin, communities, religious and voluntary organisations, employment-based provision, private sector provision, and Maori sources of provision—must be recognised as partners of the state, undertaking complementary roles. The paper called *Social Provision: Access and Delivery*, in Volume II, goes on to discuss the framework within which social provision should be available and concludes that it should operate within the principles of choice, adaptability and flexibility, co-ordination, and accountability.



The third point is that the consideration of the papers in this volume and the brief discussion in this introductory chapter reflect the substantial time constraints under which this early report has been prepared. It has meant that the present analysis is necessarily limited and we have not had the advantage of presenting working papers for public comment and discussion as a step in the process of developing the report.

The following sections of this introduction summarise and discuss the position papers which complete Volume IV.

## 2 *Health*

The paper, *Health*, by Judith Reinken, is a succinct yet comprehensive review of health policy in New Zealand.

The first section summarises the historical development of health services and traces the increasing, if uneven, role of the state from a time of minimal involvement when services were diverse, separate and, apart from mental hospitals, largely private, until 1938 when it emerged as a dominant funder and provider. More recent concerns are then identified: the rise of hospital services (public and private) at the apparent expense of primary health care; the inability of resources to sustain the seemingly unlimited growth of new technologies; and increasing expectations of diversity and accountability to the community.

The second section considers the implications of a move to Area Health Boards. The Department of Health becomes a Health Ministry and there is a general move towards devolution with decision making at regional and local levels. Advantages and disadvantages of the new structures are reviewed against particular concerns that are further addressed in the third section.

Nearly 2,000 submissions to the Commission recognised health and health care as fundamental and basic rights. The Commission agrees with this. We regard general good health as a basic measure of a just and fair society. For a variety of reasons, however, good health is denied many people in New Zealand, an inequity which cannot be attributed to individual actions alone. The Commission's view is that, while people themselves must take a responsible attitude, good health depends on social, cultural, environmental, industrial and economic factors outside their own control but



within the control of decision makers in both public and private sectors.

Dr Reiken's paper has made explicit the application of many of the principles raised in Volume II of the Report. Four themes of particular interest to the Commission recur:

- 1 Participation
- 2 Integration and coordination
- 3 Efficiency
- 4 Promotion and Protection

The Commission endorses the view that good health requires opportunity for active *participation* in health policy and health services. Many people, particularly women, are providers, consumers, and advocates—all at the same time—though decision making at clinical or administrative levels has seldom acknowledged their crucial roles. A consequence of this has been frequent abuse of their authority by professionals, and further alienation from the participatory process. The participation of consumers should not be confined to reaction. All too often their voices are heard only when longstanding dissatisfaction reaches intolerable proportions or coincides with political expediency. Planning for health is too important to be left solely to health providers.

In *The Treaty of Waitangi: Directions for Social Policy* (Volume II) the Commission has clearly acknowledged the role that iwi authorities must be enabled to play in the determination of policies that will affect Maori people. Given the unacceptable status of Maori health, the application of the Treaty to health services and health care is a priority which must be addressed by all health agencies. Active steps to establish partnerships will be required, and legislative change will be necessary, to guarantee appropriate Maori involvement in health policy formation.

Of fundamental importance is the need for structures which enable and encourage participation in determining the direction our health services should take and which reflect genuine community experience. Unless there is true representative participation, then it will not be possible to make wise decisions for the equitable allocation of scarce resources. We do not consider that effective participation has been sufficiently addressed in the *Report of the Hospital and Related Services Taskforce* (1988)<sup>1</sup> which proposes Regional Health Authorities, remote from the communities they will serve.

<sup>1</sup>National Housing Commission, "Hospital and Related Services Taskforce", *National Housing Commission Five-yearly Report*, Government Print, Wellington, April 1988.



The *integration and co-ordination* of health services is a matter of considerable concern to the Commission. Dr Reinken discusses the issue at several levels and notes the gaps between central government and local health authorities; primary and secondary health care; voluntary and statutory provision; institution and community; public and private provision; mental and physical dimensions; health and other social services.

While improved co-ordination is seen as one likely outcome of an Area Health Board structure there will be no obvious advantage unless the planning and operational strategies of Boards converge with those of other local authorities and community groups. Furthermore, the successful integration of services will require a sustained focus on the needs of people and their families rather than on the concerns of administrators, health professionals or large institutions. This will be especially important in bridging the wide and inefficient gaps between primary and secondary levels of health care so that there is greater equity in the delivery and funding of such essential provisions as: primary medical care, marae health initiatives, well women clinics, crisis centres and emergency services (including ambulance transport).

There are many groups in society whose pressing health needs fall between the spheres of responsibility of a host of providers and organisations. Submissions have made us particularly aware of the plight of mentally ill people who are no longer able to depend on long-term hospital care and treatment, yet can not rely on being accepted or provided for by community health and welfare agencies. Their untenable situation must not be allowed to continue. The Commission strongly supports the views that social and medical needs cannot be considered independently, that statutory responsibilities must be clearly assigned, and that planning must not be constrained by narrow sectoral interests which fail to address the reality of human priorities.

The Commission believes that the pursuit of *efficiency* requires the effective management of resources for health. That is the central point of the *Report of the Hospital and Related Services Taskforce* (1988)<sup>2</sup> and we endorse their recommendations for improved management, relevant information systems and greater attention to quality control, within public hospitals.

<sup>2</sup>National Housing Commission, "Hospital and Related Services Taskforce", *National Housing Commission Five-yearly Report*, Government Print, Wellington, April 1988.



Limited funds do have implications for resource allocation. The Commission considers that the consequences of any rationing should be evenly spread across society and not fall solely on those who cannot afford to pay extra for private services. Access to health care is the right of *all* New Zealanders but the capacity of the market to provide a just and socially acceptable allocation of health services is seriously limited. While private health services will continue to give choice and convenience for some, their provision should not undermine the services offered by the state. The anomalies created by the Accident Compensation Corporation in this respect have already been noted in the paper *Income Maintenance and Taxation* in Volume II of our Report.

Throughout the paper, Dr Reinken stresses the need for greater emphasis on *health promotion and health protection*. A focus away from hospitals and sickness, and towards community and health, is seen as requiring new commitments and strategies. Mortality and morbidity statistics will be less helpful than measurable health targets; a system of funding based on diagnostic related groupings may mean little to those whose recovery is determined by social and economic factors. Area Health Boards can lead to better health only if their responsibilities extend beyond the measurement, diagnosis and treatment of illness. Further work is urgently needed to identify the ways in which primary health care, in particular, can be fully integrated into the public health system.

The state, too, has a major role to play in shifting the emphasis from the treatment of sickness to the promotion of health. In that context, we endorse the compelling arguments for a national alcohol policy, the subject of several substantial submissions to the Commission. Positive health promotion and the prevention of ill health are obvious directions for future health policy and we support them. Major improvements in dental health over one generation illustrate well what can be accomplished by an alliance between health professionals, schools, local authorities, the state and parents. While health promotion and protection will not reduce the immediate demand for diagnostic and treatment services, their long-term prospects are sufficiently attractive to merit increasing budgetary allocation.

The Commission is strongly of the opinion that it is in the overall economic and social interests of the nation to ensure that all members of society be as healthy as possible. Primarily, however,



health policies for New Zealand must reflect our own people, traditions and resources rather than the concerns or solutions of other countries. Health should not be regarded as a commodity to be traded on the open market. It is a public good for which the state must retain major responsibility. We are concerned that too many New Zealanders, especially the young, the elderly and the poor, do not have ready access to affordable health care.

### 3 Education

The value that New Zealanders put on education shows clearly in the high proportion of submissions to the Royal Commission which mention it and in the responses to questions about education in *Attitudes and Values: A New Zealand Survey*, in Volume I. There is wide awareness of the impact of education on individual life chances and social wellbeing, as well as on the community as a whole. Education is seen as a necessary pre-condition for participation in work, in relationships, in community life and in leisure. It is also seen as a way to enrich our participation by providing us with tools to analyse, communicate and construct. The Commission recognises that education will not of itself compensate for poor housing, bad health, lack of a job, low income or discrimination. Our concern, however, is that educational experience should enhance individual life chances and social wellbeing, rather than further entrench the inequalities and difficulties that arise from factors such as those listed above.

The Commission sought from submissions and from its research programme an answer to the question, how fair is New Zealand education—that is, is it equally effective for all? The standards listed in the Commission's terms of reference were used to develop measures of fairness.

The New Zealand Council for Educational Research survey, undertaken for the Commission, confirmed the message that came through the submissions, namely, that the already economically disadvantaged, Maori, women, Pacific Islanders, other ethnic minorities, and people with disabilities particularly miss out. Not only are the life chances and personal wellbeing of these groups affected detrimentally, but the country as a whole misses out on untapped talent. The cost of curtailed education in more expensive compensatory education and training schemes, and more demands



on the justice, social welfare, and health systems are a consequence. Unfairness thus creates inefficiency.

To achieve a fair and just education system will require major changes within the community of which it is an integral part. The main directions and nature of those changes are outlined in Volume II of the Report. In applying them to education the Commission is clear that the focus must be on the *content* and *quality* of education as much as on questions of access and structure.

Overall the Commission endorses the analysis and directions in the papers on education prepared in discussion with us by Wally Penetito (*Maori Education for a Just Society*) and Cathy Wylie (*Education*). In addition we wish to highlight a number of points:

### *Maori Education*

The Commission endorses the view that every New Zealander is entitled to the kind of education which provides the opportunity to live a worthwhile life. A range of indicative measures shows that present educational provision is clearly failing to provide such an education for Maori people. Further, the greater part of present provision denies Maori people knowledge of their language and tikanga.

Action is urgently required to implement policies that will enable Maori people to define their own reality; that will ensure that Maori people have and retain full possession of their language and tikanga; and that will provide opportunities for all other people in New Zealand to value and to develop knowledge and understanding of Maori language and tikanga.

Wally Penetito identifies two major concerns that emerge from the Maori submissions on education. The first is how to support Maori communities in taking education decisions into their own hands. The second is the need to clarify the essence of an education which makes valid tangata whenua knowledge, values and institutions so that they become a central element in education.

The success of kohanga reo leaves the Commission in no doubt of the potential effectiveness of alternative arrangements which provide for a greater measure of self-determination for Maori students, families and communities over their education.

At the compulsory schooling level, what Wally Penetito defines as 'education for Maori' should be available to Maori within bilingual and total Maori language immersion schools. Resources must

be made available to enable schools providing education for Maori to be readily accessible for all those who choose that education. Resources are required to ensure there are sufficient numbers of teachers who are also fluent speakers of Maori; to develop sufficient classroom resources that are relevant tribally; and to provide appropriate facilities located close enough to local marae and local sources of authenticity to allow the development of a sense of community.

He concludes by saying that

structures must be created so that Maori people, their perceptions and understandings of their experience, can contribute fully to the education of all citizens of New Zealand.

With this the Commission concurs.

Those structures will need to take into account the issues raised in the paper *Policy Development, Assessment and Monitoring* in Volume II. In particular, all education authorities need to ensure representativeness is one that recognises tangata whenua status, tribal boundaries and iwi representation as of right. At central government level there must be an emphasis on partnership between the department or ministry of education and federating Maori authorities.

### *The Role of the State*

The Commission is clear that, because of education's crucial role in enhancing life-chances, access to it should not be dependent on the ability to pay. The state has a clear duty to its citizens to ensure both access to education and a consistently high quality of education.

In Volume II of the Report, the Commission develops the case for both state funding and state provision of education. Two points need emphasising:

- 1 The Commission rejects the use of any form of voucher entitlements as the means of providing for educational needs as all the available evidence shows they tend to compound inequalities of access and differences as to quality within education rather than to diminish them;
- 2 Because of education's crucial role in promoting social cohesion and wellbeing, there is little case for the general extension of public funds to private institutions, particularly as their emphasis is often on an individualist use of credentials. Where private institutions have developed



because of a difference in educational methods, or in response to special needs (eg. the Rudolf Steiner and Kaupapa Maori schools), there is a case for such schools, if they wish, to be brought into a more diversified public system.

Indeed, the Commission strongly supports increasing diversity within public provision generally and believes the key to such diversity is widespread participation. The Commission endorses the points made in the paper by Cathy Wylie for 'Shared Responsibility' and 'Integrated Independence'.

### *Ensuring Quality Education for All*

The Commission agrees that fairness of access, quality and content should be the prime objectives of educational policy and the bases for evaluating it at all levels. Special areas, in addition to Maori education, which warrant attention and some priority include:

- 1 early childhood education, particularly the funding of childcare centres on the same basis as kindergartens;
- 2 provision for rural communities which recognises the inter-relationship between education and other aspects of social policy; and
- 3 encouragement of students to remain at school or in training beyond 15 years.

The Commission believes that national standards should be set for secondary schooling and that the goal should be for at least 90 per cent of students to achieve those standards by the completion of their secondary schooling. This would be in line with standards in other comparable societies and is essential if we are to develop a well-educated, highly skilled population.

Cathy Wylie sets out the necessary steps to achieve appropriate standards. These include the removal of School Certificate, the development of a more integrated curriculum, the adoption of a more co-operative approach to the organisation and administration of educational institutions and the recognition of the importance of good quality teaching. The Commission endorses these directions.

Finally, we commend the concept of an *Integrated Youth Programme* which will provide education, training or employment opportunities for all young people between the ages of 15 and 21 in conjunction with the appropriate income support measures (see *Income Maintenance and Taxation* in Volume II and the associated paper on *The Social Security System* in Volume III).

## 4 Housing

Submissions to the Royal Commission assert that the right to adequate housing ranks alongside the right to education and health care as the three fundamental expectations New Zealanders have of the society in which they wish to live.

Not all New Zealanders are adequately housed today. The data is unequivocal. At least 17,500 households with children have serious current housing needs. In addition, there is a minimum of 2,000 people without children who are completely homeless or living in inappropriate or substandard housing. The waiting lists for Housing Corporation and local authority rental accommodation are only one indication of the extent of the problem. The Commission completely rejects the view that those waiting lists are merely a queue to obtain a subsidy. They point to a shelter crisis of serious proportions.

As Campbell Roberts notes in his paper called *Housing*, the difficulties some New Zealanders are now experiencing were foreseen as long ago as 1971. Predictions of a shortage of some 15,000–20,000 housing units by the middle of the 1980s were made right through the 1970s by a number of organisations. In short, present housing problems were identified in time to have averted them.

The debate on why appropriate action was not taken in time and what should be done now and in the future about housing, contains all the same elements as the general debate on social provision, about the role of the state, the public and private sectors, community groups and people. The various reports and reviews during the last six years, which are listed in the appendix to Campbell Roberts' paper, canvass various housing concerns. In Volume II of this report the Commission deals with most of the general issues which impact on housing provision (see particularly the papers on *Women and Social Policy*, *Funding, Social Provision: Access and Delivery*, and *Policy Development, Assessment and Monitoring*, in Volume II).

Two general points in relation to housing need to be stressed. The first is expressed in the conclusion reached by the National



Housing Commission in its final 5 yearly report <sup>3</sup> which it also presented as a submission:

Until the painful lesson is learnt, once more, that there are some areas of human activity which are too important to be left to the decision of those with economic power but no social responsibility, the problem of homelessness will remain with us.

The second is emphasised by Campbell Roberts and regards the crucial role of the state in ensuring adequate housing for all New Zealanders.

In addition, there are some specific aspects of housing provision on which the Commission wishes to comment:

It is noticeable that as community support for first home ownership and access to state and local authority rental accommodation has become more restricted and more targeted, the problems of those with the greatest housing needs have got worse. The relationship is not necessarily a causal one but it does suggest that tighter targeting, while it may reduce overall expenditure, will not of itself meet the most serious need. On the other hand, regular reviews are important to ensure that resources are fairly and efficiently employed.

Policies which focus on the housing needs of only one category of people (in the past those with dependent children) will seriously under estimate actual housing need and may also result in the provision of an inadequate range of types of housing. The Commission is convinced of the value of the collection of data on the housing needs of all New Zealanders as well as the analysis of that data to ensure that vulnerable and disadvantaged groups are identified. Accurate and adequate information will enable informed public debate to focus on priorities for scarce housing resources.

It follows that, if there is a variety of housing needs, then there is likely to be a variety of causes of those needs, and a variety of measures will be necessary to meet them. No one measure in itself will suffice. Campbell Roberts' paper establishes clearly that affordability is only one of the factors leading to poor housing and homelessness. Economic policies, employment opportunities (and the lack of them), regional decline and regional growth, as much as discrimination by landlords and lending institutions, all contribute to housing difficulties.

<sup>3</sup>National Housing Commission, "Hospital and Related Services Taskforce", *Housing New Zealand—Provision and Policy at the Crossroads*, Five-yearly Report, Government Print, Wellington, April 1988.



Having considered very carefully the arguments put forward by, among others, the Building Societies' Association, the Commission has come to the firm conclusion that, while in economic theory it is conceivable that the market place, untrammelled by regulation, could meet the housing needs of all, including the poor, that is highly unlikely ever to apply in practice given the realities to which we have just referred.

It is the Commission's view that the provision of adequate housing for all New Zealanders requires, as Campbell Roberts has set out:

- appropriate government intervention in housing delivery with long-term targeting and monitoring of housing needs, achievements and associated goals;
- co-ordination of community, consumer, industry and statutory housing interests and an integration with other aspects of social policy;
- programmes to meet the special needs of people requiring housing, for example women, disabled people, the aged, specifically ethnic minorities, Pacific Island people; and
- programmes to ensure improved housing of Maori people that continue to involve both the Housing Corporation and the Department of Maori Affairs.

The Commission believes that the Housing Corporation should have a specific responsibility to develop a series of forward plans to achieve the objective of adequate housing for all New Zealanders. Governments must make a financial commitment to eliminate homelessness over a set time period and to ensure it is never allowed to develop again. The Commission sees some merit in the acceptance by the state of a statutory responsibility to house the homeless which could take effect at the end of that set period.

The Commission believes that such a target could be achieved, and that the Housing Corporation should develop a series of partnerships with other agencies (including iwi authorities, local authorities, community groups, and the private sector) to ensure both appropriate and diverse provision.

Finally, the Commission notes the investment element in subsidising home ownership. For that reason we recommend that, while resources are scarce, emphasis should be placed on rental and co-operative forms of accommodation; but not exclusively so, because of the special value New Zealanders attach to home



ownership as one of the ways in which we may gain access to a fair share of resources which contribute to wellbeing.

As well as recommending priority action on housing for Maori and Pacific Island people, Campbell Roberts identifies other groups who are shown to experience particular problems with accommodation. They include people with disabilities, women and the aged. More detailed accounts may be found in this volume and Volume II of the Report. The Commission endorses the recommendations made by Campbell Roberts in relation to these groups.

No amount of expenditure on health services and education can compensate for the damage done by poor housing. New Zealand must make a commitment to ensuring resources are available so all our people are adequately housed.

## 5 *Personal Social Services*

In the paper, *Social Provision: Access and Delivery*, in Volume II of the Report, the Royal Commission has described the four characteristics it considers to be essential features of a system of social provision which will promote wellbeing, and meet social need. These are:

- choice
- adaptability and flexibility
- co-ordination
- accountability

In his paper, *Personal Social Services: Implications of the Principles of Social Provision*, John Cody offers a view of a system of personal social services which exhibits these features, and describes some of the potential consequences inherent in such a scheme.

While submissions to the Royal Commission seldom used the term 'personal social services', many addressed the area described by the author as 'services provided face to face and primarily intended to sustain or create a sense of individual self worth or sound relationships within the groups in which people live'.

Outcomes sought by those making submissions varied, but there was no doubting the strong message that they wished to influence the way services should be offered. Their views of what was appropriate vary, but above all they wish to be heard (voice), and to be able to choose a service which will meet their personal circumstances and conform to their values. The author has recognised that

people prefer to make key choices based on factors such as kinship, culture, religious affiliation, work or neighbourhood and this has led him to support the principle of subsidiarity. This powerful principle (which is also supported in *Social Provision: Access and Delivery* in Volume II) reflects the belief that it is unjust to transfer to a larger and higher body those functions which can be performed and provided for by groups closer to the individual.

Adopting this principle as a basis for personal social services provision recognises that people are entitled to receive services they consider appropriate, and to choose the social group which can most ably, in their view, provide the assistance and support they seek.

This paper reminds us that personal social services are one point where the inadequacies of other services become apparent. The Royal Commission supports the author's contention that personal social services should not be used to compensate for inadequacies in income maintenance, health, education, housing or employment or in the related areas such as courts and policing.

The Royal Commission also supports the call for more freely available, accurate information on options and believes that, were personal social services organised and delivered in a negotiated way, this could lead to significant improvements in monitoring their effectiveness.

The Royal Commission believes the operation of a delivery service, based on the principles it has adopted, is worthy of trial, and commends the suggested system.

## 6 *Justice*

As Dr Warren Young and Ms Caroline Bridge emphasise at the beginning of their paper on *Justice*, a workable and credible system of law and justice is essential to the maintenance of a fair and free society. The Royal Commission endorses the objectives and principles of a workable and credible system as set out in the paper. Accordingly, the objectives of the justice system should be:

- 1 to provide a fair and efficient means of dispute resolution;
- 2 to uphold the rule of law in a manner consistent with individual justice in the protection of society; and
- 3 to provide a forum for the appropriate punishment of those who commit offences.



The basic principles underlying the system of justice are that:

- (a) it should be accessible and affordable to all citizens;
- (b) it should protect the rights of minorities and disadvantaged groups;
- (c) its decisions should be enforceable;
- (d) it should be independent of direct political control; and
- (e) it should provide a system of punishment which is humane, consistent and proportionate to the offence.

The authors conclude that in many respects New Zealand's system of justice has not managed to observe these principles. There is a widespread perception, especially amongst ethnic minorities and other disadvantaged sections of the population but to some extent amongst all consumers of the legal system, that it is complex, alien and remote from the lives of ordinary people. There is also a perceived ethnocentric bias both in its procedure and in outcomes, and the feeling that the system is failing to provide an adequate service or adequate redress to significant sectors of the population, and is therefore failing to efficiently and effectively regulate relationships between citizens.

The submissions we received fully justify those conclusions. The paper goes on to discuss deficiencies in access to justice, the need for flexibility in the justice system, both in civil and criminal proceedings, aspects of sentencing, punishment and police powers and resources, and the plight of victims of offending. In doing so, and drawing too on their own expertise, the paper makes numerous suggestions for change. We endorse the broad thrust of the proposals in each of those areas and recommend that they be given early consideration.

The remaining part of the paper on Justice is concerned with matrimonial property. The Matrimonial Property Act 1976 represented a major step forward towards recognising the equality of women and men in adopting as it did the presumption of equal sharing of matrimonial property on the breakdown of marriage. However, as submissions to the Commission have brought out, the equal re-allocation of existing assets at the time of separation often fails to produce true equality between the sexes and economically handicaps the spouse with lesser career prospects and the children of the marriage. There are two reasons for this. The first is that a career and its related benefits and prospects are ordinarily the assets which have most impact on an individual's future economic well-being. Where there are children, the spouse (usually the mother)



who has had primary responsibility for their care, rarely leaves the marriage on equal career terms. The second is that, where the matrimonial home and chattels are the only substantial matrimonial assets, equal sharing often seriously disadvantages the spouse who has custody of the children. This is because of the difficulty, with reduced assets and a modest income potential, of financing home ownership or meeting rent payments.

We endorse the paper's general recommendations that property re-allocation after marriage breakdown should reflect those realities. It should attempt:

- 1 to achieve an equality of result between husband and wife, which will generally involve an element of compensation for a spouse who has sacrificed economic advancement in the interests of the marriage and of the children; and
- 2 to protect the living standards of the children who will be adversely affected unless their housing is secure.

The legal protection of human rights is not taken up in the paper called *Justice* because of the constraints of time and coverage. Some aspects are considered in other parts of the report. The papers on *Women and Social Policy* and *Work* in Volume II recommend that the Human Rights Commission Act 1977 be amended to outlaw discrimination on grounds of disability, gender, sexual orientation or age. *The Treaty of Waitangi: Directions for Social Policy*, in Volume II, after noting amongst various proposals for giving effect to the Treaty of Waitangi the enactment of a Bill of Rights in which the Treaty is included, strongly recommends that the Treaty in its entirety be entrenched as a constitutional document.

## 7 *Energy*

The paper, *Energy and Social Policy*, by Molly Melhuish explains why energy is important to social policy. The main reasons are:

- 1 energy is crucial to meeting certain basic needs (warmth, mobility, food);
- 2 the production and distribution of most forms of energy have major impacts on the environment;
- 3 energy projects are very large, require major capital investments, with associated debt, and often last a long time. As such, they have major social and economic consequences; and



4 energy is an essential input to productive processes, affecting employment prospects and the enhancement of wealth in the community.

The paper by Molly Melhuish, and the supplementary paper, *Rents in the New Zealand Energy Sector*, by Geoff Bertram, indicate how economic rent arises from the difference between the price consumers pay for energy and the cheapest existing source of supply. The economic rent associated with energy projects is often large, because of the monopolistic nature of energy production and distribution and the zero value given to natural resources until they are processed. It is usually not apparent who gains this economic rent, whether it is distributed to consumers in the form of lower prices, returned to the community by taxes, or captured by producers.

For the reasons just outlined and because of their long-term effects on present generations and on the interests of future generations, energy decisions must form part of social policy, and be explicitly recognised.

The paper demonstrates the importance of public participation in energy decisions, and comments on the frailty of existing processes intended to protect the public interest. We believe that these processes would be enhanced if the Commission's proposals in the *Policy Development, Assessment and Monitoring* paper in Volume II were applied to energy policy.

## 8 *The Environment*

The terms of reference of the Royal Commission require it to report on what needs to be done to make New Zealand a more fair and just society. At the beginning of her paper called *The Environment*, Christine Dann makes the important point that if fairness and justice are to be implemented within the biological and physical constraints we must all live within, it is essential to add a third concept, namely *sustainability*. Her theme is that the economic growth of societies is always associated with the exploitation of natural resources. Time and again, by pushing the environment beyond sustainable limits, humans have caused the collapse of the society dependent upon that environment. The lesson which she draws from case studies is that an endangered environment means an endangered community because of the indivisible links between

humans and their environment, economics and ecology. The principles people adhere to in organising human societies will also be the principles they follow in organising relations with the environment.

In succeeding sections of her paper Christine Dann:

- poses the questions what is the relationship between humans and their environment and what ought it to be?;
- brings out the shared conclusions of religion and science that the wellbeing of humans and the environment are completely interconnected (section 2);
- considers the physical and biological constraints which are specific to the New Zealand environment;
- discusses Maori and Pakeha perceptions of the environment on which New Zealanders base their policy recommendations (section 3);
- explores the difficulties of translating into policy these first principles of natural and social existence (which are the principles of human and environmental interconnectedness and interdependence) since most present day economic activity focusses only on intermediate means and ends, assumes that infinite growth economies are both possible and desirable, and neglects or denies ultimate physical and metaphysical constraints on economic activity (section 4);
- examines the extent to which policy makers have neglected to examine or to choose institutional arrangements to guide individual initiatives in socially desirable directions (section 5).

The Commission endorses the general thrust of her analyses, particularly the need for social and economic policies to be developed within a framework of environmental justice, and for the needs of future generations to be taken into account. The themes of partnership, participation, and protection recur in many sections of our report and are highlighted in *The Treaty of Waitangi: Directions for Social Policy* in Volume II. Their application to the environment in respect of cultural, economic and social relationships requires: continuing representativeness at all policy making levels; information systems that enable people to truly belong to their environment; respect for tribal prerogatives; mechanisms for effective action by local bodies; and a central government able to reconcile sustainability with social justice and economic development.



We strongly support the conclusion that widespread public participation should be part of decision making processes because the environment is 'part of our birthright and essential to our identity'. In short, it belongs to New Zealand.

## 9 *Transport*

The major transport area in Raewyn Good's paper, *Transport: Access or Isolation*, is land-based 'because for the majority of people (in New Zealand), this aspect of transport is the determinant of our ability to participate in society'. Air transport and inter-island ferry transport are acknowledged as having importance as well.

Reference to the effects of this country's topography and its social and economic history sees the situation in the 1980s to be:

- 1 the depopulation of rural areas with little available public transport;
- 2 sprawling urban development with bus, train and car presenting problems of accessibility, traffic congestion and pollution; and
- 3 costs both in public and private transport which limit accessibility and choice for low-income people and other special groups to pursue personal, social and economic activities.

The right to transportation and the assumption 'that [people] can live where they like and have a basic level of service in that location—despite the inequities . . . that result from the unequal cost of providing the services', imply a continuing need for subsidies from the wider community.

In view of the factors outlined, the conclusions and recommendations in the paper include the following:

- that accessibility is a crucial aspect of transport decision making requiring more attention;
- that mechanisms ensuring decision-making require that decision making bodies reflect the diversity of communities;
- that a clearer identification of costs, benefits and subsidies allows communities to discuss and determine what is in their interests and in the interests of regional and national groups, more clearly than at present;
- that there should be greater utilisation of the urban transport planning, funding and administration model, with national

- guidelines containing national minimum levels of access being established;
- that workers in the transport system should have an equitable living standard; and
- that the importance of safety should command at least minimum quality licensing standards.

Central to social wellbeing and the pursuit of personal, social and economic activities, is the reasonable availability of adequate, accessible and affordable transport. Transport policies should reflect the rational use of community resources. We endorse the conclusions reached in paragraph 10 of the paper, namely:

- 1 that rural people seem to have greater access problems than urban dwellers. These difficulties seem to be threatening community viability and the 'quality of life';
- 2 that where reasonable levels of access are provided, there remain significant sections of the population unable, for a number of reasons, to utilise services;
- 3 that there are attitudinal and structural constraints limiting the responsiveness of the current system of transport to community needs; and
- 4 that resources are limited, but that measures can be taken to improve 'allocations' and processes so that greater effectiveness and efficiency can be achieved.

## 10 *The Media*

Exposure to print and broadcast media is a major means by which New Zealanders experience and understand their society.

In the first paper on the Media, called *Social Policy and the Media in New Zealand*, John Farnsworth examines two significant trends in the field of mass communication. Their effects are being felt worldwide and will have a large impact on this country.

The first of these is the so-called *communication revolution* covering the whole array of telecommunications. The ramifications of this phenomenon at its extreme have been such as to pose a threat to national identity. The second is the move towards widespread deregulation of activity in line with the market driven trend.

In examination of these issues, two central questions arise. One concerns 'the degree of diversity available in different media



arrangements'. The other 'is the equality of access available to different social groups'.

The paper concludes with the proposal of models in which private and state interests could 'maintain regulation, accountability and representation', in support of the public interest.

In considering the importance of the mass communication sector and its tradition in New Zealand we recognise the need to maintain a level of access and a quality of material to facilitate achieving the highest standard of information and enquiry. We also believe that public consultation and influence in the determination of content and standards are essential. Any monopoly of control which would prevent the expression of our nation's culture in all its diversity, and the creativity of its people, would be unacceptable. The existing paucity of New Zealand-produced material shows a clear lack of balance and we consider a commitment to increasing nationally based work to be essential.

The second paper, *The Mass Media: A Maori Perspective*, by Derek Fox, begins with a quote from the Executive Training Officer for the New Zealand Journalists' Training Board in which he questions the true role of journalists. He claims that in this country they have contributed to the maintenance of a strongly monocultural policy in the presentation of information and comment to New Zealanders. It is suggested that the influence is of such strength that the media have assisted the suppression of Maori language and culture, failing to acknowledge, as have most of us, the historic partnership we are supposed to have shared since 1840 when the Treaty of Waitangi was signed.

A short history of Maori participation in radio and television broadcasting reveals much ignorance and insensitivity on the part of Pakeha leadership. Derek Fox describes the many plans to increase Maori staffing resources and programme development. These have suffered consistently through competition from other areas which enjoyed greater prestige, an apparent lack of commitment, a fear of dealing with an unfamiliar culture, and untimely political and personnel changes.

His consideration of the Broadcasting Corporation of New Zealand's present policies leads him to the unhappy conclusion that the development of a partnership as the basis for a necessarily large increase in Maori staffing and programming is not now possible. In Derek Fox's view it seems that the will of the Pakeha management is weak and the conviction on the part of the Maori

broadcasting interests that they need to forge their own destiny is too strong. The Maori broadcasters wish to preserve their language and culture for this and future generations, and to have the same choice to view and understand the world as the Pakeha have had for over the last 60 years.

The case for major government funding for Maori broadcasting services is debated and it is pointed out that '18 percent of today's school leavers are Maori and 25 percent of all babies born in the 1980s have at least one Maori parent'.

The Royal Commission has had a consistent commitment throughout its report to a partnership between Maori and Pakeha under the terms of the Treaty of Waitangi. Our commitment is certainly no less to such a powerful influence as the broadcasting media. The rapid and widespread urbanisation of the Maori people has posed a significant threat to their language and culture and has contributed to a loss of identity so typical of the overwhelming effects of introduced Western culture. The stemming of this engulfing cultural tide must be accomplished now, and by the use of every means at society's command. We have already noted in *Policy Development, Assessment and Monitoring*, in Volume II, that present media coverage does not adequately fulfill society's commitment to Maori development.

The Royal Commission believes that, although broadcasting services in New Zealand are beset by many other conflicts, they must work with Maori broadcasting interests to achieve more equal policies. A well-planned devolution of power to the appropriate people with adequate central oversight should enable the media to play a more useful role in positive Maori development.

## 11 *Recreation and Leisure*

The authors, Grant Cushman and Allan Laidler, of *Recreation and Leisure*, note at the outset that 'recreation and leisure are rarely of central interest in political discussions of public policy'. They then proceed to demonstrate the vital importance of a strong recreation and leisure policy and argue that recognition of the value of measures to allow for full development of these aspects of people's lives would have not only positive social results, but political and economic gains as well.



In reference to the changing patterns of paid employment and the expansion of leisure periods, Grant Cushman and Allan Laidler draw attention to the importance of free time as being the main opportunity for people to 'establish, develop and enjoy their most significant social relationships'.

The congruence of the Royal Commission on Social Policy's terms of reference with their position is observed and there is also ready agreement with the aims and values of significant social groups—youth and women—to which we have given considerable attention elsewhere in this report.

Recreation and leisure policy, they point out, must be sensitive to change in society and reflect the requirements, for example, of evolving family structures, demographic shifts and ethnicity.

The standards and principles proposed are entirely in accord with our own expressed views and we strongly support the recommendations made in the conclusion:

Where appropriate, projects and experiments should be initiated which:

- (a) are likely to contribute to the improvement of the physical and mental health of the population;
- (b) help New Zealanders appreciate the potential of recreation and leisure to bring increased pleasure, satisfaction and better quality into their lives;
- (c) encourage a progression from passive consumption to active participation;
- (d) support social and cultural activities (community celebrations, popular culture and festivals), centred on individual and group expression and creativity;
- (e) stimulate New Zealanders to discover and explore their rich natural heritage in the outdoors;
- (f) facilitate wider participation by all, and especially by those physically, economically and socially disadvantaged;
- (g) provide support for home-based recreation, as well as for more formally organised activities;
- (h) encourage groups and individuals to develop new forms of recreation activity;
- (i) encourage developmental rather than trouble shooting approaches to target groups identified as having special needs;
- (j) monitor the development of recreation, education and training to ensure the availability of the leadership and professional skills required both in the corporatist enterprises of physical resource management and in the animation of diverse communities with pluralistic interests and enthusiasms.

## 12 Immigration Policy

Historically international migration has played a major role in the development of New Zealand and its people.

While the Royal Commission received a number of submissions on the development and implementation of immigration policy and on the practices of the Department of Labour's immigration section, the focus of the paper *Immigration Policy* by Justin Hurrelle is on an assessment of the purposes of New Zealand's immigration policies over time.

The terms of reference of the Royal Commission give as one of the foundations of our society and economy, the equality of all races. Since 1840 there has never been an occasion when immigration policies have, both in word and in practice, effectively reflected that foundation. Nor do they ever appear to have had any regard to the principles of the Treaty of Waitangi. It is clear from submissions to the Commission that, for some groups, current and past immigration policy and practices are a significant constraint on the achievement of the standards of a fair society. In particular, they work against acceptance of the identity and cultures of different peoples within the community, and they do not incorporate understanding and respect for cultural diversity.

In the light of this assessment the Commission recommends that:

- 1 The Treaty of Waitangi be recognised as the foundation upon which all immigration policy must rest. In the first instance this requires that immigration policy be the result of a bi-cultural policy development process (see *Policy Development, Assessment and Monitoring*, in Volume II, for the Commission's proposed framework). Other implications include an ongoing assessment of the impact of immigration on Maori, Maori culture and other taonga; informing prospective immigrants of the Treaty of Waitangi and the obligations and rights flowing from it; and affirmation of the Treaty in the procedures conferring New Zealand citizenship;
- 2 Within the framework of a bi-cultural policy process there is an urgent need to develop immigration policies which reflect New Zealand's position in the wider Pacific, and more particularly as one of the island nations of the South Pacific. Such policies should be developed in discussion



and after consultation with other South Pacific communities, to ensure policies are mutually beneficial;

- 3 In recognition of submissions received from Pacific Island communities, which reflected very grave concerns about immigration policies and practices, a more generous definition of the term 'family' should be applied forthwith to the family re-unification provisions;
- 4 Furthermore, future immigration policy should extend beyond the concept of family re-unification to one of sustaining the various ethnic communities within New Zealand. Ageing and assimilation should not be allowed by default to undermine our cultural diversity, or to destroy the viability of particular communities.
- 5 The objectives of immigration policy must be reviewed within the bi-cultural and Pacific, oriented framework with the aim of developing clear, consistent and *measurable* objectives. This requires that some priority be given to establishing accurate ways of assessing the impact of immigration policies particularly in terms of demography, culture, the environment, housing, health and education provision, the economy and employment and training opportunities. The Commission shares the concerns of those who believe there is an over-reliance by employers on the importation of scarce skills rather than the development of those skills within New Zealand.
- 6 A commitment to the standards of a fair society requires: properly planned and government-resourced support programmes for all new immigrants, particularly, English as a second language, courses; and systematic review of all aspects of immigration policy and practice to eliminate covert as well as overt discrimination.

Finally, the Commission draws attention to its recommendation in *Income Maintenance and Taxation*, in Volume II, that national superannuation should be portable from age 65 at 50 per cent of the gross figure.

### 13 *Pacific Island Peoples' Perspectives*

In their paper *Pacific Island Peoples' Perspectives*, the authors, Kiwi Tamasese, Paula Masoe-Clifford and Sui Ne'emias-Garwood hope



to reflect their peoples' stories and to set out *the journeys of pain and hope for a fair and just society*.

From the many submissions to the Royal Commission, the data available, and from their own experiences, they describe graphically what it means to be a Pacific Island person living in New Zealand. It is likely to mean poor health, poor housing, poor education, low pay, unemployment, discrimination and erosion of one's culture.

But that is not all they want us to know. Equally they want us to recognise that Pacific Island people have contributed in a variety of ways to the economic, social and political life of New Zealand. And they want us to remember that many were actively recruited to work in New Zealand industries.

In considering these two matters—that is their contribution to this country and their unequal share of social and economic ills—they want us to recognise the obligations of New Zealand's past colonial relationship with the Pacific Island nations and the continuing impact of that relationship on their peoples and on New Zealand's role in the region.

In other sections of the Commission's work, regard has been paid to the position of Pacific Island peoples with respect to those specific areas. In Volume II of this report the paper on *Work* is one example, as are the chapters on *Housing*, *Immigration* and *Youth* in this volume. The relevant recommendations made elsewhere will not be repeated here though they respond to many of the points made in this paper.

In the context of this paper, however, the Commission wishes to acknowledge the particular importance of policies which provide wide employment opportunities including employment which offers co-operative approaches based on cultural concepts of collectivity. Furthermore, the Commission would underline that, if the promise of greater opportunity in New Zealand is to be realised, there is an urgent need for improved and appropriate housing and appropriate education provision including mother-tongue teaching. Such teaching is essential for the survival of some Pacific Island languages as well as for the wellbeing of the students concerned. The evidence which suggests that educational rates for Pacific Island people (which are currently between those of Maori and European) are declining as the proportion of New Zealand born increases, should be sufficient to generate effective action to reverse the trend.



In their final submission to the Royal Commission the Pacific Island Women's Organisation, PACIFICA, sets out the special relationship which they see between Pacific Island peoples and New Zealand and they suggest how, within the principles of the Treaty of Waitangi, a future partnership can be developed:

... We as Pacific Island people seek a partnership with Maori and Pakeha, for the betterment of our society. We believe we have a legitimate claim to partnership:

with the Maori—because of our common ancestry;

with the Pakeha—because of New Zealand [involvement] in the colonisation of the Pacific on behalf of the Crown;

with New Zealand—because of our shared geographical resources of the Pacific as reflected in the establishment of the South Pacific Forum. [Submission 5827]

The Commission shares the view of PACIFICA and of the authors of the paper on the place of Pacific Island peoples within New Zealand. Only when this is widely accepted will New Zealand begin to meet the standards of a fair society.

## 14 *Ethnic Equality and Diversity*

The terms of reference of the Royal Commission identify as one of the five standards of a fair society 'acceptance of the identity and cultures of different people within the community, and understanding and respect for cultural diversity'. In addition, the 'equality of the races' is stated to be one of the foundations of New Zealand's society and economy.

The paper entitled *Towards Ethnic Equality and Diversity*, by Finau Kolo, should be read in conjunction with the Commission's paper *The Treaty of Waitangi: Directions for Social Policy*, in Volume II, and the papers on *Pacific Island Peoples' Perspectives*, *Immigration* and *Youth* in this volume. In addition, other overviews and papers touch on matters of relevance to ethnic equality and diversity.

This paper draws attention to the position of Maori as tangata whenua and the emphasis the Commission has given to the Treaty of Waitangi as the basis for a partnership between Maori and tauwiwi; that is, all other people of New Zealand, not just those of British origin. In considering the *Outcomes of Social and Economic Processes*, paper in Volume II, as well as the work done for it on immigration and other policies, the Commission has already recommended that there is an urgent need to develop immigration



policies which reflect New Zealand's place in the wider Pacific and more particularly as one of the island nations of the South Pacific. Within the framework, therefore, of the Treaty of Waitangi and an orientation towards the Pacific, the Commission strongly endorses the approach of this paper.

The Commission views the growing ethnic diversity of New Zealand's population as a most positive development. We agree with the Wellington Ethnic Council that acknowledgement of the contributions made by the various communities to New Zealand's development is long overdue.

However, merely recognising and acknowledging are not enough. New Zealanders are only now beginning to acknowledge the social injustices of our history of personal, cultural and institutional racism. The myth of 'one people' has been based on an intolerance of diversity. Only when we reject the myths can we discover reality and begin to embrace the identity and cultures of different people within the community. Only then will understanding and respect for cultural diversity grow.

This paper points out that it is not enough to provide sanctions against discrimination at an individual level. New Zealand must move towards policies based on supporting and sustaining the various ethnic groups within our community. To date, New Zealand's record of assistance even for refugees, let alone other new migrants, has been parsimonious. The Commission supports the proposals outlined in this paper for more effective provision for all new migrants with readily available 'English as a second language' courses as an essential minimum.

## 15 *Family*

The infinite variety of family form and experience is described by Marg Gilling in her paper, *Family*, which contains an examination of this vital group which forms the basis of our society.

A review of submissions on the family, to the Commission, reflects to some extent the tendency to interpret the term as comprising 'the husband, his wife and children'. However, there are also many references to other forms of the family influenced by a variety of sexual preference, cultural background, life cycle position and so on. Family demography and the factors influencing change are considered with observations on the effects on the



people involved. Some paradoxes involving social values and expectations are discussed, and the history and development of the whanau in relation to these are studied.

The Domestic Purposes Benefit is a useful focus for considering public perceptions and prejudices which have negative effects on a large group of sole parents intent upon the difficult but dedicated task of raising their children in what is thought to be a fair society.

Violence as a family experience raises questions about contributing factors and remedies for the destructive forces displayed by men and women throughout the class structure.

Ultimately the array of knowledge from the various sources draws the conclusion that much of what is known is poorly co-ordinated. A family policy, which could provide a focus by which judgments can be revealed and acted upon, would be highly desirable at this point in our social history. Acknowledgement is made of dangers inherent in this approach but, overall, positive outcomes are considered likely.

The Commission sees the diverse networks of kinship and families in their many forms as central to a cohesive society. Our commitment to this view underlies much of our thinking and recommendations throughout the report. Every family grouping has strength and frailty with which the state, and the wider community, may become involved at any point.

The proposals in this paper envisage the evolution of policies in families and kinship. They avoid any idealised portrayal and recognise that the focus must reflect the diversity of family groupings. Further study and research should be encouraged to provide a continuous review of the family as it exists in New Zealand.

## 16 *The Elderly*

The paper called *Perspectives on the Elderly* is a comprehensive review of submissions to the Royal Commission and the findings of research as they relate to the elderly. The author, Peggy Koopman-Boyden, emphasises the link between particular attitudes to the elderly and the policies which those views are likely to produce.

There are three sections to the paper. The first describes eight perspectives, the second analyses them further, and a summary viewpoint is provided in the third section.

The eight perspectives encapsulate the attitudes and values which are often ascribed to the elderly and to the process of ageing. They are not, of course, absolute, and aspects of each perspective may be widely accepted in association with others. Balance is important and the paper's clear view is that imbalance has often arisen without considering the attitudes of the elderly themselves, sometimes to their distinct disadvantage.

The eight perspectives are:

- 1 *Medicalisation* of the elderly in which medical needs and a casework approach dominate.
- 2 A *welderly* [well elderly] approach with strong emphasis on health promotion and good health as an ultimate if over-valued goal.
- 3 An *institutional* perspective that separates elderly people from the rest of society by admitting them to institutions.
- 4 *Community* care in which family care and other types of social service provision prevail.
- 5 A *dependency* perspective that may undervalue independence and self-esteem through policies which produce dependence.
- 6 *Empowerment—life enhancement*, a perspective that emphasises education, participation, the creation of positive social roles and the involvement of the elderly in decision making.
- 7 *Social construction* of old age and retirement. The focus here is on social policies such as compulsory retirement which force people into states of insecurity, non-productivity and economic hardship.
- 8 The perspective of *continuity and integration* which portrays the elderly as being totally integrated into society with old age being considered no different from other age-cohorts. Problems arise from limited access to employment, adequate housing, and education, rather than age itself. Successful adaptation will depend on the maintenance of lifetime activities and continuing social involvement.

The Commission finds that framework useful. There is of course overlap. A desire to integrate the elderly does not preclude a pension based on age so that participation might be more effective. Nor should social programmes for the aged reduce opportunity for involvement with the wider community. While each perspective



raises particular concerns, the views we expressed earlier in Volume II have emphasised the positive aspects of ageing, the unique and invaluable roles of kaumatua in policy development, choice as a desirable aspect of retirement and practical considerations relevant to care-givers.

A national policy on ageing is recommended in Peggy Koopman-Boyden's paper. Its objectives are in keeping with the standards of a fair society in the Commission's terms of reference and we support them, including the right to work and the right to active and meaningful participation in society. The paper further outlines strategies to meet those objectives and to ensure that appropriate care will be available. It concludes with four administrative strategies to facilitate the implementation of a national policy. The Commission is attracted to the call for greater integration (curative/preventative; institution/community) and, given the large number of services and government departments involved, sees considerable merit in establishing a Commission on Ageing to provide focus and impetus for planning and policy development. For that purpose we envisage a Commission limited in duration to 5 years.

## 17 Youth

The perspectives on youth are contained in the paper *Rangatahi: Youth Perspectives* written for the Commission by the National Youth Council (NYC). It can be seen as an expression of the concerns and hopes of the Council and of the many young people who participated and contributed to its preparation. Three perspectives within the paper, reflecting the structure of the National Youth Council itself, have been written by the Maori Rangatahi Caucus, the Pacific Island Youth Caucus and the Pakeha Caucus; together they address the diverse origins of New Zealanders, a wide range of contemporary problems and aspirations for the future.

Recommendations arising from the consideration of particular issues identified by the Council are made in respect of: young women, young men, spirituality, youth workers, health (including mental health), disabled youth, education, racism and education for change, justice, unemployment, housing, income maintenance, art and leisure.



Throughout the discussion a number of emphases recur: the importance of the Treaty of Waitangi to all New Zealanders; a future vision drawing on history, and on spiritual and natural worlds; technology and creativity; co-operation and freedom. The active participation of youth in society is stressed with particular attention given to a share in decision making when policies are developed. Other themes contribute to the general thrust of the paper: holism, prevention and reconciliation, all three of which are seen as important to the balance and future evolution of society.

This approach is consistent with the views expressed in the paper on *Income Maintenance and Taxation* (Volume II). In considering a Youth Entitlement the Commission saw the need to look further afield than income-support alone, and to consider also education, parenting, housing, health care, and training.

The appendix to *Rangatahi: Youth Perspectives*, contains much useful material. An explanation of terms relevant to Maori perspectives precedes the vision that each caucus has for New Zealand's future and there is a concluding short history of the development of the National Youth Council.

Many youth groups and individual young people made submissions to the Royal Commission. In several schools the topic became a class project. The views and opinions were expectedly wide-ranging reflecting not only different backgrounds and personal interests, but also the distinctive qualities associated with that stage of the human life cycle when concern for the future is made more urgent by the practical considerations that come with entry into the workforce and the need to be self-supporting.

Understandably, the paper by the NYC does not reflect every youthful opinion. Of particular interest to the Commission, however, was the discussion on the status of youth and a national youth policy that genuinely reflects the physical, spiritual, emotional, cultural, mental, and economic wellbeing of all young people. The central role of the Ministry of Youth in bringing together policy was endorsed but the need for policies to be developed by youth and not simply for youth was reiterated. An ongoing role for the National Council itself was envisaged and its methods of consultation were recommended to the Ministry as a way of ensuring the participation of youth.

The paper is a bold attempt to bring together three cultural strands of New Zealand opinion which, at a superficial level, might be considered contradictory. That the views of each caucus



coalesce as they do, suggests that differences are not necessarily barriers to co-operation or consensus and that the theme of reconciliation advocated by the Council has an immediate practical dimension as well as an obvious implication for future developments in New Zealand society.

## 18 *Disability*

Robyn Hunt, in her paper *People with Disabilities*, has described the pervasiveness of disability in society. Nearly 500,000 New Zealanders have some form of disability—physical, sensory, psychiatric, or developmental; of differing severity; either congenital or as a result of accident, progressive disease, or ageing. Some have multiple disabilities, some disabilities are hidden. Given the estimated number of disabled, we know surprisingly little about them. Despite this, the author notes that the common treatment of those with a disability as medical concerns, has led to an emphasis on the disabled as 'problems', needing help and incapable of self-support. The stigma of disability has been most marked in the case of mental health disabilities. In reality, people with disabilities are a very diverse group, with differing needs.

Discrimination against the disabled is perceived in employment, in housing and in education. Where work is undertaken, it is often limited by employer perceptions of what people are able to do. Successful independence for the disabled has traditionally been seen as adapting fully to the community. Having the community adapt too, which is interdependence, is now sought.

We believe that this move to interdependence would be strengthened by legal sanctions against discrimination, and in the paper on *Work* in Volume II we have recommended that the Human Rights Commission Act 1977 be amended to provide legal sanctions against discrimination affecting people with disabilities.

Robyn Hunt notes that the nature of service provision for disability has always been mono-cultural and does not acknowledge the way health is seen from a Maori perspective. To allocate resources fairly, the needs of Maori must be met in a culturally appropriate way. This is of particular relevance to mental health. Provision has generally isolated the disabled from the community, in special schools and institutions.

A vital improvement in the position of people with disabilities will come with education about disability—which is seen as one positive side effect of mainstreaming. The disabled wish to be part of the community, with support and rehabilitation (which has been primarily directed in the past at returning (usually men) back to the workforce) being directed at facilitating participation.

Disabled people wish to speak for themselves, to be in the community and to have educational, housing, employment and recreational opportunities.

The author concludes that:

(a) Dependence is exacerbated by features of the current income maintenance system and in particular:

- ACC versus other provision
- abatement rates for other income earned by invalids' benefit recipients
- married couple income testing

(b) Dependence would be relieved by:

- support for the disabled being linked to wellbeing, not sickness
- better access to transport
- better access to buildings and facilities
- improved availability of technical aids
- tailoring care to meet the needs of customers, rather than providers
- improved advocacy services and better support for self-help groups
- integrated information services
- effective de-institutionalisation with community support services as the alternative to institutionalised facilities
- expanding the scope of the existing ACC system
- having independent advocates to act for those in institutions.

The importance of enabling people with disabilities to participate fully in society is recognised by the Commission; it reflects the numbers of the submissions we received, and is consistent with the principles we have developed throughout our report. We are not certain, however, that consumer-based funding will empower all disabled consumers, because of the many factors that affect the availability of relevant and meaningful choices.



We believe that the community must be more responsive to enable those who are disabled to contribute, by facilitating their participation in employment, and their development by education, as others in society seek to achieve their potential too. The Royal Commission supports the efforts of people with disabilities to claim their rights of citizenship and to fully participate and contribute to the future of New Zealand.

During the last decade the community has shown it can change. We all stand to gain from the richer society that will ensue.

## 19 Consumer Affairs

As the paper *Consumer Affairs* by Peter Benge notes, numerous submissions to the Royal Commission identified consumer rights as a concern reflecting a strong view that there are elements of unfairness and injustice both in the market supply of goods and services and in the provision of social services.

In recounting the historical development of consumer protection by various means and describing the bodies which have developed from state and community initiatives, the paper emphasises the lesser bargaining power of consumers, considerations of health and safety, and the rights and responsibilities of consumers. Continual vigilance is required to maintain standards for the consumer and the supplier. Public education, starting in primary school and continuing throughout life as a basis for individual awareness and responsible conduct, is vital. Where language and cultural awareness contribute to an unequal understanding of consumer affairs, extra effort must be expended to provide balance.

The availability and control of credit is given some prominence. This is for many reasons, not the least of which, is the particular peril to low-income persons, encouraged by advertising and unfamiliar values systems of accruing large debts which cannot be realistically serviced with the result that they endanger their hard-earned ownership of chattels.

The paper goes on to discuss the difficulties consumers may face in seeking redress of grievances, both in relation to market transactions and government services. In doing so it makes the important point that, if consumer satisfaction in market transactions and the fairness and cost effectiveness of government policies and services

are to be enhanced, policy structures must be responsive to consumer interests.

The Commission endorses the broad thrust of the paper and puts particular emphasis on two matters. The first is the need for consistent public education on consumer rights and responsibilities, and for vigilance on the part of the state and local bodies and community agencies in these areas. The second is the importance of applying the principles of participation and accountability in this field of social policy.





# HEALTH

## A Brief Historical Overview

Judith Reinken





# 1 Health: A Brief Historical Overview

Judith Reinken

To grasp where we are now we must look briefly at where we have been. Reform of the New Zealand health system is a process which has been undertaken—at a national level—from time to time for over a century.

2 The Government White Paper, *A Health Service for New Zealand*<sup>1</sup> issued in 1974, described several aspects of that process. The White Paper described the role of the State and of local municipalities in the provision of hospitals, asylums and poor houses and in the State provision of medical attention for 'the imprisoned, the insane, the impoverished and the indigenous' during the nineteenth century. As has remained the case, the health-care system in place for the Maori people of New Zealand has been excluded from official history. European immigrants saw the provision of ordinances to protect health—by controlling the spread of infectious disease, the care of the diseased or disturbed in institutions and the relief of the poor—as some of the fruits of Pakeha civilisation which Governor Grey hoped to offer Maori people. Official histories do not record what Maori people may have hoped to offer Pakeha in the interests of curing disease and distress or of avoiding them.

3 Hospitals grew and developed against the background of the English experience of the Victorian Poor Laws. The public hospital system had its origins in provision made for those who could not afford medical attention and nursing care in their own homes,



those who had no homes or those whose needs were seen as partly for punishment and partly for healing. While some areas maintained their hospitals as voluntary associations, supporting them by subscription, few areas found it possible to gain public support for their lunatic asylums. By the 1870s all these were government funded.

4 Once institutions were publicly funded and administered, they were subject to inspection and some control. Dr G. W. Graham, the Inspector appointed in 1881, noted that when the government subsidised charitable contributions to bring service up to scratch, the contributions from the public fell away. He noted that so long as central funds were used to finance local concerns, there would be extravagant expenditure ill befitting a country in the middle of a depression. So in 1885 Parliament passed a Bill ensuring that committees of hospital management would be local and amenable to public opinion by being elected; that expenditure should be local; and that central government should meet a proportion of the expenditure but not be looked upon as the last resort. It would not respond to pleas of over-expenditure by making up the shortfall.

5 For 15 years the healthcare system burgeoned and split apart under local autonomy, until both the hospital system and the public health situation had become chaotic. Anomalies in funding and administration existed between the public asylums that were government institutions and the public hospitals which were local and/or charitable institutions. In 1900 the Public Health Act created a Department of Health headed by a Chief Health Officer with local District Health Officers, all of whom were to be medical practitioners with 'special knowledge of sanitary and bacteriological science'.

6 In the first 4 decades of this century hospital practice and medical care developed to its present scale of coverage. Caring for severely sick or distressed people at home ceased to be the norm. It became respectable to be hospitalised for childbirth. Separate institutions, sanatoria, were provided for the treatment of tuberculosis. Base hospitals became centres of curative medicine, although their preventive role was never realised. For the indigent aged there were workhouses that might also provide nursing care for chronically ill or incurable persons. As the service grew and expanded the fees paid by patients made up less and less of its revenue, and public money was increasingly called for.



7 Maori people were catered for separately by the Maori Health Service. While the public health effectiveness of the boards of health for the Pakeha, was open to question (epidemics raged and public works were sometimes scandalously incompetent) the Maori Health Service assisted substantially in the recovery of the Maori population, principally through the Maori service's nurses, who visited mothers and offered help and advice. From their activity grew the present Public Health Nursing Service.

8 The Health Department was formed into divisions which included, besides Maori Hygiene, Public Hygiene, School Hygiene, Dental Hygiene, and Child Welfare. The welfare of children was a primary focus as New Zealand became a nation growing more by natural increase than by immigration. The formation of the Plunket Society has to be seen against that background. Truby King's belief that the proper feeding of infants would prevent psychiatric disease led to the rapid development of this major voluntary agency.

9 The separate Mental Hospitals Department was merged with the Health Department and the institutions it controlled came under the care of the Department of Health. They remained there until the early 1970s when they were transferred to the hospital boards.

10 With subsequent modifications, the healthcare services today were shaped by the activities of the first Labour Government. The Social Security Act 1938 mandated the provision of free care to all. Parts of the service were never brought into the system, for example dental care and optometry, and general practitioners refused to participate directly. Primary medical care was subsidised by paying the patient a proportion of the fee charged by the doctor.

11 The last five decades have seen an ever larger proportion of public funds going to public hospital treatment, and a corresponding diminution of attention to healthcare of any other sort. The problem that has faced health service planners is how to curb the escalating expenditure and at the same time move the healthcare system to a more holistic and health-centred focus.

12 Throughout the 1970s it became obvious that hospital growth had to be contained. A population-based funding method was introduced to counter the practice of funding last year's level plus whatever extra could be argued for. Growth in public expenditure on health as a proportion of Gross Domestic Product was



slowed, but structural anomalies in the system then stood out more dramatically.

13 In 1974 the introduction of ACC payments for healthcare needed by accident victims began to distort the system. Within a decade it had fostered the growth of private businesses providing healthcare, acute surgical care and physiotherapy, in competition with the centrally funded hospital system.

14 In the 1970s a Special Advisory Committee on Health Services Organisation was set up to advise the Minister on ways to integrate the health services more appropriately. The aim was to provide strategic planning for the health of an entire region by bringing together professionals and lay people representing all the interests of the community. The name for the new bodies became Area Health Boards (AHBs). Legislation enabling the formation of these boards was passed in 1983, and the Northland Area Health Board was formed, followed shortly after by the Wanganui and Nelson Boards. Taranaki has recently joined them.

15 In its submission (0063) to the Royal Commission on Social Policy, the Department of Health refers to the charter for Area Health Boards:

- (a) To promote, protect and conserve the public health, and to provide health services.
- (b) To provide for the effective co-ordination of the planning, provision and evaluation of health services between the public, private and voluntary sectors.
- (c) To establish an appropriate balance in the provision and use of resources for health prevention, health promotion, health education and treatment services.

16 Increasing the subsidy for visits to general practitioners in a time of inflation was unpopular. The present low level of subsidy means the cost of visiting a general practitioner is a barrier to access to the whole health system. A general practitioner serves as a gate-keeper. Less than 36 percent of the cost of general practitioner services is now borne by the State. In 1986 the Health Benefits Review was instituted to consider and make recommendations for the primary care sector and for the whole system of health benefits. In 1987 the Task Force on Hospitals and Related Services was asked to make recommendations to foster increased equity and efficiency for the secondary-care services.

17 In 1988 the health services system stands at a crossroads. A strong commitment to the Treaty of Waitangi and true partnership has been expressed. The review teams have reported and the

organisations are all being reformed. The Department of Health will become a Ministry, having devolved all its service functions to the Area Health Boards which have just come into being or which will be doing so. How services will be organised and delivered, how the aims of government will be achieved, and whether efficiency and equity will be improved are not yet known. Social policy in the health area is in transition.

18 Devolution of centrally controlled services is likely to be happening in other areas of social policy. It is therefore worth considering what are seen as the current and likely future issues for health and healthcare.

## Central Funding and Regional Autonomy

1. In the new setting there will be less direction from Westminster. The role of the central agency will be to influence rather than direct and control. The funding will be decided and allocated by formula and it is not intended to earmark funds for any aspect of service (barring allowances for teaching hospitals and super-specialties). Because the time horizon for the process has accelerated, there are not yet full guidelines for boards, there are few minimum standards of care which boards are expected to provide, and the information system which should enable monitoring is not yet in place.

2. The new Ministry will develop general policy guidelines, quality standards and minimum service levels. These will be for boards, guidelines they will not be binding. How minimum standards are to be achieved is unclear. The present system is without minimum standards now, and the existing institutions have never before been judged in the way which is hoped for.

3. Very wide variations in provision from board to board will develop. Equity may be impossible. To say it is over to the people at local level to lobby their own AHB for what they want sounds



# 2 Implications of the Move to Area Health Boards

## The Ministry of Health

The Ministry of Health continues its commitment to Health for All by the year 2000 in line with the Alma Alta Declaration of the World Health Organisation. There is a real desire to improve standards of healthcare, to ensure accountability and to involve disadvantaged groups in the identification and servicing of their health needs. How that desire will reach fruition is unclear.

## Central Funding and Regional Autonomy

1 In the new setting there will be less direction from Wellington. The role of the central agency will be to influence rather than direct and control. The funding will be decided and allocated by formula and it is not intended to earmark funds for any aspect of service (barring allowance for teaching hospitals and super-specialties). Because the time horizon for the process has accelerated, there are not yet full guidelines for boards, there are few minimum standards of care which boards are expected to provide, and the information system which should someday enable monitoring is not yet in place.

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3 Very wide variations in provision from board to board will develop. Equity may be impossible. To say it is over to the people at local level to lobby their own AHB for what they want sounds

dismissive, but recognises that the areas themselves are not uniform. Differences may arise appropriately. Operating to defeat this hope is the recognised fact that the people with the least resources, energy and/or know-how may have least success in lobbying. The frail elderly, ex-psychiatric patients, minority group members, the poor, the young and women generally have trouble gaining credibility.

4 Autonomy for boards may mean that the care that was wanted (by the vocal locals) was not optimal. Regular publishing of comparative AHB-to-AHB performance is meant to encourage poorly performing boards to shape up. Innovative programmes that turned out well should by the same means spread from board to board.

## Management Efficiency

1 The management efficiency of the present boards is in great need of improvement. A whole management culture will have to be turned around before the health services have managers able to perform in the changed environment. The new-style general managers are meant to provide health leadership in the broadest sense.

2 It is both painful and difficult to be such a manager. Some carrot is offered, but there will be some stick as well. It is hoped that the regular comparisons published (pre-election and in the media) will be a spur to improvement.

3 The present styles of management display a derivative quality, that is one of their faults. The prospect is for continued dominance of a white, male system. In such conditions there is little chance to realise the partnership implied by the acceptance of the principles of the Treaty of Waitangi.

4 The new style of management is expected to address the existing conflict between board members and managers within the hospitals. AHBs, it is hoped, will enable the separation of day-to-day management from the lobby-able policy-making body. Perhaps under the single employing manager a flatter organisational structure will obtain.

5 The health services may be heading into a situation where, with professional delicensing, the public will be left to the market principle of *caveat emptor* (let the buyer beware). The increased emphasis on a market approach is meant to lead to improved



accountability, competitive sourcing and a heightened cost-consciousness. The health sector can benefit from greater efficiencies in management.

## Access to Healthcare and Information for Consumers

1 In the fluid situation implied by the changes, access to services is at risk.

2 The vexed question of funding primary medical care will be left to the AHBs. Something like option 4B of the Health Benefits Review Options might be chosen.<sup>2</sup> It might contain elements of the Board of Health's suggestions for the dual funding scheme.<sup>3</sup> That may be a likely policy direction, but are AHBs, in theory, free to opt out of funding primary medical services at all? A policy of 'come to hospital or pay for it yourself' could come about, especially if overall government funding is reduced. With funds for general practice, pharmaceuticals and diagnostic services not earmarked, these services may not continue to receive public-funding support.

3 On the other hand, given widespread public preference for support for primary care, boards may naturally move to integrate primary care into the total system and to move more resources into promotion and protection, and primary medical care. Again the Ministry has not abdicated totally, and could step in and partition funding if necessary.

Policy-making at the centre could be effected by a variety of scenarios. Devolution leaves little scope for piloting good ideas by offering special funding for them. The mechanism for change in the AHBs will have to be pressure from below. The people feeling the pinch are to lobby their locally elected representative for reallocation of resources within the AHB's own budget. Again the Minister retains the power of the purse and can withhold funds from boards which are failing to provide appropriately.

5 Trends overseas increasingly emphasise primary health. The AHBs have as their brief to be accessible to the people, to promote health and therefore to see that people's complaints get action.

6 There are no plans to exercise central oversight of access to care and yet an audit of access is to be the bottom line. The publication of the comparative information on board to board performance

will be the principal enforcer, with Ministerial action as a last-ditch response. Much weight is being placed on the information function, as pertinent data could be issued to interested media. Much could be made of the board-to-board comparisons just before local body elections.

7 One possible method for ensuring access and quality is through the provision of local ombudsmen to deal with information and complaints. Such a person would have some independence from boards and some capacity for investigation.

8 It is difficult to see how the new system will be responsive to the needs of the people who are not practised in working the system. The white, English-speaking male of higher educational attainment who is a friend of the Establishment still gets to make the running. At present too, there are no provisions for cultural brokers in the operations of either the service or its policy-making bodies. Taxpayers who are at the fringes of power and authority have neither the opportunity for a direct say (by fronting up to boards) nor have they advocates. Minority viewpoints can be ignored and weak individuals find it difficult to obtain redress.

9 The coming system leaves it up to the Minister of the day to ask AHBs what evidence they can give that their clients are satisfied with the system. While the AHB is required to answer the Minister's questions, the central authority (the Ministry of Health) will need to collect a very wide variety of information, not only about medical care, which is relatively easy to measure, but about health in the broad sense. Interpreting the information will require value judgments.

10 Not only does the Ministry need information, the public needs ongoing, good information to bolster informed debate on health service priorities and health policies generally. Good information (for example comparisons and proportions), when available, now gets buried in dense reports or in medical journals. Without comparative data about the percent of Gross Domestic Product New Zealand spends compared to other countries or about the detailed costs of procedures (heart transplants, bypass operations), which relates the data to the length and quality of life for patients compared to results from alternative care, public debate is stifled. Priority setting often seems to be by shroud-waving. Shroud-waving is the term used to describe an argument in the form: 'If I can't get my way people will die.'



11 The collection of better information at all levels is part of the managerial improvement which is hoped for. The AHBs are meant to collect the information because they need it in order to manage, not because it is demanded of them.

## The Private/Public Mix in Health Services

1 The continuation of a mixed system (where services are provided in the private or voluntary sectors as well as by State-funded AHBs) is intended. Problems with private sector interests interfering with the majority publicly funded provider have been identified.

2 On the political level, persons with private-sector interests might work hard to get elected to boards, gaining a position from which they could negotiate favourable contracts for their own enterprises. To counter this a more widely representative field of candidates for AHBs is to be encouraged. Paying people realistically for their service may attract a broader field.

3 The voluntary sector providers are expected to face significant changes. Most have dealt with central government for their funding and are organised to do that effectively. With the need now to lobby each AHB separately they will have to develop local leadership. As they are forced to tender competitively they may become more businesslike, which may mean more bureaucratic. They may find it more and more difficult to be responsive to and representative of their original constituency. As they compete, they may find it necessary to offer higher wage incentives for good staff, to attract them away from the larger, public institutions. They would put pressure on the public institutions just as private operators do.

4 In a publicly funded system, despite better management, the public hospitals may still cry poor to get their funding. To attract the attention of board members or central government at present, the specialist consultants go to the newspapers or other media telling how terrible the system is. The new lobbying cry should be 'we're really good, give us the business', but that may be too much to hope for.

## Promoting Health

- 1 In health promotion and for health protection, the main issues lie outside the health professionals' sphere. The main issues are income, transport, housing and so on.
- 2 Where healthcare providers are the source of promotion and protection there is bound to be poor coverage, since access to providers is usually at some cost or on referral.
- 3 Though the coming system offers little security for the promotion and protection function, that is not so great a disaster as it sounds. Most of the programmes in place were only paper programmes. Rarely did action become effective beyond the top one or two priorities. The promotion and protection activity to date has been largely culturally insensitive.
- 4 Without tagged resources it is quite likely that in most AHBs the promotion and protection service will disappear. It was always a Cinderella anyhow. As curative drives out preventive, so the AHBs will set their disease service house in order first and no broom will sweep through promotion and protection. The people interested in promotion and protection, if they are to have a look-in, will have to brush up their public relations. They will have to present programmes which are both understood by, and appealing to the voting public.
- 5 The structure of the AHB should, in theory, offer an advantage for good promotion and protection. To make the changes that are effective requires political lobbying with the providers of other welfare services. An AHB might be well placed to advocate for health with local authorities.
- 6 The promotion and protection aspect of the health business has a concern with what are termed lifestyle issues. Some issues affect people on the public or political level, especially the health protection ones for environmental safety, clean air and water, and control of infectious disease. Other issues affect the individual and the health promotion effort has usually concentrated on encouraging the public at large and special segments within the whole to adopt healthy practices and avoid unhealthy ones. In both cases the health authorities have to be in the business of making information available. At present the information distribution is flawed by social and political bias, as well as by cultural biases. In the system which is coming, clean information will be needed. Promotion and



protection interests may have to abandon some traditional but unprofitable means and seek new methods.

7 Health promotion overseas, and here in the future, is coming to be seen more and more against the background of the total physical and social environment. The Ottawa Charter<sup>4</sup> forms a touchstone. If health promotion is to work it has to affect social policy, the environment, community development, personal skills and an orienting of the health services towards health issues.

## Mental Health Services

1 Developments in the mental health area are causing some concern. In the new setting there will be strong disincentives for AHBs to provide in-patient psychiatric services. The cost of the existing large institutions contributes to the momentum to empty them out and close them down. The incompleteness of guidelines means there are none about deinstitutionalisation. Saved resources will need to be turned over to the community-based, more informal carers who will be taking responsibility for the discharged patients. Mental health services have to overcome a tradition of out of sight, out of mind, that led to the cloistering of people regarded as mentally ill in the first place.

2 While a more unified management structure might serve to improve the integration of mental health services with total health services, there is little prospect of stronger advocacy for the most exposed groups. Some of the intellectually handicapped patients may not be adequately catered for outside the large institution, at least from time to time. De-licensing, which should enable better matching of carers' abilities with patients' needs, will fail in its purpose unless carers are associated with their patients rather than with the setting or location in which care is offered. The opportunity to push for equal employment opportunities in the long-term care area will be impeded if some carers cannot maintain their oversight during institutional care for their patients.

3 Of particular concern are the needs of 'special' patients (the criminally insane). When the AHB can refuse to take responsibility for them there is no alternative to a prison stay. The people concerned are largely young and largely Maori—a group which already predominates in our prisons (59 percent of the female

prison population is Maori). Recent experience shows that more suicides in prison can be expected.

## Health Workforce Issues

1 The entire health workforce is being affected by the coming changes. An organisation's response to change is often to close ranks, and an analogous response from the health workforce can be anticipated. Just as the principles of the Treaty of Waitangi are spoken for, and implementation is intended, the opportunity for bringing in new workers is inhibited. Those presently in command are those who will have the experience and ability to direct the coming system. Advancing Maori personnel or even recruiting Maori personnel will be more difficult rather than less so.

2 At present only 5.2 percent of the health workforce is Maori. In that context to talk of partnership seems hypocritical. The prospect of only talk about partnership and no actual sharing of power can only lead to increased anger among Maori people. Expression of that anger provides growing potential for Pakeha backlash.

3 Maori health development depends somewhat on implementing rather than just talking about partnership. There are a number of difficulties with this. First it shares with other popular areas of health, for example primary healthcare, the feature that talking about it is extremely fashionable, but that doing something about it means the powerful have to shed their power and empower those who are now less powerful.

4 Second, in order to have a say in the new AHB context, many more Maori people with skills in working the system are needed. The shortage of such people is what inhibits iwi development in all areas, and health is no exception. It is hoped that in the health area some leadership will be exercised, that the general manager and others in the Ministry of Health will recruit and foster Maori people with leadership potential.

5 Such a policy, if strongly followed, gives a secure commitment to partnership. There is potential for Maori block voting locally to act as an enforcer for the policy. The impact of the State Sector Bill could encourage change towards partnership, given leaders committed to it.



## Consumer Interests and Democracy

1 Present policy considers that healthcare is the responsibility of the whole community, that it should be funded from central taxation (or part-funded). There are no plans to move away from population-based methods for allocating funds.

2 The emphasis on direct accountability to the Minister, who has the power to give or withhold the money, implies that the service will become very responsive to the Minister.

3 Protection for consumers in a decentralised system may be more difficult. The AHB structure as proposed is aiming for consumer-driven policies, not just a consumer-responsive service. In an extreme situation, however, there may not even be a publicly funded safety-net unless the Minister uses the strongest of his or her powers and withholds money when service is not provided.

4 Somehow the system needs to respond when patients demand their rights. Beyond that the system needs to respond even when they do not. Geriatric and psychiatric services were ones that grew or shrank when the population-based funding put pressure on or lifted it. The changes upward were not sparked by advocates for growth, nor were the needs of the users considered when the services were wound down. The powerless have no advocates now.

5 The new system needs to support community groups wanting a voice. The present support given by the Department of Health will become the task of Health Development Units within the AHBs. There are many problems associated with the transfer. As at present, one-off or short-term issues will get attended to. So old people's homes will be inspected, vision and hearing testing of children will get done, and environmental protection will putter along. The important long-term issues, however, will still go into the too hard basket, since attention to them depends upon community development work. Motivation to support community development is already in short supply.

6 Community health development work will have to find support within the AHB. AHBs will have to develop their own community health initiative programmes. The legislation provides for community health committees. These should ideally be predominantly lay groups with no members employed or employable by boards except by co-optation. Experience suggests, though, that as the committee is more genuinely representative of the ordinary people so it is less effectively heard by the policy-makers.

7 Until now, public health nurses have been available to support advocacy groups in the community. It is not certain that they will be able to continue in that role.

## Monitoring and Evaluation

1 The new policy stands or falls on the ability of the monitoring body (the Ministry of Health) to measure outcomes and processes of the AHBs activities. The work of specifying minimum standards for AHBs is at an early stage. The transition has so far overtaken preparation that changes to the legislation are likely. In the meanwhile, initiatives for evaluation will have to be made locally.

2 Measures will include some assessment of client attitudes to services and will ask whether people feel their needs have been met. The problems of measuring the adequacy of medical care remain unsolved. It will be far more difficult to measure health and health-care outcomes. Certainly healthcare measures will be subjective measures since health is subjective. If that problem is not to be filed in the too hard basket perhaps it is because the basket is already full.

## Child Health

1 Child health is an area of special concern. Most preventive/promotion services are addressed to child health. Prevention/promotion begins in the home, but relatively little progress has been made towards programmes on that front. No clear policy for reaching people at home (that is, the use of national TV vis a vis local small group work) has emerged. If Plunket were to drop well-baby nursing, it would probably cause public health nurses to be drawn back into well-baby care. This illustrates an ever-present tension in the healthcare system: People TALK child health but they do paediatric services'.



### 3 Issues Raised by Developments in the Health Area

The Commission sought papers and received submissions which address the issues raised in section 2. In what follows, a few case studies are presented which serve to highlight the views expressed and the principles at issue. There has been no attempt to be exhaustive.

#### Standards of Care

1 It is important to ask why the present public hospital system does offer a wide range of care and at such a high standard. At present there is almost no setting of standards centrally; the entire responsibility rests on the professional ethics of the providers. Good nursing care is provided because good nurses decide to do it. Good doctor care is provided because good doctors decide to do it. The good doctors and good nurses are paid out of the public purse by the managers. Presumably the only way the present system will have good managers is for the managers to be as professionally motivated as the other professionals. The recent inquiry into cervical cancer treatment at National Women's Hospital in Auckland dramatically raised the questions of standards of care and of the responsiveness of the healthcare services to consumer needs. Consumers and providers alike have been asking 'What went wrong?'. Many voices are asking a second question—'How can the system be changed so that this will not happen again?'

3 The inquiry has displayed publicly a fact of the hospital service which has long been problematic for professionals and administrators in the system. Control of virtually all aspects of hospital care is

exercised by the senior professionals. The good side of that situation is that the professionals, the specialists, have had generous professional autonomy. They have been free to innovate and to experiment. When that freedom leads to improvements in technique or patient care everyone is happy.

4 The same freedom led, in the case of National Women's, to abuse. In that case it was abuse of patients' rights to know, to be consulted, and to consent to experimentation. The abuse of professional privilege in this case led to direct serious consequences (death, avoidable suffering, and the trauma of the inquiry itself).

## Costs of Care

1 In a way that is more widespread throughout the hospital system, the same degree of autonomy has fueled the escalating expenditure on hi-tech treatments at the expense of professionally less challenging bread-and-butter surgery, for which waiting lists are long. To attract and keep highly qualified staff, great autonomy is, it appears, required. The issue at stake is how to find the right balance.

2 The consumers have made it clear to the Royal Commission on Social Policy that they prefer free or very low cost access to routine care, to emergency care and to the best care. Most of the submissions that have addressed the issue express willingness to pay a higher tax or to forego other government activities in order to protect their access:

(a) A beneficiary (0815) says don't take away free hospital visits.

(b) A woman on the DPB (3568) says it is general practitioner's care rather than hospital care that should be free.

(c) One person (0129) was personally willing to pay more, so everyone could have free access

One response (2107) was: Hope that we are able to continue to support a free Health and Hospital System for all.

(d) 'Let's not spend the health dollars the way male medical personnel (sic) want—where it's allocated according to power, galore (sic), prestige and greatest media interest. (5612).'

(e) 'We see more and better technology arriving at our public hospitals and public clamour for the glamour options of



health. . . . The irony to us is that these new wonder techniques are performed largely on the older part of our population—our people are in the main part young. They get the crumbs in the money carve-up of the health vote' says the mother of a schizophrenic person. (0755).

## Professional Capture

1 In his paper on capture Bertram<sup>5</sup> notes that the term economists use to describe how professionals' shroud-waving results in escalating expenditure is professional capture. Rather than monopolising the receipt of services, in the health area the middle class monopolises the delivery of services.

2 Professional capture can work for the benefit of quality and efficiency, it can be neutral, or it can be harmful. It is the professionalism of the medical and nursing staff which ensures the present high quality of care in our hospitals. Professionals do not withhold care for the aged, even palliative care for the dying aged. Care is not withheld because the person is less worthy of help than a younger person. Even though the younger person may be fit for curative care using the same resources. The criterion is the need for care. In this case professional capture has an altruistic outcome.

3 The professionalism of the service has what can be seen as a neutral outcome in the rationing of renal dialysis and kidney transplant services. The cost of each additional dialysed person is considerable. The better the quality of care the longer the person survives. The cost of giving care to everyone in need is prohibitive. Renal physicians openly admit the resource constraints, they use explicit criteria for patient selection and they allow scrutiny and review of the criteria.<sup>6</sup>

4 An example where the professionalism and the power to declare 'what is' operates negatively, is in the sphere of obstetrics. The medicalisation of childbirth is recognised even by members of the profession as excessive, and is counter to user preferences. The Commission received submissions defending low-tech delivery, asking for the continued operation of small maternity hospitals and supporting homebirth as a viable option for all women. In the face of widespread consumer opinion, the diversion of a large share of resources to efforts to improve a very few births with poor prospects reflects little credit on the profession.

5 One of the hopes raised by the move to AHBs is that local pressure groups can more directly affect professionally influenced decisions. Separating the functions of providing service from funding and priority-setting, in the Gibbs Task Force model, has this goal.

(a) Parents of an intellectually handicapped child complained to the Commission (3551) of being patronised by their general practitioner. It is important that professionals should start from the assumption that they are dealing with equals.

(b) Another submission (0878) citing the use of major tranquillisers despite the likelihood of irreversible tardive dyskinesia described the profession as guilty of a conspiracy against the truth.

6 The new funding formula has not yet affected the power balance within the hospital management system. It can appear that what the consultant wants the consultant gets, but this process is itself subject to a hierarchical ranking among the specialties. In the end the consultant who gets what he/she wants is more likely to be a surgeon than a physician, is more likely to practice in a super-speciality than in general medicine or general surgery, and is more likely to practice in a wholly hospital-based specialty than in one which focuses on community-based care. Perhaps paediatrics is an exception.

## Management Efficiency

1 As the historical overview noted, there has been a long tradition of loose administration in the hospital sector. Because the specialists had the ability to wrinkle ever more money out of the politicians (by their monopoly and by shroud-waving), there was little incentive for managers to practice business-like methods of costing and accounting.

2 The introduction of population-based funding, and an ever-decreasing size of the pie that is divided up, has put pressure on the system. The response has sometimes been a knee-jerk one. Because bed numbers were the indicator of need for funds prior to the population-based method and because beds were easy to see and manipulate, the managers responded to shortfalls by closing wards. To get the biggest public outcry they tended to close geriatric long-stay wards or a children's ward.



3 Managing a hospital has significant differences from managing most businesses. There is no rational measure of turnover or profitability. Turnover (whether bed-days or admission numbers or numbers of treatment episodes) is almost entirely dependent on staff inputs and almost independent of the 'market' of need for care. Put simply, hospital care expands to fill the staff time available. The old style of management, however, has fixed rather on the assumption that the patients' need is for beds rather than for treatment. The within-hospital management assumption was that patients need beds and that inability to offer the required care was caused by lack of beds.

4 In 1970 a new provincial psychiatric unit tried to emphasise domiciliary, outpatient, and day treatment and care. It aimed to avoid in-patient admissions by a series of innovative, if demanding, programmes. The unit succeeded, only to discover that after 12 months that it was not considered officially operational because no beds had been occupied.

5 Many of the submissions to the Commission described suggested improvements to the healthcare services which would seem reasonable on the face of it, but which might run into similar administrative blindness:

6 One submission (3866) suggests breaking the monopoly of orthodox medicine with competing practitioners, and subsidising both to see which comes out best. In particular, it suggests equalising the pharmaceutical benefit for naturopathic and homoeopathic remedies. The reason given is that when the orthodox practitioners can't help, say with children's behaviour problems, they say it's the stressed mum's fault. Competitors stress the absence of a healthy climate, citing chemicals, processed foods and so on.

7 One possible effect of the funding formula in combination with a shrinking budget for health expenditure is an attempt to restrain demand for services to reduce access to care. Ethical considerations make it hard to refuse acute admissions to hospital. Timely appointments for referrals for specialist care are not subject to the same ethical considerations and waiting lists grow. The specialist consultation will most likely be available (from the same specialist) as a private service, but in fact access has been denied to the poor. The specialist care denied may be care by doctors (the hospital consultants) or it may be care by auxiliary staff such as psychologists, physiotherapists or social workers. Getting needed

diagnostic X rays has become problematic for the poor. When laboratory services are no longer fully subsidised, they will also be less available to the poor than to the rich. A shrinking budget for hospital care has many implications that affect equity of access to healthcare.

## Access to Healthcare

1 The people who made submissions to the Commission overwhelmingly disapproved of voucher systems and user pays in the healthcare area. Access to healthcare for all without regard to ability to pay was overwhelmingly the opinion expressed in submissions and in the survey done by the Commission.

## General Practice Care

1 In 1938 access to general practitioners was ensured by paying patients a subsidy worth nearly the whole fee for service. Gradually the practice arose of allowing bulk-billing, so the State paid the general practitioner a sum representing all the benefits due patients who had visited. In time the subsidy came to be seen as payment to the doctors and was the subject of negotiations between the NZMA and successive governments. While doctors jealously guarded their rights as private practitioners there was little political mileage in raising the subsidy to keep pace with inflation. Until recently the downstream costs of general practice (pharmaceuticals, laboratory investigations and X rays) were wholly subsidised, either through the public hospital system or through full subsidy to private pathology or radiology services. Even so, the level of subsidy for most attendances at a general practitioner surgery has been shrinking. Thus the fee paid to the practitioner at the point of entry to care is becoming a barrier for some.

2 However large the fee, medical care for a very young child is the least likely to be postponed. Older children and the ageing are most likely to 'do without' when the cost of entry to the service gets too high.



## Nursing Care

1 Access to other forms of primary care is determined by levels of provision and the conditions under which care is provided. Community-based nursing services have all been free to the user, whether funded from the hospital or area health board (as district nursing), from the public purse via a voluntary agency (as Plunket), or from the public purse more directly (as public health nursing). But 'free to the user' does not guarantee accessibility. The district nursing service varies in coverage among the board areas. The procedures defining nurse availability may change from time to time as administrative priorities change. In the late '70s and early '80s in Gisborne a survey of all those over 75 years showed very few treatable untreated conditions because nearly all elderly people at risk were visited weekly by a district nurse. This was good preventive medicine, but it may have come to pass because of nurse availability rather than as policy.<sup>7</sup>

2 Access to Plunket nursing services, though the services are provided free, has generally tended to be easier for the better-off. There are historical as well as structural reasons for this. In areas of predominantly Maori population, Maori people were well-served by their Maori health nurses and when the service broadened into the public health nursing service as at present, most Maori people preferred their public health nurses to the Plunket nurses. A further effect on the acceptability of Plunket nursing services to the widest range of New Zealanders has been the Plunket philosophy which has continued until today to focus on mothercraft rather than parenting and to emphasise thriving. The society has been giving more emphasis to primary prevention (by renting child restraints for cars and by encouraging the fencing of swimming pools). The efforts are laudable but have little impact for the parents who have no cars and no pools.

3 Unlike the delivery of primary health care elsewhere, in the so-called special areas all primary care is given by salaried general practitioners and public health nurses. The service is free to the user and curative, preventive and educative medical and nursing care are offered by the same professionals. The medical care in the local hospital, too, is offered by the same practitioners so that primary and secondary care are unified. Areas designated as special areas have been ones where the population is very sparse and very poor. In such areas no private practitioner is willing to go and so

there has been no outcry against this socialised medicine. Nothing prevents a broadening of the use of special area designation to urban areas or provincial towns except the desire not to rock the boat.

4 The Commission's survey asked whether the entire cost of general practitioner fees should be paid out of taxes. (At present only about one third of the cost is subsidised). Half the respondents wanted to replace the present user pays system with one offering free care.

## Appropriate Care

1 Money is not the only problem with access to the healthcare service of choice. Consider Henry's story. Henry was a passenger in a car that collided with a fence. His forehead was smashed, there was brain damage, and his recovery to full function took several years.

2 Good quality care in the ambulance, excellent emergency services at the base hospital and the highest quality of neurosurgery saved Henry. All the services were free at public hospital. Once Henry was out of intensive care he was discharged home to his mother's care. Henry was 24, single, fully employed and had been living in a flat with friends. His mother had to leave her job to look after Henry. At her age new jobs are not easy to find.

3 Henry was of course covered by Accident Compensation, so his salary (or 80 percent of it) continued to be paid. And because he was covered by ACC the rest of his treatment over 2 years was in the private sector. He was denied access to public hospital care while he needed nursing not through inability to pay but because he was able to pay. Some of the operations he needed were done as out-patient procedures (under general anaesthesia) because the privately operating surgeon had no access to beds.

4 Having access to care means having a say about what sort of care is required. In the case study just cited, Henry ended up in good shape but his mother has never recovered her quality of life. She was in no position to exercise choice when her son's life hung in the balance. As many of those making submissions recognised, it is the healthcare system which has to be structured to look at whole persons and whole lives and whole families when decisions about care are made.



## A Mixed System

1 The story about Henry raises some issues about our mixed healthcare system. Some care is provided by wholly publicly funded bodies, some is provided by private organisations (usually with a subsidy in the past but that is to cease), and some healthcare services are provided by voluntary agencies which fund their care from government subsidy, from charitable donations and from the users.

## Choice

1 The public hospital service cannot be run like a profit-making business because the costs of being in business are not within the manager's control. If the public system could choose not to sell uneconomic products it would look almost exactly like the private hospital system. It would offer long-stay geriatric care (demand is strong and increasing) and prompt minor surgery in very comfortable surroundings. In the main centres (drawing populations of over 300,000 people) major surgery would be offered. Most medical care such as is available at larger general hospitals would be priced beyond the pockets of its customers. Minor medical care would be available as private physician care now is on an outpatient basis.

2 This picture explains why a wholly private or voucher system for healthcare would probably provide a narrower range of services except for the well-off or those in main centres. Even in the present publicly funded service, with the move to population-based funding and the necessity for cost-containment, pressure has been put on peripheral hospitals to close because they are 'uneconomic.' The closing of small peripheral facilities puts an economic burden on those who live in 'peripheral' places, introducing a cost differential that defeats equality of access.

3 A strength of the system is that it has allowed some element of choice, particularly for long-term care. The weaknesses of the mixed system include a propensity for overlapping services and the opportunity for inequity, as quality care may be in short supply and not offered to those most in need of it.

One submission (2110) points out 'an increase in private beds effectively reduces the number of public beds available. 'Doctors and consultants have divided loyalties splitting their time between

the private sector and the public sector. This leads to long waiting lists in the public sector . . . this benefits the private sector with patients often being referred 'because it can be done sooner'. . . it seems that this type of referral has more self interest in it than logical rationale.'

4 The mixed system has been tilted further and further towards more private healthcare provision by three trends. There has been a swift growth in coverage by private medical insurance. The public hospital system has in some areas contracted out long-stay geriatric care to the private sector. The Accident Compensation Corporation has enabled private practitioners to become independent of the publicly funded system.

## Distortion

1 The last feature, the increasing ACC expenditure on healthcare services, has begun to highlight a dramatic inequality in healthcare provision. As submissions illustrated many times over, the same disability and need for care may result from an accident or from a sickness. The options for the person and cost of care to him or her are very different.

- (a) Submission (0309) points out that a disabled person is compensated for childcare if covered by ACC, but not if disability is disease-related.
- (b) Submission (0233) wants the anomaly between sickness and injury removed with a levy on self-inflicted ill-health (levying the smokers, the drinkers and the fat).
- (c) Submission (3342) wants ACC 'to be extended to cover sickness as well as accident so as to eliminate anomaly of differing financial support for identical conditions and suggests 'excluding minor injury from ACC to provide revenue'.
- (d) Submission (3428) says ACC coverage should be extended to occupational disease not just injury.
- (e) Submission (0942) concerned unfairness in the different treatment of ACC and sickness beneficiaries. He was denied sickness benefit during post-operative convalescence because his spouse had just started a part-time job.
- (f) Submission (3437) calls 'the inequality of care between accident and sickness victims' a major problem.



(g) Submission (1863): the spouse of a de-institutionalised handicapped person describes the effect of the anomaly: 'If anyone suffered even a fraction of [ ]'s brain injuries today, he or she would receive a hefty compo payout. If we separated could collect her benefit; we could then sneakily get back together.

This is a common scenario, albeit foreign to the social class in which the Commissioners exist:

If I made [ ] pregnant and then deserted her, she would be able to get a very low-interest loan to get a house as a solo parent . . . Had we never married, of course, the situation would be ideal; she could get a loan . . . and I could be a boarder!

Our moral standards are . . . too high to consider the various rip-offs which are listed above.'

2 It was suggested that accident and illness be treated the same, and most people suggested that care and compensation for illness be brought up to the level of accident care and compensation.

## Competition

1 The competition for professional staff which the mixed system provides has a mixed response. In theory competition is good and prospective employers can bid until they get the staff they need. Unfortunately this has an inflationary effect. The private sector has had the capacity to refuse to offer a service when it became too expensive; the public sector is the provider of last resort and has had to keep it up.

2 The most dramatic example of this is the extreme shortage of physiotherapy services in public hospitals. With ACC paying for referrals to private physiotherapists, it was more lucrative for therapists to practice privately. The physiotherapists themselves in their submission to the Commission note the detriment to good quality healthcare that can result:

'The jogger's repetitive minor knee injuries, leading to early arthritis, may receive more prompt, accessible treatment than the long-term degenerated knee joint of the middle-aged for which no 'personal injury by accident' can be found. . . . 'The creation of ACC has directly caused a distortion in the provision of healthcare.' (4851).

As noted by another group submission: 'Physiotherapists used to work in public hospitals. Now they work privately and many get almost their

total income from A.C.C. A.C.C. has given rise to a whole new section of private physiotherapy.' (3428).

3 Economic theory suggests a need to increase the supply. Increased numbers of therapists will increase demand for care across the whole system and total healthcare costs will rise.

4 The case of physiotherapists is not an isolated one. The same process has swelled supply and demand for services. One can blame the mixed nature of the system for the problem and advocate a single-funder system.

(a) Employees of the health system are concerned about current attacks on our public health system, and support Option 5 of the Choices for Health Care report. They deny the validity of claims that the private sector is more efficient and point out that efficiency can come through encouraging worker participation. (4624).

(b) Submission (4233) notes that a competing private system should have to provide a comprehensive service, for example, emergency and intensive care, rather than relying on the public system for backup, and suggests that all medical personnel should have to make a decision about whether they are employed publicly or privately, but should not be both.

(c) Submission (0129) proposes a tagged income tax: 'I'd like to propose free health services for all New Zealanders, where doctors are salaried and all income earners, beneficiaries included, contribute 1 percent of their income towards healthcare.'

5 This advocacy overlooks the important value of choice provided by alternatives.

## Consumerism

1 Consumer choice in the health area raises a number of disparate questions. Consumers should have a choice of type of care and who cares for them when there is choice. They should know enough about alternatives to enable them to make an informed choice. They should have the maximum autonomy and normalcy while they are being treated for their condition. The exercise of choice is empty, however, for those whose life choices are already narrowed.



## Choice in Continuing Care

1 Continuing care at present is offered for three types of patient: for the intellectually handicapped, those designated as mentally ill (usually those institutionalised after many years of living in a hospital), and for the elderly who are no longer living at home. Elderly, mentally ill, or intellectually handicapped persons who are living at home, (often called 'in the community') may be receiving continuing care but it is called community care, to distinguish it from residential care. A fourth type of patient, the young disabled, is presently hardly catered for separately, being sometimes looked after in facilities most of whose residents are disabled elderly.

2 A person soon to be as in need of residential care is not usually offered any choice or regarded as capable of choosing. A fairly fit elderly person who chooses to enter an old person's home is an exception. Guardians or relatives may have exercised choice in the placement of those now in institutions but it is not generally likely.

3 Changes in benefit rules and levels have confused the economic picture, but largely the higher quality care has been offered at slightly lower cost by voluntary agencies (who have part of their costs supported by charitable donations). To be in a private institution has meant higher costs and fewer amenities most of the time. Private care for elderly people has got custom largely because demand has exceeded the supply, usually in areas of population growth and where house prices are relatively high. As it was in demand, the voluntary agencies could (and did) select residents. Despite deterioration in health and increasing disability the voluntary home residents form a select group. They are correspondingly less expensive to care for and the cost/amenity ratio for voluntary homes continues to outpace private ones.

4 In the case of hospital care, the public system still continues, in most areas, to provide free care for long-term geriatric patients. The voluntary sector tends to limit it to those persons who have become severely disabled or infirm within a voluntary institution. The private provision of long-term hospital care is a growth industry since the public system has ceased, in most places, to cope with demand. Because the need exists and because the needy are often unable to pay for the care they need, the public hospital system has had to subsidise the private providers. For the most part, a severely disabled or demented elderly person has no choice in the conditions of care he/she receives. In most cases the relatives, too, have

little effective choice. Choice is reserved to those who can pay, either in money or labour, for care in the home.

## Professional Power

1 Healthcare services (largely the disease service) are almost entirely controlled by the providers of the service. Unlike schooling the healthcare services are not seen as offering a service whose details should be responsive to consumers. Healthcare is believed to be what the care-giver alone knows about and understands. Thus when a person suffers from a failure in the service (whether medical misadventure of a serious kind or beastliness and insensitivity of the more usual kind), it is easy to believe that the person failed to use the service appropriately. This phenomenon—usually called blame the victim—explains why many complaints about the organisation and delivery of health care are responded to with a call for ‘more patient education’.

- (a) Submission (1808) wants the Department of Health to ‘provide classes for women on how to talk to their Doctor.’
- (b) Submission (1125), like many others, wants the schools to teach children ‘health skills.’
- (c) A confidential submission supported human-relations counselling in the schools which she felt could have helped her avoid a pregnancy at age 17 (after which she had the child adopted) and to avoid the condition which left her sterile at age 21.

2 A further consequence of the arcane quality attributed to medical care (and by derivation to its auxiliaries) is that the care services tend to be organised to meet the needs and convenience of the care-givers. One example of this is the rostering system in psychiatric hospitals.

3 *Caring, Curing and Controlling*<sup>8</sup> describes how patients’ lives are distorted as the tasks of daily living are organised according to staff working patterns. They are prepared for bed early, bathing is strictly timetabled and meal hours condensed. This leaves the residents little opportunity for relaxation or social interaction. While the roster system in which all staff work for 4 days and then have 2 days off protects staff, it may make it impossible for staff to



work effectively on therapeutic programmes timetabled to allow patients to have weekends off too.

4 The traditional style and organisation of all hospitals partakes of the qualities described above, and once taken in by the system, patients have few if any rights. To have personal privacy for themselves or to have their consent sought for procedures, or to be offered care of the best quality available may be denied them. There are other instances where the offer of services or where the quality of service is dependent on 'finding one's way through the system' Does one train everyone to find their way or does one change the system? A hard question because the system is very resistant to change.

## Patients' Rights

1 A symptom of the powerlessness of the customer is the ability of the system to amass detailed personal information on patients, information which is perpetually available to successive care-givers. When this labels a person—for example, as a difficult patient—that label is carried through life. Under the Freedom of Information Act patients can see their own records, but in fact there is little knowledge of this right. Patients are not encouraged to read or handle their own records and care-givers are protective (of themselves perhaps) and say that knowing what was happening to them would only worry the patients.

2 *Caring, Curing and Controlling* noted that staff perceptions of patients' capacity to understand, and staff notions of what was good for patients, sometimes impaired the staff's willingness to ensure patients' rights to information about their illness and treatment. Accessible information is information that is in understandable form, and true access may require the support of a patient's friend or of an advocate.

3 Where communication is aborted (as in any institutional setting) the silence is probably worrying both to the individual and to the operation of a sensitive and responsive service:

- (a) Submission (4233) wants legal status for codes of patients rights and thinks patients should have access to their own records, including general practitioner's records. They would like a health ombudsman appointed.

- (b) Submission (0598) said that in law the mentally ill can be bullied into sterilisation. She wants patients to be allowed to see medical reports, and thinks general practitioners should be given special training to know how to cope with de-institutionalised patients. 'It is frightening to be deprived of one's liberty with no coherent explanation being given. I do not suggest that the medical reports might be maliciously inaccurate. Rather that some doctors are gullible in listening to local, imaginative gossip . . .'
- (c) Submission (4199) is concerned about the quality of care in old people's homes. Each home should have a residents' spokesperson to enable them to have a say in how the home is run.

4 Issues of equity arise in the health area in two ways. Access to the care services does depend on money in a few places where professionals refuse to treat people who cannot pay. Such behaviour is regarded as professional misconduct and may be punished. Good health, in general or as an outcome of some form of treatment, is another matter. Applying the best treatment to an intractable problem will still leave the problem. Individuals, families or communities who are consistently deprived of what they need are unlikely to be as much helped by what the healthcare system has to offer as their more fortunate neighbours.

5 In general, the poor in our society have more spent on their healthcare than is spent for the better-off. Speaking generally again, the poor still end up with more care but less health.

## Health Promotion

1 The present practice of health protection and health promotion is open to criticism. Programmes have traditionally made assumptions about peoples' lives and values which unwarrantedly assume conformity to the dominant cultural norms. Promotion has tended to address surface issues and to avoid important activities which involved challenging existing power structures, whether within or outside the health sphere.

2 Promotion and protection are now at a crossroads. Lobbies for public health programmes have targeted their campaigns at central government, since public health this century has been organised and funded from the centre. Community or local level pressure



groups exist at present principally with regard to large-scale environmental threats.

3 Many of the issues in promotion/prevention are determined from the centre. Lead-free petrol, increased excise on alcohol and tobacco, and regulations relating to workplace safety are examples. While local authorities have the power to enact and enforce by-laws, they have not been notably active in enforcement or monitoring. The rewards of action are generally invisible and/or long-term compared to the immediate advantages of letting it be (attracting industry, jobs and an enlarged rating base).

4 The day-to-day care for water and sanitation obviously belongs to local authorities as the pay-backs are swift and obvious. Similarly, the efforts involved in achieving immunisation cover have local payoffs, and possibly the application of widespread screening (vision and hearing testing, cancer detection, and so on) will be seen to have value at a local level. More problematic are experimental or expensive programmes which may require specialised expertise and /or costly materials. Would immunisation against hepatitis B have come about without a national push?

5 Who has responsibility for positive health? It is fashionable to talk about individual responsibility for keeping healthy. Diet and choice of recreation are individual responsibilities; care at work and on the road are partly individual responsibilities. In the care and rearing of children individuals exercise their responsibilities as well:

(a) Submission (1267) wanted the public hospital system to take more responsibility for encouraging regular screening for cancer, by sending out reminder notices.

(b) Submission (0175) also wanted the hospital to encourage health suggesting that patients, meals could be educative. Hospitals have the rooms and equipment and could provide classes (like kohanga reo and other pre-school activities, cooking demonstrations, and stress management). Even lectures by doctors and specialists would be useful.

6 Submissions raised issues, though, which are social issues, especially the advertising and promotion of dangerous behaviours:

(a) Submission (0218) hoped that reduced alcohol beverage advertising would help reduce alcohol intake, noting that 20 percent of psychiatric admissions are alcohol related.



- (b) Submission (4181) wants advertising of cigarettes in any form banned as well as smoking in enclosed public places forbidden.

7 It is in the interest of society as a whole, however, that people should be both able and willing to make responsible choices for the health of themselves and their families. A secure and reasonable income, satisfactory housing, freedom and respect for oneself, and reasonable transport facilities, are prerequisites to such individual responses as lead to health.

## De-institutionalisation

1 At present the large residential institutions for the intellectually handicapped and the mentally disturbed are being emptied out, partly for humane reasons but also because of the high costs of full-time institutional care. How did that burden of institutionalised people arise? When most households contained one or more adult members who were at home and were fit to care for a dependent person, the intellectually handicapped, the enfeebled and the mentally incapacitated were kept at home. With industrialisation and urbanisation, the availability of home carers declined and the demand for institutional places grew.

2 The institutions themselves were located in large campuses. Often they were far from the homes from which their residents came, and so continued links with the residents' families of origin were weakened and lost. There was a gradual rise in the standards of care considered appropriate and in the expertise of the staff offering care. So the costs rose too. The higher standards of care tended to value more home-like and normalised settings for the inmates. It came to seem reasonable to find ways of enabling the formerly dependent inmates to be more independent, and to live in the community.

3 Shifting intellectually handicapped and psychiatrically institutionalised people out of institutions and into the community has meant a shift in the funding burden away from boards to the voluntary sector and to social welfare. Importantly, an increasing part of the burden returns to householders who have responsibility for the dependent person. As with community based care for the aged, with the mentally handicapped the expense of institutional care



only appears to be saved. There are social and monetary downstream costs which are becoming apparent:

- (a) Submission (4726) from residents in a Richmond Fellowship house pointed out that now hospitals (or the psychiatric unit) are only for chronically ill people. This which means that a community house is for them when they have improved a little, but only those with money in the bank or other assets can afford it. 'Forty-two dollars a week is if I don't use any cabs or buy tailor-mades.' They said, we need more money for more constructive leisure.
- (b) Submission (0704) offers a case study of how a group offering community care for de-institutionalised patients suffered from funding shifts.

4 The institutions themselves will never become wholly redundant. Some mentally ill people experience episodes of illness so severe as to necessitate being hospitalised. Some are even committed to institutional care to safeguard themselves or their associates. There are swings in fashion which reveal changing definitions of what behaviours or diagnoses justify committal. As it happens the patterns in committal rates follow closely the patterns in imprisonment rates. Committed patients are more likely to be young, to be male, and to be Maori than would be expected.

5 To accelerate the de-institutionalisation process some social changes are required. The first is an understanding that the care of mentally handicapped persons is a task which can be undertaken by non-professionals in most cases. The professional requirements apply best in an institutional setting or when the importance of empathy is downplayed in favour of mechanistic models. Behaviour modification programmes require an institutional outlook and professionally trained practitioners. The provision of a low-stress daily living routine does not.

## The Health Workforce

1 The funding of healthcare services, public and private, tells much about its structure looking at who gets the money, the middle-class capture aspect is obvious. Looking at the parts of the service which are most generously funded reveals the heavy emphasis on institutional care and technical/scientific methods for approaching health problems.

2 A failure over the post-war period to recruit Maori women into nursing has led to a position where Maori are severely under-represented in the health labour force and to a situation where a fair representation of Maori managers will continue to be difficult for an entire generation.

3 Health professionals are trained for the most part in tertiary educational institutions where up to now there has been little or no attempt to allow Maori students to feel at home. Even where the secondary school system has produced eligible Maori graduates, the students are hard put to retain enthusiasm, to keep hold of their Maori identity, or to receive training tailored to their own goals. To some extent the same might be said about training for all students; the common problems are heightened for Maori. This long-standing inequity means that at present the spending by government on healthcare ends up disproportionately in Pakeha hands.

4 It is not merely a matter of money. The absence of significant numbers of Maori carers makes the health care service less effective for Maori patients. One submission to the Commission from a Maori man said 'I would like a good mix of European and Maori therapists to help me—but especially more Maori helpers to see the right way of life and love instead of the wrong way':

(a) Submission (5803) is a Maori nurse who says 'I feel that the system that I have been part of for so many years is very much designed to meet Pakeha values and needs. As I have listened to Maori people I am aware that they are voicing many of the concerns shared by Pakeha about the health service's inability to meet their particular needs. However, I also hear for the first time Maori people talking about absolute disregard for their cultural and spiritual needs by the health services. They are anxious to have Maori health professionals, who will understand their cultural and spiritual needs, available to care for them.' She suggests increased bursaries for nurses' training.

(b) Submission (0053) goes further and wants tribal leaders to be on all selection panels to ensure that Maori qualifications are recognised and to enforce affirmative action. They think Maori people should be appointed to Area Health Boards.



## Where the Money Goes

1 *Choices for Health Care* includes an analysis of a year's total expenditure on healthcare. The size of each circle shows how much money is spent on each type of care.

2 It is clear that workers in the institutions, particularly the general and psychiatric/psychopaedic hospitals, receive most of the money government allocates to 'Vote: Health.' The chart also shows how the more a service matters to medical specialists the higher the proportion of the service funded by the State. Diagnostics, pharmaceuticals and acute hospital care receive large subsidies, while general practice, dentistry and other community-sited services receive little.

3 Access to primary care services, including general practice services, was important to many of the people making submissions to the Commission.

(a) Submission (2676) asked for no cost barriers to primary healthcare

(b) Submission (4468) suggested that 'a taxpayer funded public health system be maintained to provide comprehensive medical services to all people virtually free of charge.'

(c) Submission (0774): 'The ability to pay is not a moral or a practical way to ration the bulk of healthcare goods and services.'

(d) Submission (0233) said up to age 16 all care should be free, including optometry, hearing and orthodontics.

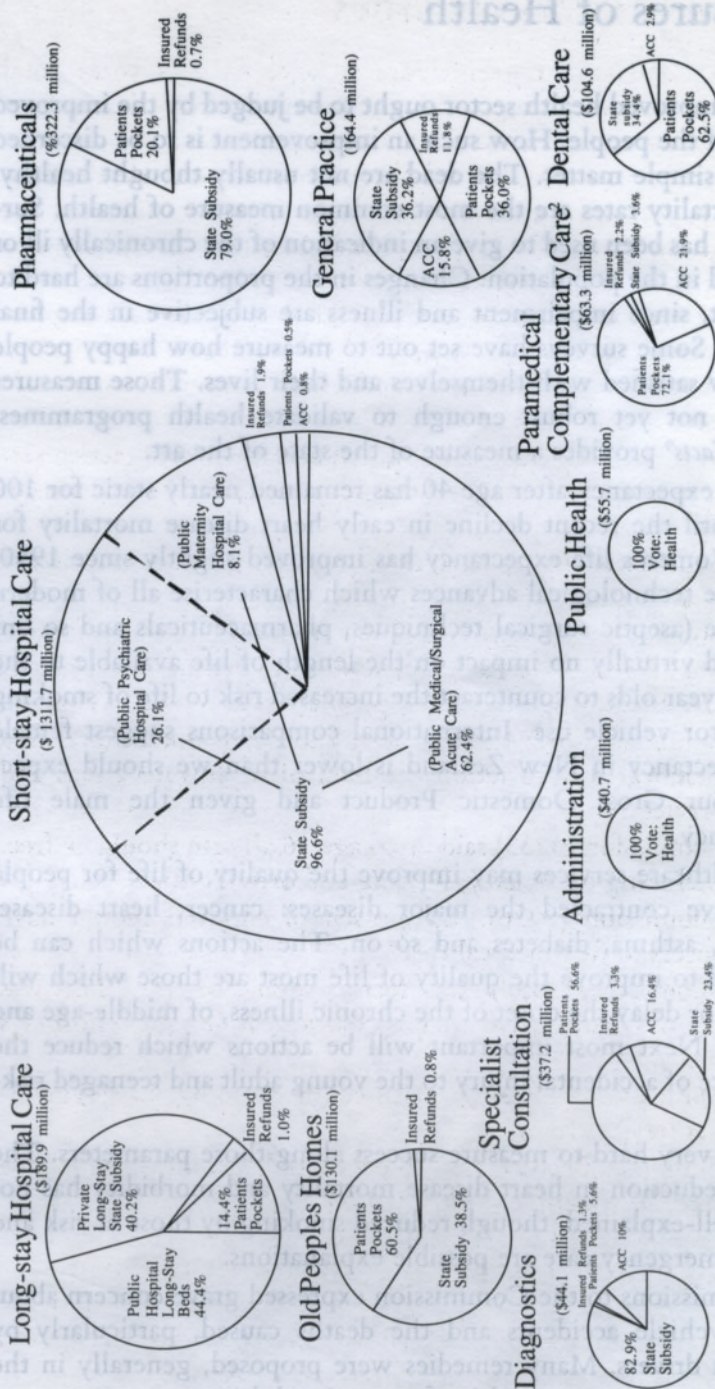
(e) Submission (2996): 'all pre-school children should have access to free medical care'.

(f) Submission (3638) said 'doctors should be free.' This was from a family that spends \$80 a year just for children's visits.

(g) Submission (4106) wanted free (or very low charge) medical services for all children

(h) Submission (1859) said all preventive healthcare should be free, for example, cancer tests.

FIGURE 1: Relative shares of funding in major areas of health care 1985<sup>1</sup>



Notes: <sup>1</sup>31 March 1985

<sup>2</sup>Includes alternative primary carers such as physiotherapists, chiropractors, clinical psychologists, acupuncturists, podiatrists, and osteopaths

Source: Appendix 2, Table 2: data compiled for the Health Benefits Review and reproduced from *Choices for Health Care*



## Measures of Health

1 An improved health sector ought to be judged by the improved health of the people. How such an improvement is to be discerned is not a simple matter. The dead are not usually thought healthy, and mortality rates are the most common measure of health. Survey data has been used to give an indication of the chronically ill or impaired in the population. Changes in the proportions are hard to interpret, since impairment and illness are subjective in the final analysis. Some surveys have set out to measure how happy people are, how satisfied with themselves and their lives. Those measures too are not yet robust enough to validate health programmes. *Health Facts*<sup>9</sup> provides a measure of the state of the art.

2 Life expectancy after age 40 has remained nearly static for 100 years until the recent decline in early heart disease mortality for men. Women's life expectancy has improved slightly since 1950. Thus the technological advances which characterise all of modern medicine (aseptic surgical techniques, pharmaceuticals and so on) have had virtually no impact on the length of life available to the over 40 year olds to counteract the increased risk to life of smoking and motor vehicle use. International comparisons suggest female life expectancy in New Zealand is lower than we should expect given our Gross Domestic Product and given the male life expectancy.

3 Healthcare services may improve the quality of life for people who have contracted the major diseases: cancer, heart disease, arthritis, asthma, diabetes and so on. The actions which can be expected to improve the quality of life most are those which will prevent or delay the onset of the chronic illness, of middle-age and old-age. Next most important will be actions which reduce the incidence of accidental injury to the young adult and teenaged risk-takers.

3 It is very hard to measure success along those parameters. The recent reduction in heart disease mortality and morbidity has not been well-explained, though reduced smoking by those at risk and better emergency care are possible explanations.

4 Submissions to the Commission expressed grave concern about motor vehicle accidents and the deaths caused, particularly by drunken drivers. Many remedies were proposed, generally in the form of more severe penalties for convicted drivers.

5 Health promotion principles suggest structural solutions might be more effective (reduced access to motor vehicles, siting pubs close to homes, safer roadways, and so on). Should fatalities be reduced it would be very difficult to attribute the reduction to particular policies.

6 Measurable health targets are few. Screening for early detection promotes health and is measurable. Achieving good immunisation levels is also an option. Reduced consumption (of tobacco or alcohol) can be measured on a community level, but the effectiveness of the reduction in improving health is that the reduction be spread across all sectors of the population.

7 Some mortality causes are believed to be indicators of how well a society is doing at promoting health. Infant mortality has been the most widely used. New Zealand presently is suffering a high infant mortality associated with cot death. Does our cot death mortality provide a measure that could be used to measure health outcomes?

8 Cot deaths occur most frequently to families with the following characteristics: the mother is young and has had her second child before age 20, the mother smokes cigarettes and did so during her pregnancy, the family has a low income, the family lives in the far south, the quality of housing is relatively poor.

9 There are two kinds of health policy which could operate to meet the problem of cot death. One is to identify high-risk families and issue them with alarms that sense when a sleeping infant's breathing has stopped. Another is to improve the life circumstances of young families. More encouragement to postpone having a family would help. Countering the trend for young women to smoke and to be addicted, heavy smokers by the time they come to bear children would help. An income that provided families with good quality accommodation would help.

10 The two approaches are a paradigm of the dilemma that faces the whole health system: the fence at the top of the cliff or the ambulance at the bottom. We say we want the fence, but we lobby for and fund the ambulance.



## Appendix 1

### Charter

This first International Conference on Health Promotion, meeting in Ottawa this 21st day of November 1986, hereby presents this CHARTER for action to achieve Health for All by the year 2000 and beyond.

This conference was primarily a response to growing expectations for a new public health movement around the world. Discussions focused on the needs in industrialised countries, but took into account similar concerns in all other regions. It built on the progress made through the Declaration on Primary Health Care at Alma Ata, the World Health Organisation's Targets for Health for All document, and the recent debate at the World Health Assembly on intersectoral action for health.

#### *Health Promotion*

Health promotion is the process of enabling people to increase control over, and to improve, their health. To reach a state of complete physical, mental and social wellbeing, an individual or group must be able to identify and to realise aspirations, to satisfy needs and to change or cope with the environment. Health is, therefore, seen as a resource for everyday life, not the objective of living. Health is a positive concept emphasising social and personal resources, as well as physical capacities. Therefore, health promotion is not just the responsibility of the health sector, but goes beyond healthy life-styles to wellbeing.

**PREREQUISITES FOR HEALTH** The fundamental conditions and resources for health are peace, shelter, education, food, income, a stable eco-system, sustainable resources, social justice and equity. Improvement in health requires a secure foundation in these basic prerequisites.

**ADVOCATE** Good health is a major resource for social, economic and personal development and an important dimension of quality of life. Political, economic, social, cultural, environmental, behavioural and biological factors can all favour health or be harmful to it. Health promotion action aims at making these conditions favourable through *advocacy* for health.

**ENABLE** Health promotion focuses on achieving equity in health. Health promotion action aims at reducing differences in current health status and ensuring equal opportunities and resources to *enable* all people to achieve their fullest health potential. This includes a secure foundation in a supportive environment, access to information, life skills and opportunities for making healthy choices. People cannot achieve their fullest health potential unless they are able to take control of those things which determine their health. This must apply equally to women and men.

**MEDIATE** The prerequisites and prospects for health cannot be ensured by the health sector alone. More importantly, health promotion demands co-ordinated action by all concerned: by governments, by health and other social and economic sectors, by non-governmental and voluntary organisations, by local authorities, by industry and by the media. People in all walks of life are involved as individuals, families and communities. Professional and social groups and health personnel have a major responsibility to *mediate* between differing interests in society for the pursuit of health.

Health promotion strategies and programmes should be adapted to the local needs and possibilities of individual countries and regions to take into account differing social, cultural and economic systems.

### *Health Promotion Action Means:*

**BUILD HEALTHY PUBLIC POLICY** Health promotion goes beyond healthcare. It puts health on the agenda of policy makers in all sectors and at all levels, directing them to be aware of the health consequences of their decisions and to accept their responsibilities for health.

Health promotion policy combines diverse but complementary approaches including legislation, fiscal measures, taxation and organisational change. It is co-ordinated action that leads to health, income and social policies that foster greater equity. Joint action contributes to ensuring safer and healthier goods and services, healthier public services, and cleaner, more enjoyable environments.

Health promotion policy requires the identification of obstacles to the adoption of healthy public policies in non-health sectors, and ways of removing them. The aim must be to make the healthier choice the easier choice for policy makers as well.



**CREATE SUPPORTIVE ENVIRONMENTS** Our societies are complex and interrelated. Health cannot be separated from other goals. The inextricable links between people and their environment constitutes the basis for a socio-ecological approach to health. The overall guiding principle for the world, nations, regions and communities alike, is the need to encourage reciprocal maintenance—to take care of each other, our communities and our natural environment. The conservation of natural resources throughout the world should be emphasised as a global responsibility.

Changing patterns of life, work and leisure have a significant impact on health. Work and leisure should be a source of health for people. The way society organises work should help create a healthy society. Health promotion generates living and working conditions that are safe, stimulating, satisfying and enjoyable.

Systematic assessment of the health impact of a rapidly changing environment—particularly in areas of technology, work, energy production and urbanisation—is essential and must be followed by action to ensure positive benefit to the health of the public. The protection of the natural and built environments and the conservation of natural resources must be addressed in any health promotion strategy.

**STRENGTHEN COMMUNITY ACTION** Health promotion works through concrete and effective community action in setting priorities, making decisions, planning strategies and implementing them to achieve better health. At the heart of this process is the empowerment of communities, their ownership and control of their own endeavours and destinies.

Community development draws on existing human and material resources in the community to enhance self-help and social support, and to develop flexible systems for strengthening public participation and direction of health matters. This requires full and continuous access to information, learning opportunities for health, as well as funding support.

**DEVELOP PERSONAL SKILLS** Health promotion supports personal and social development through providing information, education for health and enhancing life skills. By so doing, it increases the options available to people to exercise more control over their own health and over their environments, and to make choices conducive to health.

Enabling people to learn throughout life, to prepare themselves for all of its stages and to cope with chronic illness and injuries is

essential. This has to be facilitated in school, home, work and community settings. Action is required through educational, professional, commercial and voluntary bodies, and within the institutions themselves.

**REORIENT HEALTH SERVICES** The responsibility for health promotion in health services is shared among individuals, community groups, health professionals, health service institutions and governments. They must work together towards a healthcare system which contributes to the pursuit of health.

The role of the health sector must move increasingly in a health promotion direction, beyond its responsibility for providing clinical and curative services. Health services need to embrace an expanded mandate which is sensitive and respects cultural needs. This mandate should support the needs of individuals and communities for a healthier life, and open channels between the health sector and broader social, political, economic and physical environmental components.

Reorienting health services also requires stronger attention to health research as well as changes in professional education and training. This must lead to a change of attitude and organisation of health services, which refocuses on the total needs of the individual as a whole person.

### *Moving into the Future*

Health is created and lived by people within the settings of their everyday life; where they learn, work, play and love. Health is created by caring for oneself and others, by being able to take decisions and have control over one's life circumstances, and by ensuring that the society one lives in creates conditions that allow the attainment of health by all its members.

Caring, holism and ecology are essential issues in developing strategies for health promotion. Therefore, those involved should take as a guiding principle that, in each phase of planning, implementation and evaluation of health promotion activities, women and men should become equal partners.

**COMMITMENT TO HEALTH PROMOTION** The participants in this conference pledge:

- to move into the arena of healthy public policy, and to advocate a clear political commitment to health and equity in all sectors;



- to counteract the pressures towards harmful products, resource depletion, unhealthy living conditions and environments, and bad nutrition; and to focus attention on public health issues such as pollution, occupational hazards, housing and settlements;
- to respond to the health gap within and between societies, and to tackle the inequities in health production by the rules and practices of these societies;
- to acknowledge people as the main health resource; to support and enable them to keep themselves, their families and friends healthy through financial and other means, and to accept the community as the essential voice in matters of its health, living conditions and wellbeing;
- to reorient health services and their resources towards the promotion of health; and to share power with other sectors, other disciplines and most importantly with people themselves;
- to recognise health and its maintenance as a major social investment and challenge; and to address the overall ecological issue of our ways of living.

The conference urges all concerned to join them in their commitment to a strong public health alliance.

**CALL FOR INTERNATIONAL ACTION** The Conference calls on the World Health Organisation and other international organisations to advocate the promotion of health in all appropriate forums and to support countries in setting up strategies and programmes for health promotion.

The Conference is firmly convinced that if people in all walks of life, non-governmental and voluntary organisations, governments, the World Health Organisation and all other bodies concerned join forces in introducing strategies for health promotion, in line with the moral and social values that form the basis of this charter, Health For All by the year 2000 will become a reality.

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- 3 New Zealand Board of Health, *Dual Funding Scheme for General Practice*, Government Printer, Wellington 1987.
- 4 Conference on Health Promotion, *Ottawa Charter for Health Promotion*, Pamphlet attached 1986.
- 5 G. Bertram, *Middle-Class Capture: A Brief Survey*. In Volume III (Part 2) of this report.
- 6 J. Hyslop, *Renal dialysis and transplantation: Evaluating the performance of a high-cost health service*. Offered at the annual conference of ANZSERCH (NZ), Wellington, 1984.
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MAORI EDUCATION  
FOR A JUST SOCIETY

W. T. Penetito



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## 1.1 *Terms of Reference*

The terms of reference of the Royal Commission on Social Policy require the Commission to give attention to 'what fundamental or significant reformation or changes are necessary or desirable in existing policies, administration, institutions or systems to secure a more fair, humanitarian, consistent, official and economical social policy which will meet the changed and changing needs of this country and achieve a more just society.' Most of the 13 principles listed under the standards and foundations of a fair society have some relevance to a section on education. It is through the institutions of education—as it is with the family—that the likelihood of either successful moral socialization or a system of legitimate legal authority can become a reality. This section of the report sets out to clarify some of the more central issues associated with Maori education and in particular those which could be taken as direct challenges to the educational perceptions of what constitutes the creation of a fair and just society.

## 1.2 *Sources*

There is little doubt that Maori education is one of the most frequently researched areas of our education system. Materials available for the views expressed in this report were also considerable. They included:

- A Maori education report prepared for the Royal Commission (NZCER, *How Fair is New Zealand Education? Part II, Fairness in Maori Education* by Richard Benton);
- Other specialised education reports but not specifically addressing Maori concerns (for example, Savage and Thompson *Social Policy Issues in Education: An Economic Perspective*) by New Zealand Institute for Educational Research;
- Supplementary reports from various government departments, some directly and others tangentially related to



Maori education (for example, *The Curriculum Review*—Department of Education; Waitangi Tribunal: *Finding Relating to Te Reo Maori*—Justice Department; *Puao-te-ata-tu Report*—Department of Social Welfare);

- Royal Commission on Social Policy discussion documents (for example, *The Treaty of Waitangi and Social Policy*) and papers (for example, *Nga Tikanga me Nga Ritenga o Te Ao Maori* in Volume III of this report);
- Specific research papers (for example Peters and Marshall 1987, *Te Reo o Te Tai Tokerau: Community Evaluation, Empowerment, and Opportunities for Oral Maori Language Reproduction*; and Catherine Benland 1988, *The S-Factor; Taha Wairua—The Dimension of the Human Spirit*);
- Discussions from one weekend hui at Moteo Marae, Napiér and one weekend seminar on 'Towards Successful Schooling' held in Wellington;
- A selection of newspaper articles collected over the last 3 years;
- A comprehensive array of oral and written submissions;
- Overseas research papers on specific areas (for example, Senese 1986, '*Self-Determination and American Indian Education: An Illusion of Control*').

### 1.3 Focus

In order to provide some focus in an otherwise overwhelming collection of loosely connected pieces of information, it was decided that *education* for a fair and just society ought to be concerned more with the *foundations* for establishing that society, than with the *standards* by which it would be judged. The separation is an arbitrary one based on convenience. These concepts are differentiated in the terms of reference as are *fair* and *just* which describe the kind of society that is considered desirable. Yet we could concede that it would be unlikely that a society described as just would not also be a fair one, and vice versa. By focusing on the foundations for establishing a fair and just society it is intended that the prior questions for establishing a fair and just education system, especially as these questions relate to Maori education, will not be taken for granted.

## 2 The Changing Nature of the Debate on Maori Education

### 2.1 *Experiencing Reality: A Bottom-Up Perspective*

How does it feel to be a member of a cultural or ethnic minority group in a rich industrialised society?

At the Rakaumanga School meeting with the Commission, the principal expressed some of the frustrations of the seemingly invisible minority:

You have to be deaf, dumb, blind, mute, insensitive, ignorant, arrogant not to see what is happening to the people. (2302)

Erana Wineti quoted a student of Hato Petera Maori Boy's College who was perplexed by some secondary schools that discriminate against Maoris:

If you are a Maori you end up in the lower stream regardless of whether you are intelligent or not. (406)

There were several sections of submissions that said what it felt like to be a cultural minority in New Zealand. Some said it felt like losing even when you won. If you are a Maori student in a school the more you achieve the more you are separated from your Maori peers. If you don't achieve, you get to keep your mates but then you can't get a job. You get deprived whichever way you turn.

Before we go any further, objective and subjective aspects of deprivation should be clarified.

#### 2.1.1 *Objective Deprivation*

The way in which one is discriminated against socially and economically is an objective aspect (statistics relating to health, housing, employment and education are often produced to illustrate the severity of the objective degree of deprivation).



TABLE 1: School Certificate Pass Rates 1985—Select Subjects

Subject	Maori <sup>2</sup>	Non-Maori	Difference
	Percentage <sup>1</sup>		
English	37.5	60.9	-23.4
Mathematics	40.6	65.8	-25.2
Science	39.5	64.8	-25.3
Maori (Language/Culture)	60.4	56.0	+4.4
Geography	35.2	62.0	-26.8

<sup>1</sup>Figures are taken from NZY3E3 which is the group of students sitting English and at least 3 other subjects in their first year in Form 5 and represents 91.0 percent of all first year Form 5 students.

<sup>2</sup>Ethnicity until 1985 was determined by teacher identification. In 1986 a method of self-identification allowing multiple identification was used.

Wagemaker quite correctly points out that when the educational statistics and other indications of socio-economic status are taken into consideration, the picture of deprivation becomes more desperate. See table 2.

TABLE 2: Comparative life expectancy and unemployment

	Life Expectancy (years)	Maori Non-Maori
Male	63.84	70.82
Female	68.49	76.95
Percentage unemployed (1986)	14.9	5.8

Source: Wagemaker (1987)

### 2.1.2 Subjective Deprivation

The feeling that a minority group member has about his or her status is a subjective aspect. This is the awareness of deprivation, feelings of powerlessness, the denial of recognition, the stereotyping and frustration that makes up the minority experience.

A probation officer of the Department of Justice had this warning in his plea for recognition:

There is already among a small group of Maori, a sense of hopelessness and overwhelming despair, a feeling of rape and desecration, a feeling of being backed into a corner. (*Grant Bergan 577*)

A sense of powerlessness is a pervasive phenomenon:

We are not actually attacking them personally. We are attacking people who have been closing those doors on us for years. (*Timi Maipi 2303*)

In a submission from Hillary College Sixth Formers, the media were attacked for their stereotyping of their community:

Otara young people are sick and tired of being put down . . . we are not the ones who cause unemployment. We do not sell the glue and solvents to children, we are not the ones who designed a community with hardly any recreational facilities. (*New Zealand Herald*, 1 March, 1988)

It is these aspects of deprivation which, combined with the low socio-economic status already described, cause so many of the identity problems faced by Maori children, and their parents.

We recognise the value of close parental involvement in a child's education, but because of the intimidating environment of middle class Pakeha institutions and teacher attitudes, our parents feel they have no place in the schools. *Curriculum Review* (1987:29)

The thread that runs through and connects all the aspects of deprivation is the sense of being on the fringes or even on the outside, looking in. At the level of nations, the concept of imperialism describes this phenomenon (Galtung 1971); among communities it is marginalisation (Hicks 1979); and at the level of individuals, powerlessness.

The fact that there was a range of perspectives on education that Maori individuals expressed to the Commission was anticipated. But, as with the debate on the Treaty of Waitangi, a measure of agreement was sufficiently strong for us to discern a distinct viewpoint and to conclude with some confidence that there was a widely held Maori perspective (on what was required in education).

Powerlessness was the common theme of all these submissions. They decried all forms of deprivation and all forms of violence, in particular subtle forms of structural or symbolic violence. The Finnish linguist Tove Skutnabb-Kangas talks about how the exercise of structural and symbolic violence separates people:

The children are not taught enough of their own language and culture to be able to appreciate it . . . The school is usually organised so that the minority children's language and culture find no place in it. If their language and culture do have some place in the school, it is usually only as a means by which the transition can be made from instruction in the children's own language to instruction in the majority language. (1981:313)

Research is needed that examines the nature of *structural violence*, that is, the way in which violence is built into the structures of our society/institutions to the detriment of particular groups like the



Maori. We also need policies that help Maori people to define their own reality, thus overcoming their relative powerlessness.

## 2.2 *Defining Reality: Top-Down Perspective.*

Who defines reality?

I think voluntary biculturalism should be encouraged and facilitated but not forced. In the right climate it will grow naturally, more from biology than from politics, so that centuries hence, it will be the monoculture of the national persona. That, of course, is simply assimilation, whether favoured today or not. (Hunn 3263)

In this submission, solutions to problems faced by minority groups are subsumed under:

*Race relations* 'That, of course, is simply assimilation; . . . and'

*Institutionalised racism* 'biculturalism . . . will grow naturally, more from biology than from politics . . .'

There are those who argue that policies of assimilation existed in New Zealand prior to the 1960s; secondly, that biculturalism is alright so long as the unfolding of the imminent, that is, evolutionary process is allowed to set its own pace; and thirdly, that assimilation is inevitable 'centuries hence' whether it is 'favoured today or not'. All of this flies in the face of the reality as Maori people have experienced it: firstly, that one hundred and fifty years of Maori-Pakeha relationships has taught the Maori that conformity to Pakeha values, norms, laws and mores will earn them respect, and resistance will earn them condemnation (these are certainly ingredients for assimilation); secondly, that biculturalism, left to the forces of nature, would have been dead in New Zealand a century ago; and finally, the need for policy, if our futures were as 'determined' or as 'pregiven' as Hunn suggested hardly seems necessary. There is the distinct impression that any problems can be solved given enough good will and understanding; that the solutions as defined above are really about fostering right attitudes and about being tolerant.

Given that our society set out to be a fair and just one for all its citizens, how is it that the outcomes of its beliefs ended up so distorted? The submission cited above provides us with the beginning of an answer:

- 1 People who are in positions of influence need to value humility yet those who are influential very often convey the message that humility is a weakness;

- 2 People who are authoritative in some field, or are experts in some area ought to share their expertise among those who could most benefit from it, yet they remain particularly aloof except to those others who are experts themselves;
- 3 People who are powerful in the sense of being articulate or self-affirmed need to empower others, to facilitate the self-assertion and self-affirmation of others, instead we frequently get arrogance, sometimes exploitation, and not uncommonly paternalism.

The problem with the top down perspective is that those who are used to defining realities begin to take their own world for granted as being the 'natural' order of things. Defining other people's realities becomes an extension of the ideology of the 'naturalness' of the world-taken-for-granted.

### 2.3 Questions of Perspective?

Why do these two perspectives differ so radically?

Is it that some forms of oppression, for example racism, are supported by traditional Western thinking and institutional structures? In Hicks' words

All cultures tend to view themselves as culturally superior, what is not so common is the traditional feature of Western cultural thinking, that the superior should control the inferior. (1979:4)

In New Zealand colonialism turned a tribal member into the 'pan-Maori', in other parts of the world the Asian was turned into a 'coolie', the African into a 'savage', and the Caribbean into a 'slave'. (Sivanandan 1983:21) It is as though hierarchies of power and reward are part of human nature. Yet we also know that where intrinsic differences exist between individuals in their ability to perform some kind of social function, it has not always been regarded as leading necessarily to a hierarchical society. In our society it is as though hierarchy existed as in a state of nature. It is as though inequality was inevitable; to get rid of it, we either had to change people's genes, or their heads, or the way others thought about them. Is this a confirmation of the inevitability argument again? As Steven Rose claims:

The *ideology of equality* has become transformed into a weapon in support of, rather than against, a society of inequality by relocating the cause of inequality from the structure of society to the nature of individuals. (Rose 1984:68)



His thesis goes: First, it is argued that the inequalities in society are a direct consequence of the differences in intrinsic merit and ability among individuals, that is, 'anyone may succeed'. Second, while liberal ideas have followed a track emphasising circumstances and education, biological beliefs locate success and failure, in large part, in an individual's genes; 'merit and ability will be passed from generation to generation within families'. Finally, it is claimed that the presence of such biological differences between individuals of necessity leads to the creation of hierarchical societies because 'it is part of biologically determined human nature to form hierarchies of status, wealth and power'. All 3 elements are necessary for a complete justification of present social arrangements.

The problem was severe enough, that from the very beginning the Pakeha believed their culture was superior to that of the Maori (Lovegrove 1972). Within a very short span of time the Pakeha was able to create structures that allowed them to exercise their prejudices over Maori, that is, to discriminate against Maori. (McGeorge 1981) Even though this marked the beginning of the oppression of the Maori as a group, the 'civilising mission' gave the colonising Pakeha a sense of legitimacy.

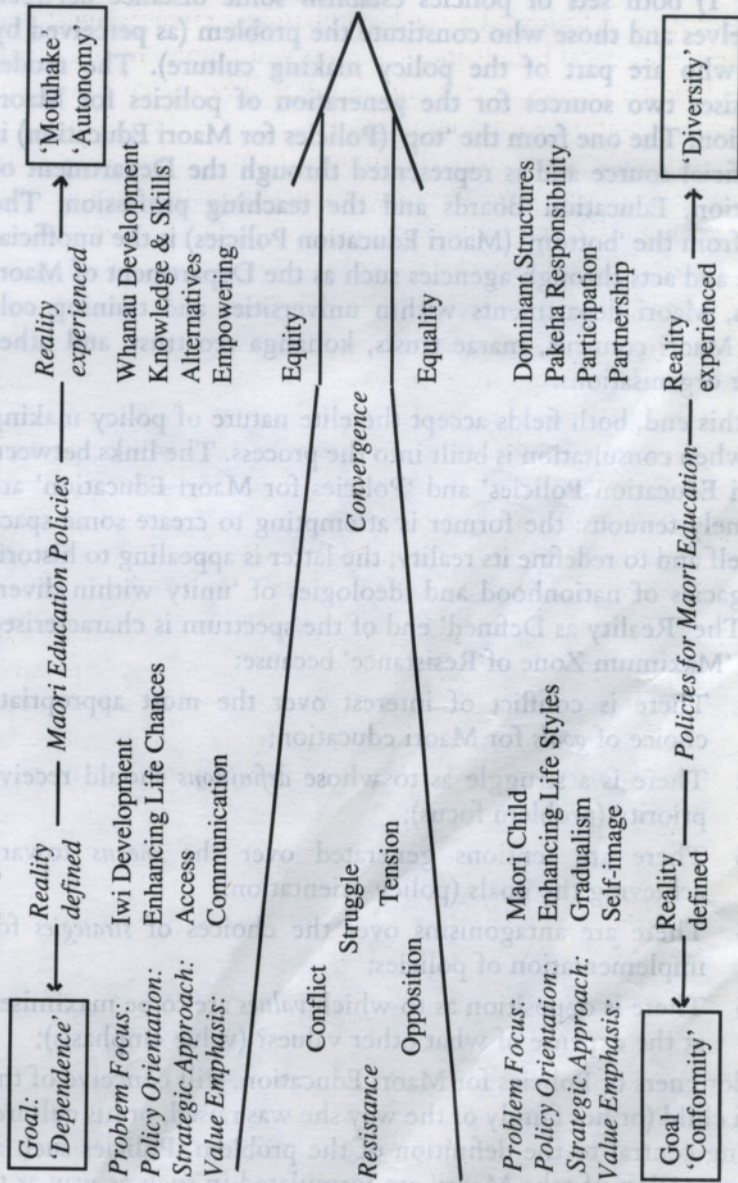
It is liberal rhetoric to maintain these are all related to questions of perspectives. The problem is not that we all have perspectives but that they end up being ranked. Some perspectives are made to count more than others; some perspectives are considered to be more valid than others, that is, they are formed into hierarchies.

### 3 Policies for Maori Education Versus Maori Education Policies

Given the conflict of interests between 'reality as defined from the top' and 'reality as experienced from the bottom', how do we most effectively and fairly satisfy the principles of a socially just society?

Few people would admit to being racist, and fewer still would want to see racism perpetuated, if it could be proven that it existed. There is a growing body of evidence to suggest that the public education system of New Zealand started with racism at its core, and that it is still alive and well today. (Alton-Lee *et al.* 1987)

FIGURE 1: The changing nature of the debate on Maori education



Source: Model Adapted from Hicks (1979)



### 3.1 *The Maximum Zone of Resistance*

At the 'Reality as Defined' end of the spectrum (as illustrated in Figure 1) both sets of policies establish some distance between themselves and those who constitute the problem (as perceived by those who are part of the policy making culture). The model recognises two sources for the generation of policies for Maori education. The one from the 'top' (Policies for Maori Education) is the official source and is represented through the Department of Education, Education Boards and the teaching profession. The other from the 'bottom' (Maori Education Policies) is the unofficial source and acts through agencies such as the Department of Maori Affairs, Maori departments within universities and training colleges, Maori councils, marae trusts, kohanga reo trust, and other similar organisations.

At this end, both fields accept the elite nature of policy making even when consultation is built into the process. The links between 'Maori Education Policies' and 'Policies for Maori Education' are extremely tenuous: the former is attempting to create some space for itself and to redefine its reality; the latter is appealing to historical legacies of nationhood and ideologies of 'unity within diversity'. The 'Reality as Defined' end of the spectrum is characterised as the 'Maximum Zone of Resistance' because:

- 1 There is conflict of interest over the most appropriate choice of *goals* for Maori education;
- 2 There is a struggle as to whose *definitions* should receive priority (problem focus);
- 3 There are tensions generated over the *means* toward achieving the goals (policy orientation);
- 4 There are antagonisms over the choices of *strategies* for implementation of policies;
- 5 There is opposition as to which *values* are to be maximised at the expense of what other values? (value emphasis);

The designers of Policies for Maori Education, still conceive of the Maori child (or her family or the way she was raised, or his culture) as being central to the definition of the problem. Policies such as 'the promotion of *taha Maori*' are formulated in such a way as to focus on the characteristics of Maori lifestyles as the means of improving or enhancing the self image or identity of Maori young people. The most appropriate strategy for implementing this policy (so as not to antagonise the Non-Maori population) is by



following the principle of gradualism. The goal of this policy is 'multiculturalism through biculturalism'. What that means, to put the most generous face on it, is that 'centuries hence it will be the monoculture of the national persona'. Assimilation and conformity are two sides of the same coin.

Maori Education Policies define their problems initially at the level of the iwi (tribe); ('Te Wananga o Raukawa' and 'A Tainui Education Strategy 1987-98'); their concern is for the social location of Maoridom as a whole. Suggested policies such as those related to 'the creation of Maori Education Authorities' are concerned to provide an infrastructure where the life chances of young Maori people are enhanced. This enhancement is promised by giving access to the communicative skills (te reo). Iwi 'wellbeing' will lead to individual and family 'wellbeing'. The overall goal, paradoxically is to generate climates of dependence so that cooperation among the whanau, hapu and iwi can be strengthened.

The problem over policies at the 'Maximum Zone of Resistance' is directly related to asymmetrical power relations between those who define reality. Those who are trying to promote 'Maori Education Policies' soon come into direct confrontation with those promoting 'Policies for Maori Education'. Judith Simon conveys in her research a succinct account of this dilemma:

No matter how brilliantly conceived a policy on Maori education may be, no matter how sensitively it may be planned to cater for the needs of Maori children and to develop biculturalism in Pakeha, it must contend with Pakeha power and control within the system throughout its implementation. Such policies can thus be subverted at the departmental, board or school levels. (1986:42)

### *3.2 Problems of Definition and Definitions of problems*

The problem about power relations at the 'Maximum Zone of Resistance' is again clearly illustrated in the research papers of Peters and Marshall of the University of Auckland and their report 'Te Reo o Te Tai Tokerau Project'. They put forward the notion of Conceptual Review as a set of practical steps and questions designed to yield a well-defined problem by identifying the 'problem context' and underlying rules and locating the problem within the wider political and economic context. They argue:

Over the last one hundred years there have been progressive shifts in policy from a blatantly paternalistic and ethno-centric stance which



aimed at 'civilising' what was considered to be an inferior race and culture to, most recently, encouraging signs of a genuine and enlightened biculturalism. (1987)

To illustrate the process for Conceptual Review they set out five categories of questions beginning with the Problem Context, and the question what is the 'received' definition of the problem? They end with the Provisional Definition of the Problem and a final question, which definition obfuscates wider political and economic issues? For example:

*The 'Received' Definition of the Problem:* The problem that confronts those responsible for the School Certificate examination in Maori is to increase both the proportion of the oral component and teacher involvement in the assessment process but, at the same time, to maintain the precision of assessment that typifies the School Certificate examination as a whole.

*The 'Redefinition' of the Problem:* How to conduct the oral interview in School Certificate Maori so that Maori knowledge and culture norms are adhered to; it is seen as legitimate by Maori; and it accords with the standard of precision that typifies the examination.

### 3.3 Summary

This somewhat tortured analysis of the changing nature of the debate in Maori education is an attempt to provide something of a theoretical base to all of the sources of information and inspiration that have been submitted on this topic to the Royal Commission on Social Policy.

It does not, nor can it cover every contingency. Its overall orientation settles on asking questions rather than providing answers. This is a very important educational process and is particularly important in a world, at a time when answers, especially 'right' answers, have become a pre-occupation of those who hold positions of power. Over the years the field of Maori Education has been plagued with experts who knew the answers before most people on the ground even knew what the questions were. The last five years has shown a definite shift in the debate on Maori education. Maori people caused it (and so they should have) and now they are waiting to see whether the shift has been to their advantage or not.

## 4 Education 'In' Maori, 'About' Maori, and 'For' Maori

### 4.1 Sources of Demand

According to Collins, there are three sources of demand for education:

- The demand of individuals for practical skills;
- The desire of groups for social solidarity and high status; and
- The concern of states for effective political control.

He maintains that these sources and their consequences can be conceptualised as operating within a market for cultural goods which behaves much like the market for economic goods (1977). These sentiments are also reflected in the Treasury briefing papers to the Government (1987).

Again, many submissions fell under these three categories. At the level of individuals, slogans about the 'need for relevance', or for 'back to basics' are just as numerous now as they have ever been. What is also alive and well, sadly, is the anti-intellectualism for which New Zealanders have over the years, developed some notoriety. It is as though the acquisition of practical skills was in some way defeated by also acquiring higher levels of cognitive functioning. The principal of a bi-lingual primary school laid this myth swiftly to rest when he spelled out the school's bi-lingual aspirations as:

We want our children to operate in both languages at a level of sophistication that demands in-depth thinking, that demands critical analytical thinking, and that type of thing; conceptual development, that's what we want. (*Bird 2302*)

At the level of groups, those mainly described as being in some way disadvantaged provided submissions that demanded rectification of their negative plights. The commissioned report of the New Zealand Council for Educational Research ('How Fair Is New Zealand Education? Part I') identified seven groups as likely to be disadvantaged:

They are those from low socio-economic status homes; girls and women; Maori; Pacific Island groups; the disabled; ethnic migrant groups; and rural dwellers . . . This accounts in fact for at least three fifths of the population included broadly within the education system.

At the level of the state, the work of the Royal Commission on Social Policy plus the several other Commissions and Working



Parties currently due to report to the Government must be seen as catering for the concern of the state for effective political control.

This section will examine the topic 'Education 'in', 'about' and 'for' Maori' in the light of Collins' typology.

The main aim is to take active steps to ensure that the Maori people have and retain full possession of their language and tikanga, and to provide opportunities for all other people in New Zealand to value and to develop knowledge and understanding of Maori language and tikanga.

The current situation is critical because of:

- Growing dissatisfaction within Maoridom about the shortcomings of the system in terms of Maori achievement;
- The demands on primary schools created by the Kohanga Reo movement;
- The growing interest in the notion of kaupapa Maori schools and bilingual initiatives; and
- The heightened profile accorded the Treaty of Waitangi as a consequence of the work of the Waitangi Tribunal.

## 4.2 Education 'In' Maori

Kaupapa Maori schools (Hoani Waititi, Ruamata, Waipareira), official bilingual schools (Ruatoki, Tawera, Omahu, etc.), and schools with immersion-in-Maori classes or units come under this heading. These schools, units and classes share a similar philosophy, which is to foster, maintain and promote the Maori language and culture as a priority for Maori students. They set out to:

- Reinforce cultural identity and self-esteem;
- Develop communicative competence in Maori and so enhance its status as an official language;
- Improve the prospects of upward social mobility for Maori people through success in the system initially; and
- Provide the means whereby Maori can receive total recognition as a language of status in the New Zealand scene.

Where we have an education *in* Maori, the language (te reo) is central; the content of the curriculum is heavily biased in favour of tribal knowledge (matauranga Maori); the context, organisation, and processes for transmitting that knowledge derive from tribal standards (tikanga Maori).

It should be clear that an 'education *in* Maori' requires:

- Sufficient numbers of parents and children who want such an education (the Kohanga Reo movement is the most obvious source to accommodate this requirement);
- Sufficient numbers of trained teachers who are also fluent speakers of Maori. Without real incentives it is unlikely that those Maori-speaking trained teachers already in schools will offer their services; while the training of teachers specifically for this task will take at least 3 years.
- Preparation, virtually from scratch, of sufficient quantities of classroom resources that are relevant tribally (given that tribal authorities would want this responsibility and would get the resources to produce them, it would take at least 3 years to provide the basics);
- Appropriate facilities (schools) that were located close enough to local marae and local sources of authenticity (kaumatua) to allow the development of a sense of community;
- The political will on the part of the majority and the creative energy on the part of Maori participants to carefully plan, creatively organise, and energetically pursue the fundamental tenets of the kaupapa matakura Maori, (an educational philosophy of Maori).

### 4.3 Education 'About' Maori

Where we have an 'education *about* the Maori' the main and obvious difference with all the above is the question of quantity. Where an education *in* Maori requires that a child is a competent speaker of Maori, in the latter the child is encouraged to pronounce all Maori words correctly and perhaps to be able to follow and respond to basic functional classroom Maori language. Everything else follows a drastically modified version of an education *in* Maori. Education about the Maori has been in our schools for generations. Lessons about the Maori have been most frequently found in subjects like social studies, science, art and craft and music at primary school level, and in Maori Studies, social studies, and home economics at secondary school level. Since the 1984 *Review of the Core Curriculum* education about the Maori or 'Taha Maori' as it has been called has flourished in primary classrooms and is rapidly becoming an integral part of the curricula of secondary school schemes. None of these programmes require any more knowledge of Maori than can be learned from a book and it is obvious that no child will learn to speak Maori as a result of such programmes.



An 'education *in* Maori' is oriented around Maori people, values, and institutions, whereas an 'education *about* the Maori' would be an improved education if those resources were present, but they are not prerequisite.

Whichever way we look at it, a blatant deficiency exists in both 'educations'. An education *in* Maori does not require that children learn anything about the Pakeha world or the non-Maori world at large. There are some Maori people today, and some of them call themselves educationalists, who are fervently advocating total immersion in *te ao Maori* (the Maori world) coupled with a *conscious neglect* of the Pakeha world on the grounds that because of its dominating pervasiveness it will be learned because it cannot be ignored. And education *about* the Maori takes the view that 'anything is better than nothing' so that the messages children get about things Maori is that they are of little consequence. There are some Pakeha people today, and some of them call themselves educationalists too, who are deviously undermining all attempts at providing authenticity of Maori knowledge to students.

#### 4.4 Education 'For' Maori

There ought to be no doubt in the minds of teachers—whether they are involved in an 'education *in* or *about* Maori'—that children need to *acquire* in the first instance the relevant knowledge for their wellbeing. For children who wish to shape their own reality, who wish to understand their own cultural context, who wish to have control over their own learning, teachers must facilitate and empower them, and there are no short-cuts to that.

The nurturing of the bicultural-bilingual child can result from both an education *in* as well as *about* Maori but both forms need the knowledge base, contextual base, etc., as part of the relevant knowledge of each code. As the international linguist Skutnabb-Kangas (1981) maintained:

In an ideal society of equality, peace and mutual understanding, all children should be educated bilingually.

An education *for* Maori will develop the bilingual-bicultural child sooner. When Maori as a language is seen to be dying out, it is not surprising that advocates of the language pursue with passion an education *in* Maori for their children.

As the Maori Language Commission would have it:



No amount of good will or symbolic gesturing can compensate for a lack of concrete moves enabling Maori to use their language—a language does not need ‘nurturing’, it needs speakers. (*Submission 5508*)

There is no argument with that claim except to counter that it is not language that speaks but people, and people need to be nurtured. In his submission to this Commission, Hohua Tutengahe, a kaumatua of Tauranga Moana, says about Maori language:

It is first the plume of our identity, the jewel of our prestige and the soul of our very identity. (*Submission 352*)

But when monolingualism and monoculturalism is a stated problem, or to put the issue within a positive framework, when the virtues and advantages of being bilingual and bicultural are being asserted, we should be wary of setting self-made traps and fences. Who would be so foolish as to envelop themselves in their own hard earned academic gowns yet try to convince those without them that the pursuit was in vain because the knowledge acquired was not culturally relevant. An education *for* Maori puts the Maori child (person) at the centre, not the subject, nor the culture, nor the context. An education *for* Maori can arise out of both of the earlier cases. It depends on the goals set, the vision in the planning, the energy expelled in pursuing the objectives, the authenticity of resources, and the knowledge of those engaged in the learning-teaching process. Culturally relevant knowledge cannot be only or even mainly from any single source. What is culturally relevant knowledge for the young people of today and for the next generation must remain an open question, that is, one where they too are free to negotiate what will count as valid knowledge for them, for their time, in their world. This does not mean that there are no impositions. Of course there are because schools, like families, have always been agencies for the perpetuation of the culture. There is nothing to suggest that schools could not do this equally well for the Maori as it has done for the Pakeha. But it cannot do it for either without the imposition of a knowledge base, or better still, knowledge bases.

An education *in* Maori places an initial priority on Maori knowledge codes. The changes advocated above are necessary moves in response to the disillusionment on the part of the Maori community as a whole with the performance of the education system. The drop-out rate of Maori students at age fifteen is over 47 percent, and future policies must signal a definite shift away from what can be labelled ‘more of the same’. Maori people need to feel part of



New Zealand society as a whole but they also need to feel unified in their ethnicity. They are no longer prepared to accept policies written with a national focus that actually reinforce the status quo by sharing resources equally amongst unequal partners.

An education for Maori ensures that an expansion of the knowledge base is not left to chance, since there ought to be no doubt that monoculturalism, whatever the culture, is limiting. There seems no point in criticising the monoculturalism of the Pakeha while simultaneously setting out to nurture the monocultural Maori child.

## 5 The Treaty of Waitangi, Kaupapa Maori Schools and a Maori Education Authority

### 5.1 *The Purposes of the Treaty*

The *purpose* of the Treaty of Waitangi was to secure an exchange of 'sovereignty' (by the Crown) for the protection of 'rangatiratanga' (of the tangata whenua). It is highly unlikely that either party to the signing would set out to disadvantage itself. On the contrary. The exercise that took place in 1840 can thus be said to be enacted in terms of rational choice, that is, both parties knew what each were doing and both were acting in their own interests. There is some evidence to suggest, although it might be stretching the point, that both parties were envisaging steps toward the creation of a bicultural nation on the basis of mutual respect and cooperation. If that is so, why, after almost 150 years, is the creation of a bicultural nation still a problem?

### 5.2 *The Expectations of the Treaty*

Both the Crown and the tangata whenua invested, from the beginning, *expectations* about the exercise of power. The tangata whenua expected its 'rangatiratanga' to be protected, while the Crown expected to gain sovereignty over New Zealand.

There is an expectation of 'partnership' built into the Articles of the Treaty of Waitangi. It is common sense knowledge to recognise that partnerships between individuals, as between groups, are extremely fragile constructions. How much more fragile they are if one party to the partnership is in a position to exercise its power over the other. Unless each party to the partnership



perceives itself as being equal to the other actual equality must remain a myth. What principles of social justice need to be activated to call into question the goals of partnership?

### 5.3 *Equity and Equality*

Since neither party set out to disadvantage itself we can assume that both wanted 'equity', that is, each wanted to maintain and enhance their own distinctive cultural identities. We can also assume, given the notion of partnership, that both also wanted to establish some basis for integration, that is, 'equality'.

These are the bases for the principles of social justice. (Penetito 1986) No society (or for that matter, any other social category such as community, institution, or family) can ignore the problems of survival, order and unity. Where social justice occurs the principles of equity and equality exist in a reciprocal relationship.

### 5.4 *Plural Loyalties*

In any society which is multi-ethnic, multi-racial or multi-cultural it is extremely doubtful that a single notion of unity will be to the satisfaction of all parties concerned. What seems more reasonable is that 'plural loyalties' (to use Goulet's phrase) or a 'mosaic of unities' (to quote from Sivanandan) ought to exist. In our society, the problems of survival and order, especially among the tangata whenua are directly related to the expectation that they too will conform to a single notion of unity. This expectation is expressed in policies such as accommodation, assimilation and integration. In every instance unity has meant that the tangata whenua has had to lose something of a distinctive quality which they valued (land, language, tribalism, etc.). Is it any wonder that since 1840 a common theme for the tangata whenua has been a *resistance* against *social oppression*. The question needing to be asked is: what are the unifying goals implied in any partnership that would satisfy the principles of social justice?

### 5.5 *Fundamental Beliefs*

Everything stated so far points to the idea that both the Crown and the tangata whenua anticipated that each would be 'better off' materially, and neither would be disadvantaged psychologically as a consequence of having entered into a partnership. But partnerships are not only vulnerable and fragile, they are also prone to be volatile and even more so if either party takes the other for



granted. Every relationship is problematic until such time as some fundamental beliefs become shared. For example:

- 1 That the Maori as a people have made a significant contribution to this society, specifically in terms of land, labour and cultural compromises.
- 2 That the Pakeha has too, contributed significantly to the development of this nation, specifically in terms of technology, bureaucracy and government by law.
- 3 That the Treaty of Waitangi, as the first bicultural pact between Maori and Pakeha ought to provide the base-line of principles for analysing past relationships, for defining present relationships, and for shaping future relationships.

### 5.6 *Operational Beliefs*

Shared beliefs of a different order include those that stem from an historical, cultural, social and educational analysis:

- 1 That the consequences of the Maori contribution to the development of the nation has had a profound negative effect on the Maori people, far in excess of that suffered by Pakeha;
- 2 That a contribution engendered through 'managed consensus', that is, by the application of institutionalised power, is in fact exploitation. The Maori contribution to this country's nationhood has its origins in oppression;
- 3 That Maori perceptions and aspirations for creating the kind of life they want is dependent upon their acting for themselves since many of their actions will necessarily not be in the interests of others;
- 4 That the partnership alluded to in the Treaty of Waitangi can only have meaning to either party through 'dialogue'. Dialogue means an equal sharing of energy. An equal partnership is necessary in order for both parties to have the confidence to take risks; and
- 5 That we cannot have freedom without authority. Authority will stem from Maori people listening to themselves, deciding for themselves, and acting for themselves in their own interests. This will allow them the necessary freedom and energy to negotiate a partnership with the Pakeha.

### 5.7 *From Resistance to Autonomy*

Relationships of dominance and subordination rarely concede the need for resistance within the oppressed, let alone envisage the same resistance as being part of their culture. Yet for the oppressed it is as much a truism as the overtness to them of the so-called 'hidden curriculum' of schooling. The resistance often takes the shape of distinctive linguistic and cultural modes which reject the standard norm expected by society. (Gundara 1982:55) Maori leaders and organisations have over recent years become increasingly concerned with 'owning' and 'controlling' those institutions that exist within or impinge upon their communities. As a corollary, there has also been a dramatic shift—at least in terms of rhetoric—from educational integration as the primary goal to that of greater community input, and in some cases, control of the schools.

The question that needs to be asked is whether the Maori appeal for greater autonomy and a selection of schools to be placed under their authority, is a reasonable request in terms of the principles of the Treaty of Waitangi? In spite of Ramsay's statement that:

There is an almost pathetic faith amongst New Zealanders relating to the power of political democracy. Many parents and teachers in our sample believed that the school was the place where opportunity would be equalised, where merit would prevail. (1983:313)

Hans Wagemaker (1987) expresses a similar view:

New Zealanders have for many years placed great faith in education as a means of reducing social inequality and achieving social justice, it has also been seen by many as one of the primary mechanisms whereby a harmonious multicultural society may be achieved. (1987:1)

That certainty is not the case any longer as far as many Maori communities are concerned.

### 5.8 *Principles into Practice*

There are two principles of the Treaty that are specifically related to what has been said thus far, the principle of 'partnership' and the principle of 'biculturalism'. Partnership will need to focus on two sub-principles, that of 'equity' which recognises differences, and that of 'equality' which recognises similarities.

Biculturalism focuses on two further sub-principles that of 'autonomy' in recognition of one's need for 'wellbeing', and that of 'reciprocity' which recognises the need for 'freedom' so that mutual respect and cooperation are made possible.



With these principles in mind future scenarios for Maori education make it impossible to ignore the plea for alternative arrangements at the level of classrooms, schools, community and society. Some of the more compelling submissions toward this end were those from Te Ngahurutanga (221), the Matawaia Declaration (508), the Reverend Maori Marsden (5006), Richard Benton's report, a paper by R. K. Harker (1986), Maori Language Commission (5508), Dr Tamati Reedy (776), Whangara/Turanga Te Kohanga Reo (3686), Te Puaha ki Manuka Huakina Development Trust (3332), and others.

## 6 Conclusions

There were two major concerns in Maori education that the Royal Commission on Social Policy needs to address:

The first relates to Kohanga Reo children entering schools and the second to all other children of school age.

*The first concern is about how to facilitate Maori communities taking education decisions in their own real interests.*

Up to now, the right and responsibility of the Maori people to decide on the direction and process of an education which they saw fit for their children had been denied them. Children who had emerged from the Kohanga Reo had been socialised throughout their early childhood years, as exclusively as had been possible, into tribal values, within tribal contexts, in a tribal idiom. At the point of entering compulsory schooling the parents of these children were adamant that what their children had learned previously must be the basis for enhancing and extending into the wider world.

*The second concern expresses the need to clarify the essence of an education which makes valid tangata whenua knowledge, values and institutions in such ways that these became a central part of what it meant to be educated in Aotearoa.*

Up to now, anything Maori in schools has been of an optional, voluntary and/or marginal status. Maori knowledge and values have, in the most part, been reconstructed and validated within the experience of the dominant society.

The Maori knowledge which gets into schools in the future must have the authenticity of Maori sources of inspiration to give it the authority it needs and deserves. Maori sources of inspiration follow a dynamic need to express themselves within the context of

their past and present experiences. This cannot happen with the existing delivery system. Structures must be created so that Maori people, their perceptions and understanding of their experience, can contribute fully to the education of all citizens of New Zealand.

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# EDUCATION

Cathy Wylie





# Education

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## 1 Why Education Matters

The value that New Zealanders put on education shows clearly in the high proportion of submissions to the Royal Commission—over a third—which mention it. There is wide awareness of education's impact on individual life changes and social wellbeing, and concern that educational experience should enhance both.

Education as the development of knowledge, skills, and values, is seen as a necessary precondition for participation in work, relationships, community life and leisure. It is also seen as a way to enrich our participation by providing us with tools to analyse, communicate and construct.

The Declaration of the Right to Learn made by the 1985 Unesco Adult Education Conference puts this most dramatically:

... The act of learning, lying as it does at the heart of all educational activity, changes human beings from objects at the mercy of events to subjects who create their own history. . . .

The right to learn is:

- the right to read and write;
- the right to question and analyse;
- the right to imagine and create;
- the right to read one's own world and to write history;
- the right to have access to educational resources;
- the right to develop individual and collective skills.

Good learning activities are carefully thought through. Their aim is to enlarge experience—and so too, enlarge our individual capacity to act effectively and responsibly. Like other challenging experiences, good education is a mixture of effort, questioning, trust and enjoyment.



This examination of education is concerned primarily with the fairness of New Zealand's educational opportunities. As pointed out in the Volume III papers on standards and foundations this entails a concern for content and quality as well as access.

Education, like social power and wealth, is one of the most important opportunities, the possession of which enables all to live in accord with their own preferences and wishes. Equal opportunity in education, therefore, should mean not (just) equal opportunity to compete, nor (just) equal education outcomes, but: 'Equal provision of the kind of education which gives everybody the opportunity to live a worthwhile life' (Norman, 1983, draft, p. 37).

## 2 Views, Reviews and Research

The discussion takes into account the submissions made to the Royal Commission; Attitudes and Values: A New Zealand Survey survey carried out by the Department of Statistics; the Heylen opinion poll commissioned by the Department of Education; the various reviews of education carried out in the last few years; the overviews of research evidence on fairness and economic perspectives which were done for the Royal Commission by the New Zealand Council for Educational Research (NZCER) and the New Zealand Institute of Educational Research (NZIER) respectively; research on educational quality; other information on education in New Zealand, and overseas comparisons made available to us.<sup>1</sup> In this section the major points and issues which arise from this material are summarised.

### 2.1 *Submissions to the Royal Commission on Social Policy*

The submissions, particularly those from individuals, serve as a useful indication of the gaps in present provision.

The two most frequent topics are adequate funding for good quality early childhood education, and a call for parenting, domestic, and budgeting skills to be taught both in schools and in the community. The various interpersonal skills and operating knowledge about social institutions, such as the legal system, which come under titles like 'lifeskills', are well supported. So is health

education directed at providing knowledge on diet, smoking, alcohol/drug use and sex; in order to promote the personal ability to be responsible.

While income support for carers at home looking after children is supported, only a minority sought it as a replacement for child-care centres.

State funded and provided free education is strongly supported. Lifelong and second chance learning, and the tertiary sectors are particularly mentioned. There is also an emphasis here on actual 'free' education, without parents having to fundraise to meet essential running costs of schools, or buy textbooks and uniforms. Some suggest that we need to spend much more on education, with a current of support for the better spread of resources between schools according to social need.

By contrast, there is little support for more state aid to private schools. Most of it is from parents who have sent their children to those schools. Local community control of school finances and a share in employment decisions are supported. Despite last year's pre-election debates on voucher systems based on competing suppliers, vouchers are supported by only a handful of submissions.

There is a pronounced call for a standard, liveable income for young people in training, or looking for work. Interest in linking a range of training and social participation opportunities to the unemployment benefit is also high.

The failure of the system to meet Maori educational needs is a major concern in the submissions. Maori—and quite a number of Pakeha—submissions are strong in their support for Maori controlled provision for Maori children. They express a wish for Maori language and bilingual schooling, particularly to follow through the success of kohanga reo. They also emphasise the importance of involving kaumatua and kuia as regular, paid school staff members, and the recognition of Maori qualifications.

There is disagreement over the extent to which taha Maori should be taught in schools, with opposition coming from those who interpret fairness as uniformity.

Interest in non-academic learning in schools is marked. Strictly defined vocational skills are outweighed here by concern to have more broadly developed individuals who can be flexible in the face of continuing change in work opportunities. There is support for providing alternative learning venues for youngsters alienated from school, and for using non-professionals such as retired people to



provide individual tuition and support both in and out of the classroom.

There is a strong call for more teachers and smaller classes to ensure more individual attention for students, which could pick up learning problems in time to solve them. The tone of the submissions is generally supportive of teachers, with suggestions of the need for improved teacher training, more in-service training, more non-teaching resource teachers, and regular assessment of teachers.

Groups expressing particular anxieties about their educational needs are rural dwellers, disabled people, those grappling with poor literacy or English as a new language, and women at home.

Rural dwellers fear that their access to all levels of education is being curtailed by the domino effects of population losses, stemming from the impact of economic policy on the rural sector and compounded by loss of school buses and difficulty in attracting and keeping teaching staff.

Like the home-bound, they suggest more use of television, radio and telecommunications for learning. The disabled too would like to see more use of the media, both for their own learning, and to better inform the public. There is faith here that improved information and positive presentation of various disabilities will change attitudes and promote acceptance. The disabled—and others—express concern at the rapidity with which the policy of mainstreaming disabled students into ordinary classrooms has taken place, without sufficient specialist and financial resources to make it work successfully.

## 2.2 *The Polls*

The Heylen poll results reveal an almost total agreement on the importance of education. The three most important aspects of education were 'the basic skills of reading, writing and arithmetic'; 'discipline and respect for authority'; and 'human relations, manners and social skills.' Roughly a third of the sample felt that local state facilities were 'providing their idea of an ideal education'. The figure rose to just over half for parents with children in these facilities. Almost half felt that private schools were better than state schools at 'providing your idea of an ideal education'. Only 14 percent felt that more state funding should go to private schools, however, and 80 percent preferred the existing school system to a voucher system.

Problems facing schools were many. Major ones were lack of funds and too few teachers. Though they consider themselves reasonably informed about the education system, most would like more information about it generally. Their answers to questions on specific policy changes in exams and teacher: student ratios, reveal the need for more public information. Less than half of parents with children at school felt they had adequate information about the school, and just over half felt they had an adequate say in the school's running. Slightly over half felt that 'every child has an equal chance of receiving your idea of an ideal education, regardless of his or her background'.

In the Department of Statistics survey (Attitudes and Values: A New Zealand Survey, in volume I) undertaken for the Royal Commission, with the categories of 'very' and 'fairly' satisfied, two-fifths report themselves 'very' satisfied, and another two-fifths 'fairly' satisfied. Judgments on the quality of particular educational sectors give between a fifth and a quarter 'very good', and around two-fifths 'fairly good'. The overall assessment has 'very good' from a fifth, and 'fairly good' (the next category down), just over half.

About three-quarters think the system is fair or very fair. A half think it's very important, and a fifth fairly important, that we spend more money on education (a greater proportion than the parallel answers to the same question for health, housing, creating jobs, or defence—and about the same as for crime prevention). Interestingly, teaching non-violence in schools is the most popular of the suggestions for reducing crime.

These two broad-brush pictures indicate public support for public education, to the extent of increasing public spending on it. They also indicate that there is room for improvement in education and in the links between schools and their communities.

### 2.3 *The Reviews*

The education process has been under some scrutiny in the last few years. The major reviews with public input are:

*The Curriculum Review* 1987 (draft 1986 and forerunner 1984), a major consultation exercise drawing 31,500 submissions from the public, sets out 15 principles for a national common curriculum plus three core inter-related aspects of learning: knowledge, skills, and attitudes and values, and specifies these.



It also recommends that each school develop its own curriculum within these national guidelines, in consultation with students, teachers, parents and the local community. Improved teacher selection and training, and assessment based on achievement rather than rank were also included in a comprehensive set of recommendations touching on almost all aspects of the primary and secondary areas.

The Curriculum Review is specifically endorsed in the submissions to the Royal Commission from both parents' and teachers' groups. In general, it has been well received. There are some criticisms which are relevant to this discussion. The Task Force on Trade Union Education notes that while race and gender issues are addressed, employment and economic disadvantage issues are not: a point which is also noted, albeit with a different slant, by the Treasury and the Employers' Federation. The latter two also fear that comparability may be lost with a more flexible curriculum and achievement based assessment. Others have felt that the review's recommendations pass over the difficulties of reconciling more local control with the Department of Education's administration system as it now stands. Public consultation has not occurred however in deciding how to implement the review's recommendations. The department's rather cautious and detailed approach has a high price-tag on it which could hinder the improvements in learning environments and school-community relations which the review itself, reflecting public wishes, sets out so well.<sup>2</sup>

*Report of the Education and Science Select Committee on the Quality of Teaching 1986 (Scott Report)*—Another generally well received review which has recommendations to improve teacher status, selection, training, assessment and accountability. A relevant comment on the latter, from the Post Primary Teachers' Association (PPTA), is that though the system already has fair structures to deal with teacher competence and parental complaints, reform is needed on the way they operate, because it is this which has made parental access unnecessarily difficult.

The report also endorsed positive discrimination in resources for educationally disadvantaged schools, equal delivery of subject opportunities for girls, mastery learning, and more community say in local schools.

*Learning and Achieving. Second Report of the Committee of Inquiry into Curriculum Assessment and Qualifications 1986*—The draft recommendations of this committee to alter the pass/fail aspect of School



Certificate to grading, and to replace University Entrance with a Sixth Form Certificate with a wider subject coverage were acted on. It also recommended achievement based assessment for forms 5-7.

Other aspects relevant to the work of the Royal Commission have emerged in more specific reviews.<sup>3</sup> In general, their recommendations are congruent with the orientation of the major reviews discussed. They also grapple with the question of how to translate the general principles identified in those reports into practice. Of particular interest to the Royal Commission at the overall level are:

- 1 The comparatively low level of funding for informal adult and early childhood education (0.01 percent and 1.8 percent respectively) despite endorsement of their value in terms of individual life-chances, economic return to both the country and individual, social wellbeing (e.g., the Roper Report), and their potential to enhance the lives of those who have missed out at the school level, such as women, the economically disadvantaged, Maori, and ethnic minorities.
- 2 The issue of suitable structures to co-ordinate funding and provision within the non-compulsory sectors (early childhood, tertiary, continuing and informal) to ensure both flexibility of response to local needs, yet a fair national allocation. An impressive system is outlined in the Report of the Interim Advisory Group on Non-formal Education.<sup>4</sup> This would also work, with suitable adaptation, in the other educational sectors, provided there was an effective national structure for allocating resources between sectors and determining funding priorities in a manner consistent with the standards of a fair society as set out in the commission's terms of reference.
- 3 While the Treasury review of education focuses on the fundamental issues of purpose, provision and equity, both its analysis and conclusions are noticeably out of step with all the other reviews. Unfortunately, its perspective—narrow even within the discipline of economics—excludes almost all the social benefits and aspects of education, leaving it to argue for provision driven by isolated consumers, and decreased public funding. On the analysis and evidence available,<sup>5</sup> such provision, through a form of



voucher 'entitlements', would compound inequalities of access and quality within education, rather than diminish them. This is discussed more fully in the paper *Funding* in Volume II.

## 2.4 Relevant Research

### 2.4.1 Fairness

The NZCER survey of research (see Volume III) found considerable evidence that our education system is not catering as well as it could for many students. The already economically disadvantaged, Maori, women, Pacific Islanders and other ethnic minorities, and the disabled particularly miss out. The country as a whole misses out on untapped talent, and suffers the costs of curtailed education in more expensive compensatory education and training schemes, and more demands on the justice, social welfare, and, arguably, health systems, as a consequence. Unfairness thus creates inefficiency.

Major reasons for the education system's inhospitality are identified in:

- the norm-referenced assessment procedures (particularly School Certificate, which nearly half must fail (or do not sit), no matter how well they have been taught, or what knowledge and skills they in fact have gained. It also creates a barrier to staying on at school, and limits Sixth Form Certificate grades);
- the use of achievement tests (and traditional subject hierarchies) to rank and stream students rather than to diagnose individual learning problems;
- a promotion system which disadvantages some groups of learners, particularly Maori;
- narrow teaching styles
- low or stereotyped teacher expectations of student ability;
- poorly resourced schools in low socio-economic areas;
- an 'academic' geared curriculum which lacks integration between subjects and devalues outside experience, rather than building on and through it;

- the affordability of education (including at the primary and secondary school levels), and its local availability (particularly for early childhood, tertiary and continuing education).<sup>6</sup>

## 2.4.2 Educational Quality

There are no quick fixes or universal panaceas in education. There are, however, reasonably clear paths and warnings from research.<sup>7</sup> Some of the major factors identified with successful learning, particularly for groups with otherwise high failure or drop-out rates, are:

- high teacher expectations coupled with teaching techniques which arouse student interest by linking students' experience with curriculum topics;
- co-operative student groupings (for example, through common projects);
- schools organised around a clear set of available and updatable principles and guidelines, with democratic decision-making procedures, including some student involvement and responsibility, clear communication patterns between teachers and students, clear behavioural guidelines for students, with positive and fair rather than punitive reinforcement, mutual teacher support, and community involvement;
- class or group sizes and teaching techniques which allow teachers to give individual attention to students;
- mixed ability groupings rather than streaming;
- sufficient flexibility to choose and combine appropriate subjects;
- competence based assessment, with major 'credentialling' assessment at the end of schooling rather than part-way through;
- early diagnosis and work on the core learning skills of reading, writing, speaking and questioning, and mathematics.

Success indicators include exam results, improved self-confidence, self-discipline, flexibility and initiative, interpersonal skills, improved retention rates—and the reduction of economic and social costs such as truancy, vandalism, rebellious behaviour and poor race relations.



## 2.5 *The Overall Picture*

The submissions, reviews and research identify the gaps in our present system of education. The recommendations of the Curriculum Review (though the rather cumbersome implementation machinery suggested is questionable), the Scott Report, the Report of the Interim Advisory Group on Non-formal Education, and the research on educational quality, already offer practical paths for overall improvement.

There are also some fundamental issues raised by this material.

- Why have these gaps arisen?
- What do we as a society want or expect from education?
- Does our level and allocation of funding match our expectations?
- Can we reconcile increasing demands for more flexibility with the present structures, assessment and decision-making procedures?

The short answer to the last two questions is no, and this answer is linked with the answers to the first two. The next section deals with the major reasons why.

## 3 Major Issues

### 3.1 *The Effects of Rapid Social Change*

#### 3.1.1 *Labour Market Changes*

Economic restructuring, current economic policy and such factors as the decline in the agriculture and manufacturing sectors and the rise of the service sector have all contributed to an increase in unemployment, a decline in employment opportunities for some traditional skills, and increased demand for other skills. When unskilled work was readily available in most parts of the country, and careers in the developing service sector were available to those without qualifications, there was less concern at the fact that just under half the population had left school with no qualifications. Growing competition for jobs especially for those with a future—has increased interest in qualifications.<sup>8</sup> The skill gap has increased interest in the relevance of those qualifications to a rapidly changing work environment.

Two overseas studies of the skill requirements of service sector jobs emphasise new communication skills, better language, analytic and mathematics skills, and an ability to retrain, which implies a positive attitude to learning.<sup>9</sup> The growing casualisation of available work also underlines the need for those skills, together with personal qualities of initiative, creativity and flexibility. These add up to a need not only for far higher qualifications generally, but also for teaching styles, learning methods and school and tertiary structures which develop communication skills and the appropriate personal qualities.

### 3.1.2 *The Breaking of the Mould*

The last 15 years have seen new, or in the case of Maori, renewed, demands on education from women, Maori, Pacific Islanders and other immigrants as our social world has changed from a rugby ball-like solidness to something more kaleidesopic. As members of these groups (still proportionately less in post-compulsory education) have surmounted obstacles to their access, they have raised questions about curriculum content, teaching style and language. The teachers and administrators they encounter came through a monolingual, largely monocultural education at a time when different gender roles were seen as natural, rather than social, in origin. It is therefore, not surprising that the new demands have often met with a resistance which adds to them a call for groups to either share or control educational decision-making.

By the same token, those who came through relatively hierarchical schools and competitive exams frequently find it hard to accept the evidence that more democratically organised schools and achievement based assessment are effective for students' learning, and the development of the attitudes and skills which contribute to economic development and social wellbeing in rapidly changing times.

## 3.2 *Segmentation*

### 3.2.1 *Policy and Organisation*

The development of educational facilities and policy in response to particular population, public and funding pressure has often taken an add-on approach. This results, for example, in policy decisions which create new advisory bodies, such as the New Settlers' Education Officer, yet give them no clear policy base or overlap with



existing units, such as the Schools Division. The multiplication of units has fostered a competitive rather than co-operative approach, muddying decision-making channels and responsibilities. In this environment, it is difficult to establish overall priorities, evaluate policy effects, or meet goals with specific targets.

A further obstacle to a more integrated approach are policy initiatives taken elsewhere, such as the rapid growth in the Department of Labour's unemployment training programmes.<sup>10</sup> The add-on policy approach in other social service departments such as Justice and Health, makes it hard to switch resources from established policies, though these are often aimed at meeting immediate needs rather than prevention.

### 3.2.2 *Information*

The Department of Education seems unnecessarily shy in its provision of information to the general public, media and educational institutions. For example, only technical information on the 1:20 teacher:student ratio policy in the junior school was sent to schools, and there was no outline or discussion of how and why the national policymakers intended their policy to be implemented. The rationale for the lack of information was respect for local autonomy and communication channels. Nonetheless, some detail would have been useful to both schools and parents, and might have prevented the expectation that all classes would be limited to 20 students, and subsequent disillusionment with the Department and Minister.<sup>11</sup>

At the local level, some educational institutions are better—or more determined—than others to communicate what they are doing, and why, to students, parents, the community, the media, other educational institutions and social services. Such communication is essential, given the high expectations New Zealanders have of education, the natural tendency to assess present educational practices in the light of our own past experiences, and the public sense that schools have become too isolated. That image could be redressed if educational institutions took the initiative to provide information, comment, and arranged occasions for discussion.

### 3.2.3 *Curriculum*

While the curriculum is divided into single subjects with their own national norm-referenced exam, it is difficult to see how

socially identified needs such as health education, parenting skills, the inclusion of material on women, ethnic minorities and the disabled, life skills, taha Maori and transition to work can be incorporated. Indeed, in many schools, timetabling, streaming and exam constraints have limited these aspects to low-stream or 'non-academic' students.

Again, an add-on approach has limited the effectiveness and relevance of schools. This contrasts with, for example, the integration of such aspects in either existing subject areas, or the integration of existing subject areas through more project work (as with the Christchurch Integrated Transition Project). Because of the 'backwash' effect of exams on curriculum, a better integration also depends on a shift to achievement based assessment.

### 3.2.4 *Assessment*

**SCHOOL CERTIFICATE** The segmented policy approach of the Department of Education has played a dominant role in the retention of School Certificate—despite more than a decade's evidence of its costly effects on the curriculum, teaching styles and the expectations of students. Because of its credential value for employment, School Certificate also cuts into the life chances of those, mostly from low socio-economic groups, who take the vocational and other subjects, which, thanks to an arbitrary scaling hierarchy, have lower pass rates than more 'academic' subjects.<sup>12</sup> Basing the allocation of grades for each school for the new Sixth Form Certificate on its previous year's School Certificate results has seemed to students and teachers alike to disregard any progress or effort made at the sixth form level.

The Department of Education itself has recently accepted the desirability of a shift to an achievement based assessment, but with great caution.<sup>13</sup>

**STANDARDS** What evidence we have suggests that general standards, as measured in international comparisons and specific ability tests, are in line with other comparable countries and show no overall decline.<sup>14</sup> Because New Zealand has not consistently monitored performance, the evidence is piecemeal. We do not know, for example, if literacy rates have changed. It is thought however,



that the current concern stems from the growing inability to participate in employment and community life without the higher reading and writing fluency which are now required.

There have therefore been calls for some years for ongoing monitoring, based on ability and achievement tests which are appropriate for New Zealand. Evidence on standards could also be derived from the teacher evaluation model suggested by the Education Department, University of Canterbury, and supported by the Scott Report.<sup>15</sup> This is based on students' progress, and covers emotional and social skills and knowledge as well as intellectual ability.

### 3.3 *Resourcing*

#### 3.3.1 *Funding*

We found indications of an education system that is, by and large, economically run, and by no means extravagant in its demands on resources. For example, pupil/teacher ratios in schools are higher than most countries. . . . We did not get the impression that there is a great deal of fat in the New Zealand education system of a kind that might be trimmed in response to economy cuts without affecting the quality of the service provided. (OECD Review, 1983)

That conclusion still holds. The OECD Review also noted its 1982 Economic Survey comment that . . . 'there was little increase in real expenditure per (weighted) student during the 1970s'. In fact, the estimates for the year 1987/88 are only slightly above the real expenditure in 1978/79 (using the consumer price index and allowing for GST and employer superannuation subsidy). While demographic factors have lowered demand somewhat at the compulsory level in terms of numbers,<sup>16</sup> social factors have raised it in terms of more diverse demands on schools, including more expensive equipment such as computers, and increased participation at the early childhood and tertiary levels. Some costs have remained despite falling rolls in some areas, such as building maintenance costs, which actually increase per head, particularly with deteriorating stock.

It is likely that in some cases, such as accommodation, more effective allocation of funds could occur; in others, like early childhood education, or the area of the disabled, it is difficult to see how the social needs, which were clearly voiced in submissions to the Royal Commission, can be met without additional funding.

Because of education's crucial role in life-chances, access to it should not be dependent on the ability to pay. The state has a clear duty to its citizens to ensure both access and even quality. Instead of employers' use of migration to solve training gaps, they could play a much larger and more constructive role in the funding of training—as they do in West Germany, in a system often cited for the quality and extent of its workforce development.

Because of education's crucial role in social wellbeing, there is little case for the extension of public funds to private institutions, whose emphasis is often on an individualist use of credentials<sup>17</sup>. Where private institutions have developed because of a difference in educational methods, or in response to special needs (for example, the Rudolf Steiner and Kaupapa Maori schools), there is a case for such schools, if they wish, to be brought into a more diversified public system.

### 3.3.2 Teachers

Good teaching is crucial to good learning. Our expectations of teacher quality are high. Yet it would seem that their pre-service training does not equip them all to meet the changing demands of our classrooms and communities. In-service training funding is remarkably low, making it difficult to see how existing teachers can incorporate new knowledge and skills into their teaching practice. The inspectors' dual function of advice and assessment does not encourage their use by teachers wishing to improve their work. While teachers and schools have developed their own advice and support networks, their informal nature means that they may not reach the teachers most in need. Support services for teachers in schools are still in the pioneering stage, with little reliable funding available. Training in appropriate teaching methods has recently become more available to those teaching in tertiary institutions, but is still not compulsory in universities.

## 4 What can we do?

It is understandable, in a period of rapid social change and new demands, that the education system is under strain. Considerable improvements would occur if *fairness of access, quality and content is made the prime criterion of education policy and its assessment*. What would this mean in practice?



## 4.1 *Shared Responsibility*

We all have a stake in education as students, parents, teachers, workers, employers, and citizens. It is therefore appropriate that at every level in the system these sometimes different perspectives are drawn into decision-making in a systematic structure. This would ensure the transparency of various interests and show how they relate to one another. It would also foster the co-operative rather than adversarial approach which is needed if we are to fairly meet the expectations of our education system. This would not be achieved by an artificial separation of policy development and policy implementation. In fact, the gap between the two in the present system is identified in many of the submissions to the Commission as the cause of the problems and anomalies in provision faced by learners and their parents.

At the national level, for example, one notable proposal for more informed policy development is for responsibility for advice to the Minister on priorities and funding allocations to be shared between the Department of Education and a small group of people in good repute with the major 'stakeholders' and prepared to take an overview.

At the local level, school committees or boards which are more representative than they are at present should work more closely with their schools in setting priorities, allocating funds accordingly, and identifying opportunities for school/community involvements (e.g., research projects, developing parenting and social skills through structured work in areas of need, and closer liaison with employers).

For this shared responsibility to work smoothly and effectively, particularly in low socio-economic areas, it will be necessary to provide some financial compensation to committee members, and to provide relevant back-up in the form of information, advice on request, and elementary training.

## 4.2 *Integrated Independence*

More decision-making autonomy could usefully be given to individual institutions, provided that their work was assessed within a common, national framework, and their committees or boards could be held accountable. This would free resources at both the

national and local level from the current concern with details—and repeated negotiations to get around them.

However, funding formulae and the setting of salary levels should remain at the national level. The reason for this is to ensure that institutions in low socio-economic or low population density areas do not have to compete on unfair terms with schools in middle or upper-class areas which have access to far greater resources. The lesson from overseas countries which have devolved funding to local, regional, or state authorities, or allowed schools to pay different staff rates, is that quality differentials widen at the expense of those in poor areas.<sup>18</sup> Equal employment opportunity policies are also undercut.

It would instead be useful for national funding formulae to give weight to the socio-economic status of an area and, as is done to some extent now, provide additional funding to schools in low socio-economic areas or suffering other disadvantages, such as isolation.

### 4.3 *Matching Goals, Methods and Structures*

Transferring more autonomy to individual institutions would provide the opportunity for them to examine their current organisation and practice in the light of canvassed community needs and fairness criteria. Such criteria would include, for example, statistical information on the achievement levels, retention rates, and subject choices of students in relation to their socio-economic status, gender, race or ethnic group. It would also include indications such as race relations, vandalism, disruptive behaviour, the school's involvement with its local community, links with other educational institutions of relevance to its students or its teachers' effectiveness, teacher turnover rates and the fair representation of gender, race and socio-economic background in their ranks. Such an assessment would draw on the views of students, parents, teachers and the local community.

If gaps are identified, then the pointers from the research on successful schools should be brought into play, with schools working out which particular combination of structures and methods best suits them and the community they serve. Integration of curriculum items should be a prime concern. At the national level, constraints on effective teaching should be identified and altered.



School Certificate is a key example. Teacher training and assessment is another. Teacher : student ratios also need addressing. The criteria by which schools can assess their own work should be used as well by inspectors to assess schools. They should also be used by national policymakers and some form of external audit, to:

- assess the effects of suggested policy changes;
- the country's progress as a whole, and any variation between geographical areas, in:
  - improved achievement and retention levels, particularly amongst disadvantaged groups;
  - an improved match between school leavers' skills and knowledge, and the country's employment and community needs.

## 5 Specific Issues

Section 4 provided an outline of the principles which would support a fairer educational system at all levels. There are a number of specific issues which call for more particular comment.

### 5.1 *Maori Education*

In line with the Commission's commitment to the Treaty of Waitangi's principle of partnership between Maori and Pakeha, a Maori authored companion chapter outlines an appropriate response to the long standing unmet needs of Maori within the educational system.

### 5.2 *Early Childhood Education*

The Commission has supported increased state funding for childcare for reasons of fair access and quality (see Funding Overview, Volume 2). Six major reports since 1980, and submissions to the commission<sup>19</sup>, identify the priority areas within this funding if these goals are to be achieved.

#### 5.2.1 *More Equitable Funding of the Different Options*

This would involve state funding of all salary costs, to bring, as a major example, childcare provision in line with kindergarten. A unified salary scale has been suggested, and will certainly be needed

once training has been integrated to ensure sufficient staff for childcare.

It would also mean more equitable funding of buildings and equipment. To minimise costs in this area, multipurpose buildings—which could be used by several of the different services—have been suggested.

### 5.2.2 *Community Needs Assessment and Co-ordinated Planning*

Another means of minimising cost and ensuring that early childhood education is available when it is needed<sup>20</sup> is to develop a systematic but quick means of researching local needs, and swifter planning and implementation procedures. The Department of Education has already begun work on this.<sup>21</sup>

Timely provision would also require state ownership of buildings, so that changes in local preferences or numbers could readily be met. (At present, although the government subsidises 80 percent of new kindergarten and playcentre building, the buildings belong to the respective organisations.)

In areas of acute need, or short of existing institutions, the community preschool workers offer a good—and cost-effective—solution. However, their numbers are already far too low for the demand. Since they reach low socio-economic areas particularly, a substantial increase in this service should be a priority.

### 5.2.3 *Integrated Training*

Training is essential to improving the quality of early childhood education, yet the persistent shortage of both trained staff and training places indicates the need for action.

A start has been made with the commitment to three year integrated training for childcare and kindergarten teachers. Strong concern still remains, and needs to be satisfied, that the training will include the field-based and outreach options which have enabled good quality training of many with aptitudes but no formal qualifications, or for those living in smaller centres, or financially unable to train full-time. Even field-based training poses financial problems for staff and centres. Full-time trainees would need a liveable allowance, and funding to cover relief staffing for one day a week should be given to centres employing other trainees.



### 5.2.4 *Support and Advice*

The number of Department of Education Early Childhood Division staff is far too small for the advice and support needs of often isolated early childhood units. Some mutual support is given within options, and liaison maintained between them (in some areas more than others). The support sought includes information and practical advice and feedback. Suggestions include establishing local co-ordinators/committees to ensure effective and efficient use of existing resources, as well as increasing the number of Department of Education staff to provide often vital links between the national and local levels, and co-ordination with other government departments such as Health and Social Welfare. Use of the public media is another, with strong interest in spreading information on child development, parenting, and practical advice to others in the community.

### 5.3 *Parenting Education*

Use of early childhood organisations in parenting education offers one way to meet the often sensitive demand for practical information. The Education Department is currently piloting another scheme. A ministerial working party would be a useful means of co-ordinating the ideas of the many individuals and organisations who work in this area and for evaluating methods of information which are sufficiently neutral to be acceptable.

### 5.4 *After School Programmes*

Quite a few schools and other groups, have developed after school programmes to provide stimulating recreation, company, or homework support for students who need it. The spread in two-earner and solo parent families, absence of older siblings or nearby relatives, or overcrowded housing has increased demand far beyond the ability of many schools to meet it. Programmes suffer continuing shortages of funds to pay appropriate staff, resulting in sometimes high turnover rates and inadequate activities for children. A practical response to this community's recognised need for wider school use would be to set up a Working Party on After School Care to develop policy which has been recommended by those involved, including early childhood education groups, for some time.

## 5.5 Training

'Training' usually refers to work-related skills and knowledge. The commission in its paper *Work*, in Volume II, has pointed out that 'work' covers both paid and unpaid employment. Training therefore has a wider responsibility than specific occupational skills. This accords with submission support for a broad general base before specialisation, and the practice of countries generally regarded as successful in obtaining a well-skilled, flexible workforce matching paid employment opportunities, such as Sweden and West Germany.

### 5.5.1 Young people

The strong interest in training for young people looks for solutions in two directions: backwards to school, such as raising the school leaving age and having a stronger orientation to work skills in the curriculum; and sideways, to offering training to school leavers, young people in insecure unskilled ('dead-end') jobs and the unemployed. The vital questions are:

- What form should training take?
- What should it cover?
- What is an adequate and training-encouraging income support level?
- What diversity of training options and portability between them is needed?

SCHOOLS crucial subject choices and expectations of achievement are often made in *early adolescence*. It is therefore important that far more information about all work options, and the education/training routes to them, is provided at this age. The information is especially important for children (and their parents, who play an important part in subject choice and encouragement) whose horizons are limited: particularly for girls, Maori, and children from low socio-economic status homes. Such information could take the form of workplace visits, videotapes, classroom input from people in the local community (especially people who have moved into non-traditional work areas), or projects; and it could without difficulty be integrated into existing subject areas.

A more integrated curriculum, less streaming, and early (in fact at the primary level) diagnosis and attention to basic skills of literacy, numeracy and communication would also improve schools' training capability at this stage.



FIFTEEN ON ... School Certificate provides a major barrier to many students who might otherwise want to remain at school until they have reached a satisfactory level of achievement. It therefore limits overall standards of achievement. A more positive direction would be to set national standards, with the aim of having 90 per cent or more students achieving them (in contrast to the 50–55 percent who pass School Certificate). This could be coupled with individual achievement profiles for school leavers at any age, setting out what level of achievement they had actually reached.

There is little point in raising the school leaving age without making schools more hospitable learning environments. Otherwise, unwilling students place a burden on their peers and teachers. Schools have already begun to make their post-compulsory options more attractive. Transition courses and the Link policy which gives 10,000 secondary students the opportunity for the equivalent of two weeks to take specialist vocational courses at Polytechnics, are popular. (Demand for 1987 Link places was three times the number available.)

A more integrated curriculum is of central importance here. Wide, up to date vocational information would also be helpful. One useful suggestion has been for a national database of training opportunities linked to their employment use which would be accessible through schools, polytechnics, community centres and libraries. This database could also be linked to a national job index.

The question also arises of whether schools are the most appropriate places for training. Much interest has been shown in the Scottish 16+ system, based on combinable modules which can be undertaken in a range of training venues, including workplaces. The Swedish and West German systems also offer a wide choice of training options after the end of compulsory schooling. All three systems are based on a commitment to have all young people either training, receiving tertiary education, or in employment. It seems appropriate that New Zealand also make this commitment.

### 5.5.2 *An Integrated Youth Programme*

In the paper on *On The Social Security System*, in Volume III, the Commission expressed support for a two-tier income support scheme for young people between the ages of 15 to 17 and 18 till the end of their training/education, with a view to raising the age of entry to the workforce to 18, and encouraging training/education. (pages 34–36)



In line with this, it is recommended that an integrated youth programme be developed which provides training, educational or employment opportunities for all between the ages of 15 and 21. This would involve:

- The two-tier income support scheme outlined by the commission, with weighting available for childcare, transport, and some tools to counter the access problems faced by disadvantaged groups. Income support for training should also be available for young people (often from low socio-economic homes, women, and Maori) who have found work, but work which offers no prospects.
- A module system with portability between providers. This could include secondary schools. A greater role for employer provision in skilled work areas is desirable. This could be along the West German line where an 80 percent employer, 20 percent state funding of a trainee's allowance, and off the job course work is provided outside the workplace one day a week.
- The co-ordination of employment opportunities with training curricula and teaching methods through a national body with a good database including the identification of skill requirements, particularly in expected areas of labour market growth. The relative merits of a stand-alone body or a sector within the Department of Education should be studied.
- The local co-ordination of all parties involved in post 15 years education and training, with employers (both workforce and voluntary sectors) and unions, to pool resources, liaise on the match of training with available or potential work opportunities, and provide information to the national body.
- The absorption of the functions of transition education courses within a more integrated curriculum at all school levels.

### 5.5.3 Universities

The integrated youth programme outlined above would clarify the role of universities. It would also provide a fairer means of student support than loans, which particularly disadvantage women, low socio-economic groups and the disabled. If other educational avenues were more readily available, some of the pressure would be removed from universities, and the important principle of open



entry could be retained. In the short-term, full-cost tuition for courses should be avoided (unless grants can be made to those who would otherwise qualify), and a guarantee made of a place within a two year time slot for popular courses.

By international standards, the universities are underfunded and overstrained for their teaching, research<sup>22</sup> and dissemination functions. Our participation rate is still much lower than comparable countries<sup>23</sup>. This means that we are increasingly missing out on the particular benefits, such as analytical skills and a solid research base, that universities can offer.

Unfortunately, and partly because of their specialised role, universities are more distant from the public than most other educational institutions. Nonetheless, while the 20 percent increase in funding sought by the University Review Committee seems unlikely to eventuate, it is important that universities do receive sufficient funding to meet the increasing demand on them and to maintain quality. It is otherwise hard to see how disadvantaged groups can continue to improve their access to the universities and their satisfaction with what they offer.

#### 5.5.4 *Continuing Skill Development and Retraining*

By keeping laid-off workers in touch with the job market, Sweden has achieved a better trade-off between unemployment and inflation . . . than in most other European countries. Indeed, a study by the Centre for Labour Economics, at the London School of Economics, suggests that of 18 OECD countries, Sweden has the most 'flexible' labour market in terms of its ability to respond to shocks. (Economist 1987, pages 24-25)

It is hard for anyone examining the poor New Zealand training record in the context of our high and climbing unemployment figures and decline in traditional employment sectors, not to feel envious of the Swedish achievement. Key factors are an active labour market policy which stresses skill formation, retraining linked with job placement and an increase in flexibility by reducing labour market segmentation. Also important are the national commitment to the policy through tripartite involvement at all levels, of government, employers and unions; the co-ordination of training options with employment opportunities, especially for those in declining industries; and an integrated modular training system.

Ten percent of the Swedish education budget goes to continuing education, particularly through workplace circles (rather like the

work of our Trade Union Education Authority), and for women and migrants.

New arrivals to Sweden are entitled to up to 240 hours study leave a year to learn the language and find out more about the society. Unpaid study leave is also available to any employee.

Retraining with some employer responsibility has been offered as an option for those who have lost jobs in the state sector restructuring. It is therefore timely that a comprehensive retraining policy is developed. The Swedish system offers a useful basis, modified to suit our different social mix and values, for the development of that policy.

## 5.6 *Informal and Community Education*

The recommendations of the Interim Advisory Group on Non-formal Education have already been endorsed. Submissions to the commission contain impressive accounts of the dedicated work of both learners and teachers (often one and the same person over time) in this educational sphere. It is clear from these that the wide concern with illiteracy, parenting education and support, health education, living skills and migrant acquisition of english must be backed with more support if their efforts are to continue. The support needed includes more realistic funding, and free or cheap access to community facilities (such as schools, and photocopying machines).

It also extends to maintaining free access to libraries, and affordable use of communications links such as postal and phone services.

## 5.7 *Girls and Women*

While educational participation and use has increased for middle and upper-class girls, working-class girls continue to be disadvantaged in their educational, training and work opportunities through limited subject choice and low expectations. The expectations gather force in adolescence, yet they start early. Priority areas are therefore those which have been identified and worked on for some time:

- Non-stereotyped teaching and resources, beginning at the early childhood stage;
- Equal access to resources (particularly computers and technological material);



- Encouragement through curriculum combinations and teacher attention to take and continue maths and science;
- Equal representation of women in positions with decision-making responsibility in schools and other educational institutions. The assessment of schools in terms of fairness criteria should enable rather more substantial progress in this area.

## 5.8 *The Disabled*

The long overdue introduction of mainstreaming—but without adequate support services or preparation of teachers, parents and other students—is a prime topic in submissions on this area. It is clear from them that the policy will founder, and set back its admirable aim of achieving a greater integration of able and disabled, unless the necessary support services and education are provided.

The implementation of mainstreaming and the 1986 Evaluation of Department of Education Special Schools (which recommended some closure, consolidation, and local education where possible) have also raised anxiety amongst parents, students and staff or advisors involved in other specialist institutions. Since mainstreaming is not effective for all disabled people, and would also place great strain on parents and their support networks, it is important that some specialist institutions remain an option for the disabled and those who care for them.

## 5.9 *Students in Institutions*

One consistently neglected area of educational provision has been the availability of teachers for children in hospitals, for psychiatric patients in institutions, and for prisoners. Chronic patients often slip behind their agemates. Jail inmates' educational levels are noticeably below the country as a whole. However, little funding is available, with responsibility falling between the Departments of Health, Justice, and Education. Policy to provide adequate educational services for these groups needs to be developed and funded.

## 5.10 *Mother Tongue Teaching*

The principles underlying the provision of a fair education should allow a greater diversity in our schools. It is important that this include access to opportunities for sustaining the languages of the

different cultures which make up New Zealand. Where numbers allow, mother tongue teaching is desirable. Three levels occur: immersion teaching, where all subjects are taught in the mother tongue (Canadian experience has shown this to be an effective instruction method where it is supported by a community); bilingual systems, using both the mother tongue and English; and provision within English-based schooling or community centres for classes to maintain, develop and extend the use and knowledge of one's own language. Such teaching would remove the present disadvantages of recent migrants, particularly from the Pacific Islands, who all too easily fall behind because of lack of English rather than ability.

### 5.11 *Rural Areas*

Stemming the erosion of educational access and quality in rural areas will probably require:

- Greater co-ordination and resource sharing between educational sectors;
- Some incentives, such as cheap housing, for teachers;
- Free access to libraries and public databases;
- Free or affordable transport to schools and early childhood education centres;
- Affordable phone and postal services;
- Development of 'distance' learning, including greater and possibly more imaginative use of teleconferencing, (community) computers, and television.

These are also means for reaching others whose access to educational institutions is limited, such as caregivers at home. It is important that the commitment, of the public broadcasting system to education remain—and grow. Adequate funding should therefore be assured.



## References

1 Particular thanks for their assistance go to the Department of Education, Department of Labour, NZCER, NZ planning Council, the National Library, and the contributors to the Royal Commission's sponsored seminar 'Toward Successful Schooling'.

2 It will therefore be interesting to follow the trials of the Curriculum Review which the Minister of Education has recently authorised. While some schools will be following the department's blueprint, others will have a freer rein.

3 For particular sectors, based on consultation:

- Report of the Interim Advisory Group on Non-formal Education 1987
- Trade Union and Worker Education: Directions for Change 1987
- Draft Review of Special Education 1987.
- Review of NZ Universities 1987.
- The Management, funding and organisation of continuing education and training: the report of a ministerial working party 1987 (Probine/Fargher Report)
- Joint Ministerial Working Party on the Transition of Childcare from the Department of Social Welfare to the Department of Education 1985.

In addition:

- Report of Ministerial Committee of Inquiry into Violence 1987 (Roper report)
- OECD Reviews of National Education: New Zealand:1983
- Government Transition Education Committee 1985

Due to report shortly are:

- The Taskforce to Review Education Administration
- The Tertiary Review
- Cabinet Social Equity sub-committee working party on Early Childhood Education Funding.

There have also been staffing working parties for both primary and secondary sectors (1983); ongoing reports following up the Teacher Career and Promotion Study of 1981 aimed at improving the representation of women at all levels of teaching; a 1985 summary of evaluations of transition education and training schemes run through the Department of Labour; The Treasury also devoted a volume of its Government Management (1987) to Education, focusing on purpose, funding and equity aspects.

4 The details are set out on pages 11-15. Briefly, it consists of a national committee regularly elected from a national registrar of 'any non-formal groups that have learning as an important focus of their activities', with Department of Education representation, time limits to service on the committee, and geographical rotation of meetings. Terms of reference are:

- to advise the Minister of Education on all aspects of non-formal learning;
- to consult with and respond to people involved in non-formal learning;
- to distribute funds to non-formal learning groups;
- to promote and foster non-formal learning.<sup>1</sup>

Support is from a 'small unit' of the Department of Education whose staff are chosen in consultation with the national committee.

A separate national resource centre acting as a clearing house for information, communication and research is also recommended.

#### 5 In particular:

Barter, Alan 'Comments on Treasury Briefing Papers' 1987.

Bertram, Geoff *Middle Class Capture: A Brief Survey*, Royal Commission on Social Policy, Volume III, Government Print, Wellington, 1988.

Blyth, C. A. et al *The Financing of University Education* University of Auckland Department of Economics Policy Discussion Papers 1987.

Boston, Johnathon 'Some Reflections on the Merits of Educational Vouchers' 1987 *The Future of NZ Universities: A Response to the Watts Report and the Treasury and some Reflections on a Just Approach to University Funding* Institute of Policy Studies (to be published) 1988.

Elmore, Richard *Choice in Public Education* Centre for Policy Research in Education 1986.

James, Estelle 'Benefits and Costs of Privatized Public Services: Lessons from the Dutch Educational System. 'In: *Comparative Education Review*, Vol. 28 (4), 1984, pages 605-24.

Kelly, Gail 'Comparative Education and the Problem of Change: An Agenda for the 1980s. 'In: *Comparative Education Review* Vol. 3 (4), 1987, pages 477-489.

Klees, Steven 'Planning and Policy Analysis in Education: What Can Economics Tell Us? In: *Comparative Education Review*, Vol. 30 (4), 1986 pages 574-607.

Lauder, Hugh et al 'The Third Wave: A Critique of the New Zealand Treasury's Report on Education' In: *New Zealand Journal of Educational Studies* 1988. (forthcoming)

NZEI *Submission to the Royal Commission on Social Policy* 1987 & 1988.

Pacheco, A. *Educational Vouchers and their implications for Equity* Stanford University Institute for Research on Educational Finance and Governance 1980.

Savage, John & Thompson, Mary-Anne *Social Policy Issues in Education: An Economic Perspective* NZ Institute of Economic Research 1988.

Wise, Arthur & Darling-Hammond, Linda 'Education by Voucher: Private Choice and the Public Interest 'In: *Educational Theory*, Vol. 34 (1) 1984, pages 29-47.



The responses to the Treasury document also point to major logical and factual contradictions in its analysis, plus important factual errors and misreporting of research.

6 Alison Gray's recent survey of teenagers' views, *Hearing the Message: Adolescents in New Zealand* (to be published in September 1988 by Allen & Unwin) shows their awareness of these constraints—and the disturbing fact that very few teenagers attend school because they love learning or enjoy school life.

7 References include:

Bracey, G. W. 'Ability Grouping and Student Achievement in Elementary Schools' In: *Phi Delta Kappan* September, 1986 pages 76–77.

Campbell, W. J. & Robinson, N. M. *A social density explanation of Class Size Effects* Educational Research and Development Committee, Canberra 1982.

Devoy, S. *Delinquency: Care, Control and Prevention. A Literature Review for Policy Makers*. Office of Child Care Studies, Department of Social Welfare 1986.

Fraser, B. J. et al 'Syntheses of Education Productivity Research' In: *International Journal of Education Research*, 1987 Vol. 11, No. 2.

Gianotti, M. G. *Report on Fulbright Study Award* 1987.

Johnson, D., Maruyama, G., Johnson R., Nelson, D., & Skon, L. 'Effects of co-operative, competitive and individualistic goal structures on achievement: A meta-analysis.' In: *Psychological Bulletin*, 1981 Vol. 89 (1), pages 47–62.

Klein, K. 'The Research on Class Size' In: *Phi Delta Kappan*, 1985 April, pages 578–580.

Podmore, V. 'The Class Size Literature: Scientific and Political? Paper presented at the First Joint AARE/NZARE Conference, December 1987.

Ramsay, P., Sneddon, D., Grenfell, J., & Ford, I. *The Characteristics of Successful Schools* 1987 set 1.

Richards, L. *Ways to Improve Learning: Ideas from Recent set items* 1988 NZCER.

8 1985 figures show that 61.3 percent Maori students and 28 percent Pakeha were still leaving without any qualification.

9 Discussed in a very useful Planning Council report, *The Economic Role of Post Compulsory Education and Training in New Zealand*, by Lesley Haines. (to be published)

10 In its *Review of Department of Labour Activities* released 24/3/1988, the Department of Labour describes the problem as a Department of Education policy gap.

11 NZCER, Papers presented in the Junior School Symposium at the First AARE/NZARE Conference, December 1987.

12 A list of the repeated review calls for achievement or competence based assessment, plus a statistical analysis showing how the norm-referencing of the exam disadvantages low socio-economic groups, is given in David Hughes' paper for the Towards Successful Schooling Seminar. (to be published)

13 *Report of the Department of Education for the year ended 31/3/1987*, pages 22-23.

New Zealand is one of the few English speaking countries to have retained a mid-school national norm-referenced exam; they are more common in developing nations whose severe financial constraints limit the availability of further secondary schooling.

14 *Department of Education Submission to the Royal Commission on Social Policy* 1987, pages 41-49

Elley, W. 'Are Standards of Literacy Falling?' In: *English in Aotearoa* 1987, November, pages 29-32

Irving, J. 'Public Perceptions of Education: Some Comment on Standards' 1987, Paper presented at First Joint AARE/NZARE Conference.

Lamb, H. *Writing Performance in Schools. A Report on the IEA Study of Written Composition in NZ* 1987 Department of Education.

Nuthall, G. *Standards of Achievement in Schools* 1985 Canterbury Chamber of Commerce Economic Bulletin 702/10/85

This comment from the 1987 OECD report *Education and Economy in a Changing Society* is also relevant:

The frequent charge made about the quality of education—that standards have fallen—is a notoriously difficult one either to justify or refute with empirical evidence. Not only have societal definitions of relevant standards evolved but the task of empirically testing change is fraught with difficulties. Moreover, the backgrounds of pupils, students and trainees who now remain in education and training and who before would have been left have also altered significantly, rendering comparisons over time still more hazardous. The standards debate is potentially sterile, therefore, unless it is englobed into a broader exercise of clarification, on a society-wide basis, of what appropriate standards should be for all young people, recognising, in particular, that the present achievement levels of too many coming out of education systems remain unacceptably low.

15 Nuthall, G. & Alton-Lee, A. 'The Evaluation of Teachers' 1986.

16 Unemployment training programme numbers, counted in the Department of Labour budget, would give a more level count.

17 The importance of the use of public funds for social values is usefully discussed in the Boston, Pachuco and Wise & Darling-Hammond articles cited in note 5, and in



Edwards, T. Fitz, J. & Whitty, G. 'Private Schools and Public Funding: a comparison of recent policies in England and Australia' In *Comparative Education*, Vol. 21 (1), 1985 pages 29-45.

18 For example, in Britain and the U.S.A. The OECD 1983 Report on New Zealand Education commented more favourably on our more even provision:

Yet the relative lack of differentiation between schools that we have found in New Zealand is much to be preferred to sharp differences in quality and level of provision that can be encountered elsewhere.

19 The reports are: The State Services Commission Report 1980; the Report on Review of the Regulations 1981; Social Advisory Council Report 1983; Joint Ministerial Working Party Report on Transition from the Department of Social Welfare to the Department of Education 1985; Early Childhood Forum 1985; Working Party on Childcare Training 1986.

Comprehensive submissions include those from the NZ Childcare Association, NZ Early Childhood Workers Union, NZ Free Kindergarten Teachers' Association, Playspace Childcare Centre, and Dr Anne Smith, Department of Education, University of Otago.

20 Setting up new centres in areas of need is a lengthy, demanding and costly process which often means that parents give up, or obtain provision long after their own children could benefit. A droll and pertinent account is given by Kay Switzer's article

'A Cautionary Tale about setting up a childcare centre' *People & Planning*, September 1987, pages 2-5.

21 Such work could, for example, be carried out by local secondary school students. This would extend their awareness of their community, of the responsibilities of parenthood, and allow them the satisfaction and self respect of making a much valued contribution. It would also save early childhood education funds.

22 Particularly as self-funding policies and restructuring have eroded the research capability of the DSIR and other government departments.

23 Pool, Ian *New Zealand Universities Until 2007: Demographic Structures and Changes* Waikato University, 1987. in a note to the Royal Commission in March 1988, Professor Pool points out that increased retention rates at secondary schools through wider subject choice seem to bring us closer to overseas systems, and is also showing up in increased interest in universities.

# HOUSING

Campbell Roberts





# Housing

## Campbell Roberts

### Introduction

The terms of reference of the Royal Commission on Social Policy state that it should focus upon the development of a more consistent, efficient and economical social policy to achieve a more just society. Housing provision is a key element in the achievement of this goal.

The paper focuses on four areas. The first part will describe why housing is important and why it must be planned for. The second part will look at the current issues in New Zealand housing including affordability, homelessness, housing adequacy and housing for special groups—women, Maori people, the psychiatrically disabled, the physically disabled, the aged and Pacific Island people. The third part will consider delivery of housing including a brief historical perspective and debate over state versus market provision and direct delivery versus income supplementation. The fourth part draws conclusions and makes recommendations on aspects of housing policy.

## 1 Housing Policy—A Basis for Social Equity

Provision of housing is central to all social policy. The New Zealand Housing Commission states in its submission:

Housing provision is qualitatively different from most other social services. Failure in housing provision will frustrate all other efforts to achieve social equity and equality of opportunity.



Satisfactory housing cannot be regarded as just another commodity as it is a major contributor to security, nurturing, access to community resources and the effective base for family life. The human suffering and injustice arising from serious housing need is revealed in cases presented to the Commission. If people do not have adequate shelter other factors contributing to their social wellbeing will be frustrated.

Shelter is at the base of the hierarchy of human needs. Housing as a right is part of the New Zealand expectation of social wellbeing and although this has been by implication rather than precept, the presumption in public policy has been that all New Zealanders should be adequately housed.

New Zealand housing policies over the last fifty years have helped low and moderate income families into home ownership, state rental houses or subsidised accommodation. Although delivery systems have often been debated, the obligation to assist people has been accepted. A statement by the Minister of Housing in April 1987 reflects this.

The central focus of housing policy is to ensure that families who are in need of assistance that is not forthcoming or available from the private sector, are provided with housing that is acceptable and affordable.

*Australasian Housing Ministers Conference.*

Housing is neither merely a private good, nor solely a public good. Individuals make capital gains, use housing as an investment, receive private benefits and accruals. Housing is the main source of capital investment for much of the population. For many people purchasing a house is an entry to increased wealth, access to other forms of consumption, more choice and control over life. This is recognised in a number of submissions calling for a 'one-off' chance for everyone to purchase a home, at an affordable rate. Thirty year mortgages at 3 percent interest, provided by the state in the past gave a large number of New Zealanders their first house. Decreased public resources through economic changes saw a change in this universal provision with the result that only low and medium income earners were targeted. However, higher housing costs in relation to income make it unlikely that many people will have the same opportunity for home ownership in the future.

Low-income, single income and beneficiary households are particularly affected by current conditions. This situation has led to increased pressure on the rental market with subsequent shortages of stock and higher rents.



The result is the existence, in New Zealand, of a group of people with serious housing needs. Inadequate housing creates multi-disadvantaged households and adds to the welfare costs of the state. Stretton (1986) clearly shows the heavy economic costs to the country as a result of serious housing need.

Most New Zealanders are well housed. However, evidence to this Royal Commission reveals that in certain areas of New Zealand a serious decline in housing standards and provision has taken place since the 1971 Commission of Inquiry into Housing. The social expectation of adequate housing is being lost and the hopes and desires of many New Zealanders compromised.

The degree of public concern when poor housing is highlighted in the media, and submission evidence, show that New Zealanders believe that adequate housing is in the best interests of the country and is an inherent right of New Zealand citizens. This right was acknowledged in submissions representing wide ranges in age, gender, culture, race and income.

### *Statutory Obligation*

A number of individuals and organisations ask, in their submissions, for the enactment of a statutory obligation to house the homeless. They argue New Zealanders must be adequately housed, that this is the responsibility of Government, and that economic policy must serve rather than dictate this provision.

The Government has accepted a legal responsibility to provide certain levels of health care, education and income support to every New Zealander, so it is argued such legislation should exist to secure everyone's right to shelter.

A statutory obligation would place on a state agency the responsibility to ensure that adequate housing was achieved by all New Zealanders. It would require provision made by that government department to plan and provide for sufficient affordable housing for those assessed as homeless. A statutory obligation would not in itself assure sufficient supply. As well as legislation, serious need identification, planning delivery mechanisms, community consultation and monitoring systems will need to be established to ensure delivery.

Wherever the question of a statutory obligation has been raised in New Zealand, the abuses and inadequacies of similar British legislation are quoted. However, important differences exist.



1 The British Act was introduced without the necessary planning and resource management structures to allow it to succeed. Sufficient houses were not available and no planned building programme was undertaken. The result can be seen in the huge cost of temporary accommodation in bed and breakfast guest houses. This situation could be avoided by establishing the true amount of need and instituting a building programme to build sufficient units prior to the enactment of a statutory obligation.

2 New Zealand's housing problem, although extremely significant for those badly affected is not of the vast size of the British situation. New Zealand's existing housing stock is at a significantly higher standard and does not require the massive maintenance and replacement budget required in Britain.

3 Britain, unlike New Zealand, delivers housing assistance through local authorities. Conflict and litigation often arise as the responsibility for a homeless person is argued between various local authorities. As the Housing Corporation is the major provider of housing assistance this would not arise in New Zealand.

The keystone to achieving a statutory obligation for housing the homeless would be continuing direct state involvement in housing provision (dealt with more fully in the section on Housing Delivery). A statutory obligation to house the homeless can achieve its purpose. Although the present situation of serious housing need will stretch resources, with medium and long-term planning strategies, the crisis can be overcome and a more orderly supply ensured.

### *Long-term Planning*

Housing policy in New Zealand has been inconsistent. Vulnerable to political influence, policy has often changed direction sharply, and been used at times to stimulate or deflate the general economy. Tied to a yearly budget cycle, rather than following the goals of a carefully constructed long-term policy, it has been very much a stop-go affair. Policy has not been sensitive enough to other changes in the economy and social conditions.

The early 1980s saw public rental stock decline at a time when the results of the baby boom of the sixties were impacting on household formation with a consequent requirement for housing.

The lack of planning is seen in the poor linkages between the labour market and the housing market. There are numerous



examples of large projects with heavy labour requirements planned without provision for housing needs. Providing employment where housing is scarce, or vice versa, creates serious social dislocation.

The integration of all aspects of social and economic policy with housing policy is essential and the present methodology of a short-term piecemeal approach is inadequate to ensure that this will happen.

### *Factors Involved in Planning*

Population growth, household formation and migration have been factors significantly affecting demand for housing. There is evidence of a growing mismatch between population and housing statistics and although it can not be correlated completely, there is evidence to show that the construction of new housing units has not kept pace with the increase in population in some regions of New Zealand. Demand for housing remains unmet.

Submissions from community and building industry organisations identified a need for medium to long-term planning. Community organisations see housing policy as piecemeal, pragmatic, ill-informed and lacking accountability, resulting in poor housing supply for low-income people. The building industry, while accepting the cyclic demand inherent in the industry, believes that the rapid changes in housing policy have affected their ability to train, retain skilled tradesmen and develop an adequate plant and capital base.

Planning in the form of identifying future demand for housing has been undertaken successfully by a number of organisations over the last twenty years. The Commission of Inquiry into Housing (1971), Winiata (1983), and the National Housing Commission (1978), all predicted that New Zealand would be short of 15–20,000 housing units by the mid-eighties. Recent research has identified the number of families who are homeless or in serious housing need. (National Housing Commission 1988) Though needs were identified some time ago the next stage, resource management, was not initiated.

Examples of successful housing policy planning have been undertaken in Australia and Sweden. The National Swedish Housing Board has worked on a ten year cycle of goals and targets. When a specific target is achieved new objectives are set. The



Government intervenes to ensure targets and objectives are met. The results have been a dramatic increase in housing provision and standards (Swedish Information Service, 1987).

The Australian Indicative Planning Council has similarly produced reports on its housing and industry since 1975. The reports cover both long-term and short-term prospects. Reports provide valuable information for industry participants as well as merging research activity and government policy decisions into one coherent view. The council has survived several administrative, political and philosophy changes. Gallagher (1988) states in his work for the New Zealand Institute of Economic Research that the council provides a low cost, proven model for New Zealand.

Housing policy should address both demand and supply factors. Treasury proposals (*Government Management*, New Zealand Treasury, 1987) to replace the direct provision of housing assistance by an income maintenance programme, address demand issues without adequately taking into account the supply issues.

Ermsich (1984) deals with both the demand and supply side of the equation when he states that the two essential aspects of a housing policy are:

- 1 to assure the provision of a sufficient number of dwellings of an adequate standard;
- 2 to help low-income earners pay for a decent quality dwelling.

It is vital that both these factors are kept in mind when developing a New Zealand housing strategy.

### *Future Housing Policy*

An effective long-term New Zealand Housing Policy ought to include:

- 1 appropriate government intervention in housing delivery with long-term targeting and monitoring of housing needs, achievements and associated goals;
- 2 co-ordination of community, consumer, industry and statutory housing interests and an integration with other aspects of social policy;
- 3 programmes to meet the special needs of people requiring housing, for example women, disabled people, the aged and ethnic minorities;
- 4 programmes to ensure improved housing of Maori people;

- 5 ensure equal entry to a selection of tenure forms with adequate supply and stability;
- 6 consistent financial commitment to ensure housing in the most efficient manner possible;
- 7 a statutory obligation to avert homelessness.

One way to achieve the above housing policy in New Zealand, would be to establish an independent National Housing Authority, similar to that suggested by the 1971 Commission of Inquiry into Housing. The Housing Authority would oversee and co-ordinate all existing housing delivery functions and would have the responsibility to:

- 1 draw up in conjunction with Government, objectives for future housing policy consistent with a statutory requirement to ensure all citizens are adequately housed;
- 2 implement a series of five to ten year plans to achieve these objectives;
- 3 draw together public and private interests to formulate regional strategies, that is consumers, community groups, building industry, finance sector, realtors;
- 4 have responsibilities to advise Government on housing policy;
- 5 co-ordinate the housing activities of all government and private agencies, for example Health Department, Maori Affairs, Housing Corporation;
- 6 monitor the performance of the housing market so that planned interventions by the Government can be made as needed;
- 7 carry out research into the housing market and delivery systems.

The National Housing Authority would fulfil a different role to the recently dis-established National Housing Commission. It would be independent of the Corporation, have its own staff and resources, co-ordinate existing state providers and advise the Minister. Present policy could be formulated in the light of the Authority's advice and the Authority would be responsible to ensure implementation. Existing agencies would continue to deliver housing provision but there would be a new unity and motivation. The Authority would help to harness both public and private enterprise in meeting housing targets. The purpose of the



Authority would be to provide overall planning and co-ordination while reducing some of the present unpredictability.

## 2 Issues of the New Zealand Housing Market

Various factors affect people's access to adequate housing. Homelessness, affordability and the access women and Maori people have to housing are currently key issues. These, along with other aspects of the housing market, are discussed in this section.

### *Affordability*

Affordability is a major problem, emerging as a result of changes in policy and economic conditions over the 1970s and 80s. Both house purchase and rental are affected by affordability. In 1975 it took 43 percent of the average wage to purchase an existing home. By 1986 this had increased to 59 percent. Table 1 shows these changes.

New homes similarly moved from 50 percent in 1975 to 70 percent in 1986. Table 2 highlights this pattern.

Clearly this presents severe difficulty for a modest single income family. It is also more difficult for a family to be reasonably certain that once they have compared income to outgoings and decided that a mortgage is affordable, that it will continue to be affordable.

Similar problems exist in the rental market. Rental costs have increased. Housing Corporation data on private sector rentals in Auckland, Wellington, Christchurch and Dunedin show that rentals are highest in Auckland and Wellington. In February 1987 rental for a three bedroom house was close to 70 percent of the average weekly earnings in Auckland and Wellington. In comparison rentals in Christchurch and Dunedin were at 38.5 percent of average weekly earnings. Affordability was the largest identified housing problem in submissions made to the Commission, that is the cost of rent, difficulty in meeting housing costs on one income, interest rates and increasing property values.

New Zealand Treasury (1987) also sees affordability as a major impediment in the housing market and proposed income maintenance solutions to deal with the issue. This proposal is considered later in the paper. What has not been sufficiently acknowledged

TABLE 1: Outgoings on existing houses December 1975–December 1986

Year	Average house price (principal urban areas) <sup>1</sup>	Deposit 20 percent of house costs	Total sum of mortgage required	Average interest rate on new mortgages (excl. govt) <sup>2</sup>	Weekly repayments <sup>3</sup>	Average total gross weekly earnings <sup>4</sup>	Weekly repayments as a percentage of weekly earnings
1975	25,698	5,140	20,558	9.56	41.95	97.33	43
1976	28,086	5,617	22,469	10.74	49.85	110.77	45
1977	29,384	5,877	23,507	11.36	54.59	123.91	44
1978	30,590	6,118	24,472	11.98	59.40	140.40	42
1979	31,837	6,367	24,470	12.97	66.16	165.57	40
1980	34,856	6,971	27,885	14.80	81.42	215.50	38
1981	42,994	8,599	34,395	16.05	108.17	259.20	42
1982	52,370	10,474	41,896	17.32	141.47	286.83	49
1983	59,471	11,894	47,577	15.40	144.04	294.77	49
1984	67,125	13,425	53,700	16.41	172.40	309.11	56
1985	78,044	15,609	62,435	18.92	299.27	347.52	66
1986	87,591	17,518	70,073	17.93	244.73	411.71	59

## Sources:

<sup>1</sup>Urban Real Estate Market, Valuation Department figures for half years ended December

<sup>2</sup>Reserve Bank—December Rates

<sup>3</sup>Assuming a table mortgage with one monthly rests, over 25 years

<sup>4</sup>Department of Labour. Gross all person figures used. 1975–1979 figures relate to October, 1980–1986 figures relate to November

however, is that macro-policy and economic decisions have had a significant impact on affordability (National Housing Commission 1978, 1983). For example, restructuring of the economy has had an impact on regional areas and forced people to move to Auckland resulting in severe pressure on the housing supply.

## Homelessness

Most people have some problems with their housing. Problems of affordability, undesirable location, the size of house being unsuitable for size of household, maintenance problems, and design inadequacies are just some of the difficulties. For a growing number of families however, access to accommodation is virtually impossible or their accommodation is of such poor quality that the household has a serious housing need or is homeless.



TABLE 2: Outgoings on new houses December 1975–December 1986

Year	Average house price (principal urban areas) <sup>1</sup>	Deposit 20 percent of house costs	Total sum of mortgage required	Average interest rate on new mortgages (excl. govt) <sup>2</sup>	Weekly repayments <sup>3</sup>	Average total gross weekly earnings <sup>4</sup>	Weekly repayments as a percentage of weekly earnings
1975	29,709	5,942	23,767	9.65	48.49	97.33	50
1976	34,411	6,882	27,529	10.74	61.07	110.77	55
1977	37,223	7,445	29,778	11.36	69.15	123.91	56
1978	40,001	8,000	32,001	11.98	77.67	140.40	55
1979	44,008	8,802	35,206	12.97	91.45	165.57	55
1980	51,427	10,285	41,142	14.80	120.14	215.50	56
1981	62,496	12,499	49,997	16.05	157.24	259.20	61
1982	70,263	14,053	56,210	17.32	189.80	286.83	66
1983	72,498	14,498	57,994	15.40	175.58	294.77	60
1984	78,892	15,778	63,114	16.41	202.62	309.11	66
1985	90,300	18,060	72,240	18.92	265.27	347.52	76
1986	103,306	20,661	82,645	17.95	288.64	411.71	70

## Sources:

<sup>1</sup>Urban Real Estate Market, Valuation Department figures for half years ended December

<sup>2</sup>Reserve Bank—December Rates

<sup>3</sup>Assuming a table mortgage with one monthly rests, over 25 years

<sup>4</sup>Department of Labour. Gross all person figures used. 1975–1979 figures relate to October, 1980–1986 figures relate to November

Clear evidence exists that there is a significant level of homelessness in certain areas of New Zealand. The number of homeless households in New Zealand has been put at between 17,000 and 20,000 in recent research studies, (Waldegrave and Coventry (1987) and Percy and Johnson (1988)). These figures have widespread acceptance as the actual level of homelessness. Table 3 shows the approximate distribution and ethnicity of households in the Percy and Johnson study.

Percy and Johnson further identified the major concentrations of homelessness as the central and southern Auckland urban areas and among Maori households in rural North Island areas. Studies also indicated a disproportionate concentration among Maori and Pacific Islands households. The Housing Corporation waiting lists confirm those with urgent housing need are concentrated in Auckland.

TABLE 3: Approximate distribution and ethnicity of households with children in serious housing need by regions covered

	Maori	Pacific Island Polynesian	Pakeha	Total
Central and Southern Auckland	3,150	5,250	2,100	10,500
Christchurch	—	—	200	200
Rotorua/Whakatane	800	—	200	1,000
Wellington Region	400	400	200	1,000
Hamilton	60	—	40	100
Palmerston North	30	—	70	100
Nelson/Motueka	—	—	100	100
Northland	2,500	—	—	2,500
East Coast	2,000	—	—	2,000
All areas covered	8,940	5,650	2,910	17,500
Percentage of total	51	32	17	100

Source: Percy and Johnson, 'Serious Housing Need', Chapter 5, in National Housing Commission Five Yearly Report, (1988)

The major problem experienced by homeless households throughout the country is forced overcrowding. Substandard, inadequate or temporary accommodation is additionally a problem in rural areas with high Maori populations. Other manifestations of homelessness throughout the country include high rents, health risks, the proportion of the household's expenditure required for housing costs, and people forced to live in garages, tents, cars and emergency housing.

Homeless people are not simply those without shelter, but people faced with any combination of inadequate, temporary, substandard and overcrowded accommodation.

The extent of the problem depends on a definition of the term 'adequate housing'. It is important that the measure of 'adequate' is matched against the predominant prevailing standards of housing in the community.

Four families in one emergency house in Otara may be better off than people living in a cardboard box in a Hong Kong street, but in terms of a New Zealand setting they are not adequately housed.

Various definitions of adequacy are contained within the submissions. Professor W. Winiata 'Housing Submissions' (1983), proposes that:

It is the right of every New Zealander to be satisfactorily housed and that housing which is being built or purchased by the Housing Corporation



and Department of Maori Affairs is an acceptable measure of what is satisfactory.

It has been consistently identified that the measurement of adequacy should consider the following criteria:

- 1 *Affordability.* Housing that can be afforded by a household. It is generally accepted that no more than 25 percent of income can be spent on housing.
- 2 *Acceptable standard and conditions.* These include structural soundness, minimum services, no public health risks, of a reasonable state of repair and maintenance.
- 3 *Not overcrowded.* Meeting minimum local authority standards and bylaws on space.
- 4 *Security of tenure.* All tenures should offer security of occupancy.
- 5 *Privacy and safety.* Including safety from violence, incest and harassment from inside and outside the household.
- 6 *Control.* Each inhabitant should have control over their housing, not just the head of the household.
- 7 *Accessibility.* To transport, employment, community services and amenities.
- 8 *Opportunity* for households to have the tenure and type of housing that suits their needs. Housing design and type should not just reflect Pakeha cultures and traditions.
- 9 *Opportunity* for family and social interaction including a degree of choice as to geographical location.

Where standards of adequacy are not met, then a person is homeless. Practical definitions which describe homelessness are:

Homeless persons are those persons who:

- 1 are already evicted or for whom a court order exists,
- 2 cannot secure entry to accommodation,
- 3 are subject to violence which makes it impossible to occupy accommodation,
- 4 are living with unwilling friends or family,
- 5 are threatened with homelessness,
- 6 are squatting in temporary accommodation,
- 7 are homeless due to flood, fire or other disaster,
- 8 are occupying emergency accommodation.

## *Housing for Women*

Despite the gains women have made in the last decade, evidence presented to the Commission illustrates that there is still a significant inequality in the position of women in regard to housing. The existence and nature of this problem was made known to the Commissioners through the many personal stories of those who presented submissions.

Marriage breakdown is often the start of housing problems for women. The Family Proceedings Act 1980 confirmed the 'clean break principle' which encouraged shorter periods of occupancy of the matrimonial home after a dissolution of marriage.

Women may have money available to them from matrimonial property sales but because women's incomes on the whole, are lower than their male counterparts, they rarely have the supporting income to purchase another home.

Women generally experience difficulty in obtaining money from the private finance market and government policy has not adequately addressed this gap.

The Housing Corporation's Second Chance Loans are at the premium rate (currently 17 percent). Often women find it extremely hard or impossible to meet repayments.

These difficulties mean women are often forced to trade down or rely on the rental market. Trading down usually means the family must move to another location with a further break of neighbourhood links, education, support services and emotional security.

Rental housing is the option most women who cannot afford house purchase, are forced to take. It exposes them to the high cost of private rental market, large bonds, often sexual and racial discrimination and poor quality stock.

Until recently public rental housing has not been an option available to women following a marriage breakdown, due to a provision which stated that people who had interest in or owned a house in the past five years were unable to make application. This policy has now changed but the shortage of stock means that many women are left in emergency or other temporary accommodation for long periods.

Housing difficulties can mean that women will stay in violent relationships longer than is safe for them or their children.



Women usually have the major responsibility for children. Marriage breakdown is traumatic for children, when accompanied by housing inadequacy or changes of housing can lead to further withdrawal of emotional and community support.

Watson and Austerberry (1986) argue that women with children are much more likely than households containing adult males to experience homelessness. This is due to their lower incomes, higher dependence on the rental sector, and susceptibility to domestic violence and incest.

Childcare responsibilities also limit the earning capacity of women and therefore narrow housing options.

It has been widely documented in research and conveyed to the Commission that discrimination against women exists in a number of areas in the housing market. Maori and Pacific Island women experience racism particularly prevalent in private accommodation. Macdonald, J., *'Racism and Rental Accommodation'* (1986) stated:

Single women experienced discrimination obtaining housing finance.

Watson and Austerberry (1986) argue that access in the housing market is often based on an attachment to a male partner because of the focus on family in support schemes and state housing.

Solo parent women find themselves discriminated against by private sector landlords. Some delivery systems are discriminatory, for example Sweat Equity favours males who have greater opportunity to develop the building skills required.

Despite a general lack of sensitivity to women's needs, some rigidity of delivery and a lack of information regarding services available Housing Corporation provision of state rentals and various mortgage assistance has been essential to the wellbeing of many women. It is crucial for women that the Housing Corporation provision remains and that the number of state rentals increases.

General improvements in housing delivery will benefit women. Some specific proposals however, to address these needs include:

- 1 The Women's Unit within the Housing Corporation as proposed by Sophie Watson in *The State or the Market: The Impact of Housing Policy on Women in New Zealand* in Volume III of this report. This would offer the opportunity for policy formation and delivery mechanisms to take into account the particular needs of women.



- 2 Shared ownership schemes which will allow women to achieve home ownership with small levels of deposit with increased opportunities for second chance finance.

## *Housing for Maori People*

Land is a fundamental issue for Maori people, as without whenua there is no mana and no identity or turangawaewae. The alienation of Maori land has been a major source of contention between settlers and tangata whenua. It has contributed significantly to the problems faced by Maori people today. Inadequate housing is one of the problems resulting from loss of land.

Both urban and rural Maori people are experiencing a level of housing and land need greater than the general population. Reverse migration is occurring as employment makes returning to rural life more attractive and Maori people reclaim their papakāinga. Serious Maori housing need has existed for the last forty years with little investment being made available to tackle the problem.

This has serious housing implications as many rural houses are of poor standard and where Maori land is under multiple ownership there have been financial planning and legal impediments to replacing or improving housing.

Under the Treaty of Waitangi, Maori ownership and use of land and possessions was protected. Present attempts by the Waitangi Tribunal to hear and rectify legitimate complaints of Maori people concerning past breaches of the Treaty will no doubt lead to some improvements in Maori housing but this will be slow and partial.

It could also be considered an appropriate obligation under the Treaty to ensure that Maori people have adequate housing which is also culturally appropriate. The recommendations which accompany this report are based on acceptance of this obligation.

A range of problems currently present themselves in Maori housing and are seen in submission evidence and in such studies as Douglas (1986), Bathgate (1986), Macdonald (1986). Others highlight the following needs:

- 1 The low level of housing ownership among Maori people. In 1951 51.2 percent of Maori heads of households owned the houses which they occupied. This fell to 45.3 percent in 1981.
- 2 An accelerating rate of formation of Maori households. Between 1971 and 1981 the number of Maori households increased by 44.6 percent compared with 25 percent for the total



population. At the same time entry into home ownership is being constrained by the lower than average income, high unemployment and the relatively high proportion of income that has to be directed to consumption as a result of larger family size' (Bathgate 1986).

3 *Substandard rural housing.* Migration to cities has been a major factor in the drop in levels of home ownership. People returning to rural areas find houses have deteriorated. Those living in rural areas have reduced incomes. The level of housing need in rural North Island Maori areas needs to be addressed urgently.

4 *Overcrowded dwellings.* The 1981 census shows that Maori households form 6 percent of the total but 33 percent of those were described as crowded with more than one person per room. While this is partly explained by preferences to live in extended families, the dominant reasons are economic.

5 *Homelessness.* A large proportion of homeless people in many of the surveys of homelessness have been found to be Maori, both in urban and rural areas.

6 *Discrimination.* Macdonald and others have shown clearly that discrimination against the Maori and Pacific Island Polynesian peoples make it difficult for them to obtain private rental accommodation or mortgage finance. This, plus other aspects of institutional racism such as the high unemployment and social disintegration suffered by Maori, means that Maori people find most of their accommodation from Housing Corporation rentals or Housing Corporation or Maori Affairs mortgages.

7 *Culturally inappropriate delivery systems.* The Housing Corporation has attempted to make some changes in procedures and in personnel attitudes but there are still many blocks to Maori aspirations for their own housing on their own land, in their own style. These can be traced to a monocultural policy on housing as part of a monocultural economic and social system. Maori people are often reluctant to approach private or government lending institutions except through Maori Affairs.

8 *Increasing social disadvantage.* Housing is only one of a group of pressures which increase the plight of the Maori sector of the population. There is a dramatic increase in the number and proportion of Maori households headed by women, especially younger women. Low incomes, unemployment, imprisonment, poor health, limited educational achievement in the schooling system, cultural alienation, increased chemical dependency, high suicide



rates, psychiatric illness, and many other symptoms combine to indicate that Maori people are suffering increasingly in this country. These things are inter-related.

Many submissions have suggested strategies. The particular strategies could be grouped into questions of land, housing supply, cultural needs, and control of resources.

1 Land is still a vital question. As much Maori land is in rural areas and under multiple ownership, the Housing Corporation has now begun to supply loans on the security of the house rather than the land. These papakainga schemes appear to have good promise. Land is also needed in greater quantities in urban areas in order that access to home ownership is made possible and that living styles related to urban marae can be developed. The importance of Maori people having a known link to their tribal land in order to establish their personal and collective identity is often stressed and policies should facilitate this.

2 *Housing supply.* Some submissions suggested that 50 percent of government housing should be handed to Maori people. Edward Douglas (1986) recommended that the Housing Corporation establish a quota for loans to Maori people. This quota would be on a rolling basis. It is obvious that the continual increase of Maori population in urban areas such as Manukau demands an increasing supply of houses either state or private. Rural areas and provincial towns continue to decline in population but still require significant levels of housing provision. The Housing Corporation is building new houses but the need increases faster than the supply.

Provision of mortgage finance is a major need, this is mainly provided presently by the Housing Corporation and Maori Affairs. Although some efforts are being made, still further efforts need to be made to promote services available and to reduce blocks to delivery caused by lack of cultural understanding in staff.

3 *Cultural needs.* Proposals to design houses more appropriate to Maori cultural needs are being investigated by the Housing Corporation. These include having larger whanau rooms, separate kitchen and bathroom facilities and ensuring adequate bedroom space for extended families. Other suggestions relate to kaumatua and kuia housing, attention to spiritual matters in the building and opening of houses, marae and whanau concepts in rural and urban settings, designs which will provide outdoor marae space and housing clusters.



4 Further work with the devolution of control to Maori Iwi authorities and people in the provision of resources for housing is essential. It is vital that any such schemes are assured of ongoing support and resources.

The housing needs of Maori people require recognition as urgent, unique, long-term and an obligation on the State.

### *Housing People with Disabilities*

Increased recognition of the needs of people with disabilities, and their rights to employment, housing and as normal a lifestyle as their condition allows, adds to the pressure on the housing supply. The majority of these people have normal expectations, that is to rent until they are able to buy their own homes. Restricted opportunities to earn, and the need for supportive household arrangements, including payment for assistance with tasks others are able to manage themselves, usually mean sharing or co-operative arrangements, and often the need for larger houses. Disability organisations and housing agencies both report that larger houses close to public amenities are in very short supply.

### *Housing for the Psychiatrically Disabled*

De-institutionalisation has seen a significant increase of homelessness among former psychiatric patients. A consistent theme in submissions has been the urgent need for provision and co-ordination of housing for the psychiatrically disabled. Community-based services, including day care centres, hostels, halfway houses and community units, increasingly care for the psychiatrically disabled. Accommodation is available through rest homes, boarding houses, church groups, community organisations and some local authorities but the amount available is extremely limited. The available accommodation is often very poor quality, and inappropriate to the needs of these people. The psychiatrically disabled usually have low incomes, are in need of ongoing support and lack the knowledge to obtain appropriate accommodation. The paucity of suitable accommodation is a major hurdle to the recovery process and the success of community care.

The accommodation needs of psychiatrically disabled could be addressed by a special needs unit within the Housing Corporation

which, working with hospital and area health boards, the Department of Social Welfare and voluntary agencies, could:

- 1 assess the present, and likely future, numbers of psychiatrically disabled requiring accommodation;
- 2 provide some co-ordination for the organisations involved in housing the psychiatrically disabled;
- 3 determine the best methods to provide adequate housing in the future;
- 4 provide a programme with a variety of types of housing assistance;
- 5 provide funding and support services for groups and local authorities undertaking special needs housing programmes.

### *Housing for the Physically Disabled*

One in every ten New Zealanders is estimated to be affected by a physical disability. Disability may be congenital, caused by an illness or accident, or the result of the ageing process. Disabled people require housing appropriate to their degree of dependence and their need for support services. The majority of disabled people live in ordinary houses adapted to meet their needs. Some purpose-built housing is available through local authorities and the Housing Corporation. Accommodation for more dependent disabled people is provided by the Department of Health and voluntary organisations such as the Laura Fergusson Trust, Ryder Cheshire Foundation, the New Zealand Crippled Childrens Society and others. The Housing Corporation alters its rental units to suit the needs of disabled tenants. Granny flats are also available to disabled people on the same terms as aged people. Two Housing Corporation programmes provide rental accommodation for people with physical disabilities.

### *Housing for the Developmentally Disabled*

The New Zealand Society for the Intellectually Handicapped has embarked upon an extensive programme of normalising the accommodation of the intellectually handicapped. This has included replacing its large hostels and residences with ordinary domestic style housing, catering for a maximum of eight residents.



Currently the Society provides homes for 2,300 people in 300 houses in different parts of the country.

Submissions to the Commission emphasised the necessity for more units for disabled people, and for variety and flexibility in provision. Direct delivery by means of public rental units or subsidies seem the most appropriate method to meet this requirement. The real level of unmet need is unclear and it appears that better systems of needs identification, co-ordination and monitoring are required. A National Housing Authority could plan for this and ensure better provision of housing for the physically disabled. The proposed special needs unit of the Housing Corporation could include the housing requirements of physically disabled people and other disadvantaged groups within its brief.

### *Housing for the Aged*

Peggy Koopman-Boyden's paper, 'Perspectives on the Elderly in New Zealand' Vol IV and Sophie Watson's 'The State or the Market: The Impact of Housing Policy on Women' Vol III, both prepared for the Royal Commission on Social Policy, highlight concern regarding housing for the aged. The ageing of the New Zealand population means the proportion of people aged 60 and over will increase from 15 percent to 20 percent by the year 2000. Greater female longevity means women will comprise the majority of this population. Housing options available to the aged include:

- 1 pensioner units funded by the state and built and managed by local authorities and community groups;
- 2 own-your-own units, provided by local authorities and community groups subsidised by the state;
- 3 home swap, a programme which enables people over 55 to swap older properties for new more compact housing units;
- 4 granny flats, relocatable flats, available on a means test, to relatives prepared to house an elderly family member on their property;
- 5 loans for the maintenance of older properties;
- 6 retirement villages. Private sector provision;
- 7 church and welfare agency provision of rest homes and hospital facilities.

Elderly people need a variety of options. Overall co-ordination and planning is required for the services provided. In the next decade the state will need to increase funding to avoid increasing homelessness among the elderly.

### *Housing for Pacific Island People*

Over the last thirty years the number of Pacific Island immigrants in New Zealand has multiplied dramatically. Many of them have come from New Zealand's former colonies and protectorates and were brought to this country to provide labour during a time of industrial growth.

The National Housing Commission Report (1988) shows that Pacific Island people figure highly in the category of serious housing need. Several significant factors affect Pacific Island housing:

- 1 Low incomes. In 1986 only 6.8 percent of Pacific Island people earned \$20,000 or more, in comparison with 10.5 percent of Maori people and 21.3 percent of Pakehas.
- 2 Relatively high unemployment.
- 3 Larger than average family size.
- 4 Concentration of the Pacific Island communities in Wellington and Auckland where housing costs are highest.
- 5 Pacific Island people are generally unable to afford home ownership and therefore rely heavily on rental accommodation.
- 6 Pacific Island households experience more discrimination and exploitation than other groups in the community when seeking private rental accommodation (Macdonald, 1986). Considerable dependence therefore exists on state provision. In 1986 47 percent of Pacific Island tenants rented Housing Corporation units. Of home owning Polynesian households 43.4 percent relied on the Housing Corporation and Maori Affairs for loan finance. In 1969 the Maori Housing Act was extended to cover Pacific Islanders but this does not seem to have significantly improved home ownership rates.
- 7 Poor linkages have existed between immigration policy and housing policy.



Affordability, lack of supply and discrimination are the major problems affecting Pacific Islanders' ability to secure housing. It is clear that new measures must be developed to provide more housing for Pacific Island households. Monoculturally designed housing stock is often quite inappropriate for Pacific Island families. Future development should be towards a more culturally appropriate housing style. New and innovative delivery mechanisms should be formulated, however, no progress should be made without careful consultation between the Housing Corporation, Maori Affairs and the Pacific Islands' communities. Despite the heavy reliance of the Pacific Island community on the Housing Corporation, the Corporation has not implemented suitable policies and procedures to facilitate working with Pacific Island people. This should be a priority for the Corporation.

### *Tenure*

In all public opinion surveys New Zealanders show a high preference for home ownership. Some of the reasons for this relate to security of tenure and the cultural conditioning towards home ownership.

There are many restrictions which limit people's choice. Low income families are unlikely to be able to afford home ownership, while medium income families would not be able to have a state rental if that was the preferred option. Co-operatives do not attract subsidy provision. People should be able to choose their tenure type. In state provision present subsidies favour certain tenures over others. The long-term objective should be to use state funding and provision in a way that gives a full choice of tenure type.

### *Information*

Information problems are, for many people, a significant problem in maintaining the right to housing. Buying a house is a complex and bewildering task for most people and the information and support available is both expensive and often linked towards the sale or rental vendor (and not easily obtainable). There is a strong case for a state funded housing advice service. Information uncertainty is also a problem which affects suppliers. Suppliers need more information and a lessening of the uncertainty.

## *Other issues of the Housing Market*

- 1 *Unevenness in supply.* Some rural areas of the South Island (Tapanui) have empty houses while many rural areas of the North Island lack suitable houses for Maori people.
- 2 Under-utilisation of existing stock with houses too big for the needs of the family. This problem will escalate as the population ages.
- 3 The lack of security of tenure in rental houses. This forces people into home ownership when in fact it may not be the best or preferred option.
- 4 The condition of private rental accommodation and the failure to enforce standards. Recent tenancy legislation has not resulted in improved rental stock.
- 5 The level of investment in housing is directly tied to other investment factors in the economy. Provision both of rental and ownership units has not been seen as a steady or profitable investment by the private market.
- 6 The need to adjust housing stock to a variety of lifestyles. Variations have occurred in some housing stock but this has tended to be at the top end of the market. Social wellbeing requires that this variety be available to all groups of people.

## 3 Delivery of Housing Assistance

Before it is decided how housing assistance will be delivered there is a prior debate about the Government's role in the economy and hence in housing provision.

Since the 1930s New Zealand has had high levels of state intervention in housing. Adequate housing was one of the guarantees made by the first Labour Government 1936–49. Rental houses and loans to medium and low income earners were provided. In 1949 the emphasis of housing policy shifted from rental housing to the supply of mortgage finance to first home buyers. Until the 1970s the State Advances Corporation lent heavily to first home buyers. Owner occupier rates increased rapidly from 52 percent in 1947, to 69 percent in 1986. (Thorns, 1988) Policy changes in the 1970s saw the Housing Corporation's role as a lender decline as private institutions provided more housing finance. Housing Corporation confined its involvement to



people whose income level or lack of resources excluded them from obtaining private finance assistance.

More recently Treasury has suggested a predominantly market approach with minimal government intervention.

The theoretical underpinning for the market or minimal government position would be that provision of housing is:

- 1 a function of the market working through an efficient and well adjusted economy;
- 2 a function of individuals who best know their own needs;
- 3 as a last resort, a function of the state to help when people suffer discrimination or are unable to obtain housing.

The primary role of the state is then to provide a well-managed economy which should ensure the delivery of housing. This view is a radical departure from the interventionist position of successive governments over the last fifty years.

Supporters of a market view would see the following benefits:

- 1 Contestability. Through competition the needs of the housing market will be realised in an effective and efficient manner.
- 2 Neutrality of tenure. There will be no inbuilt bias towards any one particular tenure and people will have free choice.
- 3 Sufficient supply which will adjust to changes as they happen.

The difficulties with the market argument is that it underplays seriously the value to the community of having people well housed and conversely the serious cost of not housing people adequately. Recent studies and submissions establish a link between poor housing and health (Herne Bay Public Health Centre Study (1988)). Submissions from groups working with the homeless, report increases in problems, crime and violence, and missed educational and employment opportunities (New Zealand Housing Network).

The market argument also tends to assume that everyone starts in an equal position. This view ignores certain facts.

- 1 There are historical, economic, social and political choices that have been made on private and governmental levels which have created a great deal of difference between people's ability to provide essential housing. Actions of the past, for instance, universal provision of low interest first home mortgages, have created a bias against the young and present home seeker.

Local body bylaws and minimum standards in drainage, planning, size and building requirements contribute to the cost of a basic dwelling. Although good standards are desirable, they are an intervention in the market which keeps costs high.

2 A house is probably the most expensive purchase of most people's lives and takes a large part of a family income which for low-income families is significant. The argument that housing will best be provided by a well managed economy takes insufficient regard of the fact that even sound economies will result in inequitable outcomes.

When households compete against each other, there is no reason to expect that the market will distribute the resource most productively. Richer buyers can get lavish housing and under use it. Poorer buyers can't get adequate housing they would use productively. *H. Stretton (1986).*

The further assumption that people left to themselves will make their own choices, meeting their own needs and requirements fails to recognise that most people on low incomes currently purchase houses to a price, which may not meet their needs or desired requirements.

Housing is not a commodity item like bread where the shortage can be compensated for quickly. There is a long lead time between notification of shortage and the ability of the market to supply. Factors of land availability, purchase, subdivision, planning permission, resource supply, building industry, labour supply and economic uncertainty make provision slow.

Building and finance industries tend to be risk averse and supply to a perceived norm with consequent undersupply to those outside the norm.

The market approach does not address adequately the needs of the low-income, marginalised and discriminated groups. In the American and British markets, decreasing the government's role has not led to better housing. There have been increasing shortages and declining standards.

### *State versus Market Approaches*

The alternative approach is state intervention which identifies the disadvantaged and moves towards addressing that disadvantage. The state has a role in directly intervening to provide housing because of its vital nature in social wellbeing and the achievement



of a fair and just society. It acknowledges that although the market mechanism may work for most people, not all people will be adequately housed without intervention. Three major areas of failure in the New Zealand housing market have previously been discussed, that is affordability, discrimination and availability. No western country has been able to opt out of involvement in providing housing. Le Grand and Robinson (1984) suggest that: 'State intervention limits market power, improves supply and allocates stock efficiently'.

Government intervention also provides excellent means of wealth distribution. In an economy where wealth imbalances are accruing through capital intensive industry, shedding of labour and technological efficiencies, wealth distribution is a major factor (H. Stretton, 1986).

It must be acknowledged that no intervention is perfect and that the nature of state intervention in the past has been at times inefficient and insensitive to needs, with consumer subsidies captured at times.

These issues could be addressed by alterations to direct delivery mechanisms, specific targeting and more creative policies rather than by moving in a totally different direction to a system of less state involvement. It is widely believed that the reasonable aspirations of New Zealanders for adequate housing will not be met without state intervention.

### *Direct Delivery or Income Supplementation*

There was general acceptance in submissions that the Government has a role to ensure that New Zealanders are adequately housed.

Disagreement exists however about the system of delivery. The vast majority of submissions favoured direct provision not withstanding the need to improve the manner in which this was undertaken. Treasury was the major proponent of the other view which supported income supplementation.

Historically governments have favoured direct delivery of housing assistance through the Housing Corporation and Maori Affairs. There has been limited income supplementation in the form of a accommodation grant provided by the Department of Social Welfare.

Direct delivery however, still seems a preferred option for the following reasons:

- 1 Improving ability to pay does not in itself automatically translate into availability of more housing finance, more private rental tenancies or a supply of new housing.
- 2 Direct delivery systems appear more flexible to regional and local variations. House building and purchase cost, land costs and rentals vary from region to region.
- 3 The extent to which assistance is targeted towards those in need. A housing programme needs to deliver housing, not the cash equivalent of that housing (S. Kelman, 1986). For example a low-income family with an alcoholic husband may be entitled to income supplementation but the chances of that money being spent on housing is extremely remote.
- 4 Direct delivery is best able to deliver housing assistance to women, Maori and Pacific Island people who suffer significant discrimination in the housing market. A range of overseas experiences shows that housing allowances are associated with discrimination, low participation, no increase in supply, inadequacies of income and no improvement in security of tenure.
- 5 There is more certainty with direct provision that policy results in additions to the housing stock which are then a substantial asset which appreciates as time passes. An income supplementation scheme is totally non-recoverable with no assets being generated.
- 6 Overseas experience shows that income supplementation can be captured by suppliers and is vulnerable to leakage into general household expenditure. (M. J. Oxley 1983)
- 7 Transition from a direct delivery system to an income supplementation scheme would be extremely disruptive given the current shortages. A substantial number of new housing units would be required very quickly. Income supplementation is a difficult mechanism to administer.
- 8 Direct delivery ensures minimum standards and gives far greater control over the nature and location of housing assistance. Private market activity is more difficult to socially audit than government intervention.
- 9 It is important that horizontal equity is achieved in delivery, that is, people with similar circumstances are treated equally. The Building Societies Association outlines the problem of horizontal equity for direct



delivery where one family saves a larger deposit than the other to purchase a house of equal value. The family which saved the greater deposit will attract a smaller loan and by definition a lower subsidy. Equally however horizontal equity problems exist with income supplementation. The wide range of cost structures in different markets, north to south and urban to rural, would mean income supplementation would produce widely different standards of housing for those on similar incomes. Both schemes have horizontal equity problems not easily solved.

A direct delivery system rather than income supplementation seems desirable for the future delivery of housing assistance in New Zealand. This direct delivery would be continued through Housing Corporation and Maori Affairs with some extension to local authorities and community organisations. Direct delivery from these organisations has sometimes lacked flexibility and sensitivity to minority group needs. The systems require community input to ensure real needs are met and minorities are not disadvantaged. Some branch offices have recently instituted advisory committees composed of community representatives who consider housing policy and delivery at a local level. Extending this idea to all branch offices would help link the needs of the community and the Housing Corporation to the activities and work of the branch.

### *State Rental Housing*

At present the state provides 60,000 rental homes. The waiting list for Housing Corporation rental houses (12,248 at June 1986) reflects the fact that there is an insufficient number available. As has been shown elsewhere in the report there is an unacceptably high level of serious housing need and homelessness in particular areas of New Zealand. The building programme for state rentals has not been at a sufficiently high level. An increase in the provision of state rental housing with targets for state house building and total stock numbers set in ten year cycles would assist.

While the current levels of serious housing need remain unmet sales of state rentals should not be allowed unless:

- 1 they are outside an area of serious housing need;
- 2 they can be replaced in the same area;

### 3 there is no decrease in the total stock.

Queuing problems exist because of the number of people requiring state housing. The procedure of allocating from the queue uses a pointing system based on needs. Community allocation committees finally allocate housing on the basis of priority.

Provision of housing in this way poses a number of problems. First, the level at which people are housed varies markedly from one region to another. For example 35 points may obtain a three bedroom house in Dunedin where in Manukau 70 points would be required. This problem can be addressed by building more units in regions with the greatest need.

Second, people with urgent housing needs, that is over 50 points may continually miss out on housing as people with more points are continually presenting. The Housing Corporation is presently considering an escalator system which will treat people in date order once the level of urgent housing need—50 points—is reached.

Allocation and pointing systems will always have difficulties in areas where supply of housing is very short. The present system however does have quite severe limitations.

In 1985 a review committee recommended changes to the allocation and pointing system of the Corporation. Important recommendations included:

- 1 The employment of housing advisory officers who would offer advice, advocacy and be caseworkers for an applicant family. This would replace the present inspectorial system.
- 2 A complete revision of the allocation system and the replacement of the allocation committee system.
- 3 A more sensitive pointing system.

Change has been slow but when these recommendations are acted upon procedures will be more responsive to need.

Problems raised in submissions regarding state rental housing often seemed to relate to the difficulty of relating to a large bureaucracy.

A number of submissions suggest that the Housing Corporation investigate allowing a portion of its stock to be managed as tenant co-operatives (see section on Housing Co-operatives). Community organisations, iwi authorities, housing trusts and co-operatives could act in a sponsoring role. The Housing Corporation would



pass the responsibility for the maintenance and management over to the co-operative.

The Housing Corporation has recently raised rents to a market level, with abatements for lower income tenants. This increase was undertaken suddenly without sufficient notification and resulted in hardship for some tenants. Tenants need reasonable notice of changes which will affect tenure or rent. The market rent formula seems to create hardship for tenants earning wages below the average. The old standard of one day's pay for one week's rent (that is 20 percent) still seems valid for those on low incomes.

The possibility of converting the rental stock into a state owned enterprise has recently been suggested. Presumably the state owned enterprise would have a commercial objective, tenant selection would be on the basis of ability to pay (not need), and security of tenure could not be guaranteed. This model would seem to contradict the basic reason for government intervention in housing policy, that is to meet the housing needs of people not catered for by the private sector. Already existing problems affecting women, Maori people and Pacific Island people will be aggravated. The present houses are built to high standards and access to community resources is considered. A state owned enterprise would face a strong temptation to build cheaper houses and maximise profits at the expense of social considerations.

### *Private Sector Rental Housing*

This provides accommodation for 13.8 percent of households. A decline in the total number of units available would suggest that private sector landlords do not find investment in rental housing property profitable. Although returns for landlords compare with other kinds of investments, compulsory holding of bonds by the Housing Corporation and new tenancy laws are cited as reasons for less investment. It is clear that the demand for private sector rental housing will expand, supply however, is not expected to increase while interest rates remain high and other more attractive investment opportunities exist.

### *Co-operative Housing*

Co-operative housing provides alternative forms of tenure to rental and home ownership. Co-operative housing is an extremely

important form of housing in various overseas countries including Scandinavia, Spain, Canada, Poland and England. Efforts towards the establishment of co-operatives in New Zealand by groups such as the Wellington Housing Trust have been frustrated by:

- 1 Legal difficulties as no existing form of legal structure has been entirely appropriate for co-operative housing.
- 2 Finance. Adequate finance has not been available to co-operatives. Money available for housing has tended to bias towards other tenures.
- 3 Lack of information. Co-operatives as a tenure form have not been promoted sufficiently. For any new tenure, education and training is necessary and this has not been sufficiently encouraged by central government.
- 4 Building codes and planning difficulties. Present building codes and planning restrictions present considerable difficulties in the development of co-operative enterprises.
- 5 Co-operatives have been seen as an answer to housing need. However, it should be stressed they are a complex form of organisation and require commitment to co-operation. Given time the development of co-operative housing could take pressure off supply but not necessarily by housing the homeless.

The characteristics of the main types of co-operatives are:

- 1 *Par-value co-operatives*—where departing members take out in cash only the amount they put in, although this amount can be adjusted for inflation. Increases in the capital value of the co-operative and its dwellings benefit the entire co-operative and not the individual.
- 2 *Equity co-operatives* in which members can take out in cash their share of the property's market value when they leave. While this usually guarantees them an equity to finance alternative housing it also means that new entrants are required to come up with a considerable capital contribution.
- 3 *Tenant management co-operatives*—these result from an agreement between the landlord, usually a public housing authority, and the tenants which transfers management and maintenance responsibilities to tenants in return for a reduction in rent.



- 4 *Primary co-operatives*—co-operatives of any form, owned by residents who have full decision-making power.
- 5 *Secondary co-operatives*—co-operatives owned by a sponsoring agency and run for the benefit of a specified target group.

Advantages of co-operative housing include:

- 1 greater affordability of housing through economies of scale;
- 2 better security of tenure;
- 3 a higher degree of control for residents over their housing;
- 4 development of a sense of community through working with other members;
- 5 better use of scarce housing resources.

### *Housing Co-operatives in the Future*

Options for Co-operative housing have recently been completed by the investigative committee on co-operative housing. The major recommendations of the investigative committee are:

- 1 that a steering committee be established to serve the interests of the co-operative housing movement,
- 2 that the Housing Corporation take an active role in funding co-operatives by:
  - (a) establishing a co-operative housing fund within the Corporation, which is a separate resource, additional to existing lending and housing budgets;
  - (b) providing a government guarantee to attract private sector finance;
  - (c) providing joint venture or contributory funding with community banks, financial organisations and other agencies to achieve financial leverage on government funds,
- 3 that the Housing Corporation formulate a method of lending to groups on a basis equal to that available to individual applicants.

### *Maori Housing Co-operatives*

Te Hou Ora Advisory Team, in their paper on Maori women and co-operatives, see housing co-operatives as having three main benefits for Maori people:

- 1 They offer realisable alternatives to the housing presently available.
- 2 They provide a collective style of housing to suit the differing needs of the whanau.
- 3 They provide the basis for less dependency on the state to provide housing without the state abdicating responsibility for providing adequate accommodation. Aspirations for home ownership are high among Maori people but largely for a different reason than the Pakeha. Communal styles of tenure are understood and welcomed. They fit well with Maori concepts of whanau, hapu and iwi. Co-operative housing concepts would incorporate important spiritual and cultural concepts within their development and would have relevance in urban and rural settings. Maori tribal authorities should be devolved resources and a support system to allow some initial schemes to develop. These schemes would provide impetus for ongoing development.

### *Finance for Home Ownership*

The major suppliers of home finance are the Housing Corporation, Maori Affairs, trustee banks, trading banks, life insurance offices, building societies and Postbank.

Until recently the Housing Corporation was the largest provider of housing finance. De-regulation of the financial industry has seen trading banks emerge as the single largest supplier of housing finance. De-regulation has also led to a substantial increase in the money available for housing, tending to increase the price of existing housing. Interest rates have added considerably to the affordability problem.

Housing Corporation mortgage assistance programmes include the following.

- 1 Modest income and tenant schemes which assist low and moderate income families wishing to buy or build homes. Interest rates are income related and range from 7-17 percent. A regular rent review raises the initial interest rate progressively to 17 percent. Concessional interest rates can apply in cases of hardship. Single persons are not eligible and applicants with an income lower than the national average wage are given priority.



- 2 Homestart is a deposit gap assistance programme. Assistance ranges from \$7,000–12,000 depending on income and the geographical location of the house. Interest is at 3 percent which is capitalised every six months. At the end of five years the loan is repaid or refinanced.
- 3 Equity sharing loan, where repayments are set at 25 percent of gross income at an interest rate of 3 percent plus the current inflation rate. The Housing Corporation retains an interest in the property and benefits from the sale.
- 4 Other programmes include Sweat Equity, which enables people to purchase and renovate older dwellings and home improvement and urban renewal schemes which are available to community groups and local authorities for the upgrading of older dwellings in urban areas. Loans have been made from this scheme for co-operative housing.
- 5 Maori Affairs provides loan assistance to Maori and Pacific Island people. Maori people depend almost entirely on loan assistance from Maori Affairs and the Housing Corporation. Together the Housing Corporation and Maori Affairs are responsible for the provision of 86 percent of the money for home mortgages acquired by Maori people. Without this assistance Maori home ownership ratios would be even lower than at present.

Factors that could be involved in the low level of finance assistance, to Polynesian people, from non-government sources include:

- 1 reluctance to approach very Pakeha dominated institutions,
- 2 reluctance, on the part of institutions, to lend to groups with larger than average families, receiving lower than average incomes,
- 3 institutional racism.

Further programmes delivered by Maori Affairs include loans for the construction of kaumatua flats, loans for extension or improvements to existing homes, papakainga housing, or housing on multiply-owned rural land.

The continuing involvement of the Housing Corporation and Maori Affairs in the provision of loan finance for housing seems

essential. Improvements and extensions to present schemes could include:

- 1 more lending to non-traditional households, for example single women, couples without dependants,
- 2 100 percent mortgages on terms of 40–50 years,
- 3 programmes of shared ownership which extend the limitations of the present equity sharing scheme,
- 4 the provision of government and local authority leased land for housing,
- 5 more direct finance to community groups and local authorities to provide a variety of housing types for example co-operatives, self-build schemes, apartments, cluster housing, emergency housing, housing for special needs,
- 6 increasing housing for the Maori Affairs housing programme in a way that will urgently address the low levels of Maori housing ownership,
- 7 research into why Maori people receive such low levels of assistance from financial organisations.

### *Housing Advice*

Difficulties in people obtaining housing information have been raised in this paper. Buying and renting a house is complex and because it isn't undertaken often by most households, experience is not gained. Present advice of professionals is costly and favours the seller or landlord. No independent and easily affordable housing advice is available throughout the country. One possible method of improving information services would be an advice service encompassing all tenures and housing assistance schemes funded by the Housing Corporation. People with a housing need could go to the service and from there be directed to state or private organisations appropriate to the housing required. Housing advice centres providing this type of assistance already exist in some areas. This concept could be available to each branch area of the Housing Corporation to provide advice and information on various tenures, savings schemes, finance packages, building services, rental accommodation, emergency housing, co-operative housing schemes and the range of private sector accommodation and housing provision. The service would have to be independent of the Housing Corporation or other housing delivery systems.



## *Emergency Housing*

At present voluntary organisations manage emergency housing which provides short term accommodation for people in housing need. Present emergency housing is mainly of two types:

- 1 that provided and funded by voluntary organisations, local authorities or churches;
- 2 that provided by the Housing Corporation and managed by community organisations and local authorities or voluntary organisations.

There will be a continuing need for this type of accommodation. Current emergency housing often contravenes local authority bylaws and is unsuitable accommodation given the length of stay of clients. Increased levels of assistance from the Housing Corporation for organisations managing emergency housing, and purpose-built emergency houses which allow each family to have their own space and facilities are necessary.

### *Local Authorities*

Local authority involvement in housing varies considerably. Local authorities have undertaken a role enforcing bylaws in regard to such items as building codes, planning and roading. Direct involvement in the provision of housing for the elderly has been undertaken by a number of local authorities with loan finance provided by the Housing Corporation. Only a few local authorities have become involved in a wider housing provision. The Wellington City Council is one council that has been actively involved in the provision of rental units.

Local authorities are well aware of local conditions and therefore direct involvement in the provision of housing seems appropriate. The submission from the Whangarei County Council states:

There appear to be grounds for local government to take a key role in the delivery of housing to the homeless.

Local authority promotion of industrial and commercial growth often has the affect of creating a demand for housing. It appears that there could be more active housing provision by local authorities particularly in areas of serious housing need achieved by:

- 1 introducing a housing levy on new commercial and industrial developments,

- 2 providing direct low interest loans or grants from central government to local authorities for the construction of rental units,
- 3 providing central government grants to local authorities which could be administered on a rolling fund basis for housing co-operatives, housing trusts and self-build housing schemes.

However, direct funding to local authorities will be necessary before any change can be effected.

## 4 Conclusions and Recommendations

This paper regards housing as vital to social wellbeing and justice. Adequate housing is a basic right and provides access to other social provisions.

The absence of shelter has serious consequences for the community as a whole and therefore there should be a statutory obligation to ensure that basic adequate shelter for all is available. Already unmet housing need exists especially for Maori people, women, Pacific Island people, disabled and low-income households. Identification of the problems and statutory obligation will not bring about change. What is needed is a strategy which will plan for the longer term, set targets, plan action and monitor results. In addition action is also required to provide more state rental houses and units and for the Housing Corporation to address the needs of at risk groups.

The view of this paper is that continued state intervention will be needed to deal with market failures and that the most effective intervention will be directly providing public rental houses, Corporation subsidised mortgages, grants to local authorities, iwi authorities and community groups. Direct delivery procedures however, need more innovation and community input if they are to be effective and to avoid bias towards any one form of tenure.

Finally, all the efforts of the state will not be effective if the consumer has insufficient information regarding available services. The proposed housing advice units could provide that assistance.



## *General Recommendations*

The situations presented and discussed in the report suggest the following recommendations. This is not a complete list of possible changes to the housing market, but it covers the more important issues.

### *Policy*

- 1 That legislation be enacted to provide a statutory obligation to house the homeless.
- 2 That an independent National Housing Authority be established similar to that suggested by the 1971 Commission of Inquiry into Housing.
- 3 That state intervention remain a keystone of New Zealand housing policy.
- 4 That housing assistance be delivered through a tenure neutral direct system rather than by an income supplementation scheme.

### *Delivery Mechanisms*

- 1 That community advisory groups be formed in association with housing corporation offices.
- 2 That Government provide funding for housing advice units which will give client-centred advice on housing matters.
- 3 That Housing Corporation enables groups of state rental tenants and community organisations to form tenant management co-operatives.
- 4 That the Government increase its state housing building programme to meet the needs of homeless households.
- 5 That the recommendations of the Ministerial Investigative Committee on Co-operative Housing be acted upon.
- 6 That the recommendations of the Housing Corporation Allocations Procedure Committee be acted upon.

### *Maori Housing*

- 1 That the Housing Corporation of New Zealand continue to be a significant provider of resources for Maori housing and be required to modify and improve its services and delivery.

- 2 That greater emphasis be placed on Maori home ownership through Maori Affairs assisting with initial deposits and additional mortgages while Housing Corporation provide first mortgage finance as it does to other clients and that whanau mortgages and other creative approaches be encouraged.
- 3 That ways to improve legal redress against racial discrimination and exploitation by private landlords and financial institutions should be investigated.
- 4 That devolution of resources to iwi authorities continue to be investigated but that this remain in partnership with Housing Corporation and Maori Affairs in order that overall needs can be balanced and that Maori people who have lost their tribal links are not disadvantaged.
- 5 That the special needs of Maori women be recognised with appropriate advocacy provided by an advisory committee including interest areas such as women's affairs.
- 6 That a Maori Unit be established within the head office of the Housing Corporation to ensure more sensitive and adequate delivery of services to Maori people.
- 7 That special funding be applied to remedy the backlog of housing needs and to maintain an appropriate level of support for the future if proportion of Maori in the population continues to increase.

### *Housing for Women*

- 1 That a Women's Unit be established within the head office of the Housing Corporation.

### *Housing for Pacific Islanders*

- 1 That the Housing Corporation consult with Pacific Island communities to address serious housing need among Pacific Island people.



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# JUSTICE

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# Justice

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### Justice and the Legal System

#### 1 *Introduction*

It is essential to the maintenance of a fair and free society that it have a workable and credible system of law and justice. The objectives of that system should be:

- 1 to provide a fair and efficient means of dispute resolution;
- 2 to uphold the rule of law in a manner consistent with individual justice in the protection of society; and
- 3 to provide a forum for the appropriate punishment of those who commit offences.

In order for these objectives to be achieved, the system should adhere to a number of basic principles:

1 It should be accessible and affordable to all citizens. As the Department of Justice (1981) said, 'the achievement of social, economic and political rights of individuals and groups is significantly dependent upon access to the law, access to the institutions of the law, and effective legal representation'. Thus no person should be denied access to legal redress through their ignorance, fear, or lack of power or resources.

2 It should protect the rights of minorities and disadvantaged groups. In the institutions of justice, as in other areas of social policy, it is vital that procedures are seen to be acceptable and fair not only from a majority point of view, but also from the perspective of minority groups and of the consumers of the system, who might otherwise be without the power or resources to have their voices heard.

3 Its decisions should be enforceable.

4 It should be independent of direct political control. The credibility and authority of the law derives from the perception that it is



relatively autonomous and therefore not subject to the dictates of immediate political pressures and concerns.

5 It should provide a system of punishment which is humane, consistent and proportionate to the offence.

It is our view that in many respects New Zealand's system of justice has not managed to observe these principles. There is a widespread perception, especially among ethnic minorities and disadvantaged sections of the population but to some extent among all consumers of the legal system, that it is complex, alien and remote from the lives of ordinary people, and that there is ethnocentric bias in both its procedure and outcome. People who look to the system to provide an adequate means of dispute resolution often find that cases are subject to inordinate and, to them, incomprehensible delays; that court proceedings cause undue inconvenience to the parties and to witnesses; that legal costs are prohibitive; and that the outcome is thus unsatisfactory for all concerned. People who look to the system to uphold the rule of law in a manner consistent with individual justice and the protection of society frequently believe that it is characterised by inappropriate sentencing, inhumane prison conditions and prison overcrowding, and a lack of concern for victims.

These are concerns which must be addressed as a matter of urgency. It would be going too far to say that there is a crisis of confidence in the justice system. Nevertheless, it is clear that the system is failing to provide an adequate service or adequate redress to significant sectors of the population, and it is therefore failing efficiently and effectively to regulate relationships between citizens. Hence there is widespread criticism of and dissatisfaction with the system, and a disturbing lack of confidence in it.

We discuss below some of the major problems which have been identified in submissions made to the Royal Commission. While it is beyond the scope of this report to provide detailed recommendations as to reform, we have indicated the direction which we believe policy initiatives should take.

## 2 *Access to Justice*

The major criticism of the legal system, which relates to all types of cases coming before it, is that it is dehumanising, remote and confusing to most people in the community and culturally alien and insensitive to the tangata whenua. To many it appears that the



courts and the legal system are designed more to meet the needs of the legal profession than the consumers of the service. Indeed, many if not most people who appear in court for the first time experience no real sense of participation in the proceedings: they are bewildered and confused, they fail to understand legal processes, and they leave court with little understanding of what has occurred.

It has traditionally been supposed that the remoteness and inaccessibility of the law and people's ignorance of it, is overcome by the availability of legal representation. Lawyers are available to give people legal advice, to assist in the resolution of their disputes and to represent them in court or before other judicial tribunals. Where people cannot afford to pay for the cost of a lawyer, they can be granted legal aid under the Legal Aid Act 1969 in relation to civil claims and under the Offenders' Legal Aid Act 1954 for criminal cases.

However, the avenues open to people to obtain adequate and effective legal representation were criticised by many of those making submissions to the Royal Commission. As the Coalition of Community Law Projects stated, there is a lack of confidence in the present structure of legal services and a belief that the legal profession is over-priced, inaccessible, and preoccupied with profit, reputation and status. Certainly it is true that increasing numbers of law firms are gearing themselves towards the corporate and business sectors and do not have an incentive to take up cases which are perceived to be unattractive or likely to be financially unrewarding. Thus areas of the law which particularly affect the disadvantaged—minor civil claims, immigration, tenancy, mental health and petty criminal cases—frequently fail to receive adequate attention. Moreover, in criminal cases defendants who are unable to pay for their own lawyer and receive legal aid cannot choose who represents them: a lawyer, usually junior and inexperienced, is assigned to them by court staff. There is some truth to the assertion by the Advisory Group on Legal Services (1986) that in criminal cases there is a need 'to be rich in order to buy good and adequate legal representation'.

It should be noted that the structure and availability of legal services has already been under scrutiny for some years. Indeed, much has already been done to rectify the problems which we have identified above. The legal profession itself has endeavoured to make lawyers more accessible and identifiable—for example, through the



Law Help scheme and through the free legal advice offered in citizens advice bureaux. Moreover, there has been a rapid spread of legal services, both professional and non-professional, for those who are unable or unwilling to use private law firms. Examples are neighbourhood law offices, community law centres, the Maori Legal Service recently established in Wellington, and the work in court of *maatua whangai*, court aid groups and other volunteers.

Significant though these developments are, they do not do nearly enough to meet the legal needs of disadvantaged and powerless groups. A great deal more needs to be done to improve the quality and scope of legal representation and legal services. This will require substantial government funding to ensure the provision of adequate legal services to areas and in respect of legal needs which are presently considered unappealing or uneconomic to a profit-oriented legal profession; but that is a price which must be paid to ensure access to justice for all.

We are aware that the Government recognises this need. Following a lengthy process of consultation with the legal profession and community groups, it is intending to introduce a Legal Services Bill later this year. Having reviewed the proposals which have been under consideration for inclusion in that Bill, we would make the following recommendations:

- 1 There should be a network of government-funded community law centres in each court district throughout the country. It is essential that these Centres should not be controlled by the established legal profession. Rather, they should have a management structure which is community-based, responsive to the needs of their consumers and accountable to local communities. Existing community law centres in the major urban areas of Porirua, Grey Lynn, Mangere, Dunedin, Christchurch and Wellington have already served an extremely valuable function. They have not only been able to provide effective legal advice and assistance to many people who would be uncomfortable approaching a private law firm, but they have also played a major role in mounting legal education programmes and creating a self-reliant approach to meeting legal needs. They have proved their worth, and should be fully supported and expanded.

- 2 As the Advisory Group on Legal Services (1986) proposed, funding should be provided in conjunction with community law centres, to enable the employment and training of para-legal workers. Para-legals have already played a vital role in the operation and



development of community law centres. They can efficiently and effectively handle many tasks which do not require the level of knowledge and training possessed by a professional lawyer. In particular, they can provide straightforward information and legal advice, they can assist lawyers in the preparation of cases, and they can be engaged in educational programmes. Where they have close links with local communities in disadvantaged areas, they can provide a more accessible and credible service and they are likely to have better understanding of and sensitivity towards the people with which they are dealing. They are also a valuable resource for undertaking work in stigmatised and unremunerative areas such as mental health law.

3 We agree with the recommendation of the Working Party on Access to the Law (1983), that free legal advice should be provided to inmates of institutions such as psychiatric hospitals, prisons and social welfare homes, with rosters to be established by district law societies to ensure regular visits by lawyers to all closed institutions in their areas. However, we do not agree with the Working Party's recommendation that this advice should be limited to matters concerning the individual's relationships in the outside world (for example, financial or family problems) and should exclude advice on legal matters such as complaints about mistreatment or proceedings regarding liberty. It is precisely the latter matters in respect of which inmates are most in need of assistance. In particular, psychiatric patients confront numerous obstacles which prevent their access to lawyers. For a number of reasons they are often precluded from obtaining civil legal aid; they are rarely represented by counsel in civil committal proceedings; and they have no effective means of obtaining legal representation for the purposes of seeking a review of their detention. Although the Mental Health Bill currently before Parliament establishes a review procedure, it makes no provision for legal representation. The Mental Health Foundation has drawn to the Royal Commission's attention a number of schemes which exist in Canada and Australia to provide advocacy services to psychiatric patients. We have not reached a firm view as to what type of scheme is preferable, although we are inclined to think that a roster of legal practitioners available to advise or represent psychiatric patients and remunerated by means of civil legal aid is best suited to New Zealand. We doubt that any legislative change is required to effect this; and we recommend that it be considered for implementation as a matter of urgency.



4 Those arrested or otherwise detained for suspected offending should have a statutory right to consult with a lawyer before being questioned by the police; the police should be under an obligation to ensure that suspects are aware of that right; and evidence obtained in breach of that obligation should be inadmissible in subsequent proceedings. There might, of course, be situations in which the right would need to be withheld—for example, where access to a lawyer might lead to interference with evidence, cause a risk of harm to another person, or alert others suspected of involvement in the offence. However, these types of exceptions would not be difficult to formulate or codify and do not alter the fact that the right to consult a lawyer should generally be protected by law.

5 Modifications to the offenders' legal aid scheme are required to allow defendants to select their own lawyers as in the civil legal scheme and to provide a more realistic level of remuneration. This will go some way towards ensuring a better quality of service to those charged with criminal offences.

6 As was recommended by the Advisory Group on Legal Services (1986), the availability of civil legal aid should be extended to Maori groups involved in proceedings before the Maori Land Court and the Maori Appellate Court and to groups bringing environmental proceedings.

We have also considered the merits of a public defender system as an alternative to criminal legal aid. In recent years the arguments for and against such a scheme have been extensively debated by the Royal Commission on the Courts (1978), the Working Party on Access to the Law (1983) and the Advisory Group on Legal Services (1986). Each of those enquiries has reached a rather different conclusion. The Royal Commission on the Courts was opposed to such a scheme, believing that a better service could be provided through private practitioners funded under the legal aid scheme; the Advisory Group on Legal Services concluded that a public defender scheme was a better option and was likely to be more cost-efficient than the offenders' legal aid system; and the Working Party on Access to the Law made no firm recommendation on the matter. There are, of course, a variety of means by which public defender schemes could be established. They might be created as one of the functions of community law centres; they might be provided by means of a fixed contract with one or more practitioners in private practice (as has been done under the children's advocate scheme now established in the Auckland Children



and Young Persons' Court); they might be instituted by means of separate offices with salaried legal and para-legal staff; and they might be provided in substitution for or in combination with offenders' legal aid. Our own view is that as many of these models as possible should be instituted on a pilot basis in different areas, and should then be evaluated in terms of both cost and the quality of service delivered to consumers.

### 3 *The Need for Flexibility in the Justice System*

The implementation of the above recommendations would do much to improve the availability and quality of legal representation. However, even if the present system of justice were to become affordable to all through a comprehensive publicly-funded structure to provide legal services and representation, civil and criminal proceedings would still in many cases fail to achieve their objectives.

In civil proceedings, even those who can afford a lawyer often find that the costs of obtaining one are prohibitive in relation to the remedies sought. Indeed, it is not uncommon in claims involving a few thousand dollars or less for legal costs to absorb, and even exceed, the amounts being claimed. Moreover, people frequently perceive the *outcome* of civil proceedings to be unjust, unfair or unduly delayed. It may be that some of the frustrations which people experience in this respect derive from the fact that they have not received the service from lawyers, judges or court officials which they have a right to expect; but there is no evidence that this is generally so. Rather, it is due to the fact that the system itself is simply not able to meet their needs.

In criminal proceedings, similar problems arise. Even where good legal representation is available, defendants and complainants feel alienated from the process and unable to make their views heard. There is also a widespread perception that the criminal justice system focuses unfairly upon lower socio-economic groups and at Maori and Pacific Islanders. Certainly it is disturbing that such a disproportionate number of Maori and Pacific Islanders appear before the courts and in the prison system: in the prison census conducted by the Department of Justice as at 12 November 1987, 48.6 percent of the prison population were classified as Maori, as compared with approximately 15 percent or less among the population at large. Again, this cannot be attributed to the actions of



individuals who work in the system. For instance, while police officers may not invariably be sensitive or impartial in their enforcement of the law, there is no evidence that they are generally biased or that they selectively pick on Maori and Pacific Islanders for prosecution. Rather, the over-representation of these ethnic groups in the criminal justice statistics probably results from the fact that they are more likely to commit offences which are visible, which are easily detected and which people in the community are most concerned about. Notwithstanding this, the fact that so many Maori end up in court and in the prison system feeds the perception of bias and unfairness. It is therefore counterproductive, serving to alienate ethnic minority groups from the legal system and to erect a barrier between many offenders and their own communities and cultures.

These problems with the legal system, in both its civil and criminal jurisdictions, are generally structural ones which can only be alleviated to a small degree by improved legal representation. In a modern, urban and technologically advanced society such as New Zealand, the law is necessarily a complex, cumbersome and unwieldy instrument. Perhaps inevitably, it also tends to be monocultural. For these reasons, it is unable to deal appropriately with the variety of cases and individuals coming before it in a multicultural society. Put simply, the formal justice system is incapable of producing substantive justice for all.

Of course, this does not mean that the formal legal system should be abandoned. It does mean that, if all citizens are to have access to justice (as distinct from access to the law), the avenues of redress open to them must become more immediate and relevant. This requires increased flexibility in dispute resolution and the imposition of punishment, so that the system becomes more responsive to the diverse needs and cultural perspectives of all its consumers.

### *Civil Proceedings*

In relation to civil disputes this will require a development of a greater number and range of informal, community-based dispute resolution forums, with central government funding but strong local community involvement. The emphasis in these forums should be on mediation or arbitration rather than the type of confrontation which characterises the formal adversary system; and they should aim to ensure a prompt outcome, to use non-legal and



culturally appropriate procedures and language, and to encourage the full participation of the parties.

Of course, several developments of this sort have already occurred. For example, Small Claims Tribunals have been operating successfully for some time. Following a recent evaluation of their operation by the Department of Justice (Oxley, 1986), legislation which is currently before Parliament's Justice and Law Reform Select Committee extends their jurisdiction (with the consent of the parties) to cover claims of up to \$5,000, and procedures for the appointment and training of Tribunal referees have been improved. Family Courts also provide counselling and mediation services both prior to and during proceedings; and agencies such as Marriage Guidance make a significant contribution in this respect. A further illustration is provided by the recent Residential Tenancies Act 1986, which allows for mediation as a means of resolving disputes between residential tenants and their landlords. Maori wardens and other community groups are also sometimes instrumental in resolving all manner of disputes at a local level.

These sorts of avenues for conflict resolution, which we strongly support, must be extended so that they cater for a greater range of disputes and problems and reflect New Zealand's cultural and ethnic diversity. We see some scope, for example, for the use of tribal courts to resolve family disputes between Maori, including matters of custody and access, provided that the parties consent. Their development and funding is the responsibility of central Government, although their precise form should be dictated by the needs of consumers at a local level and might therefore need to vary from one area and community to another.

### *Criminal Proceedings*

In relation to criminal cases, the objective of more flexibility and more informality should be achieved by the more selective and sparing use of prosecution, for both minor and serious offences, so that suspected offenders appear before the courts only where this is in accordance with the complainant's wishes and is clearly required in the public interest. Many more offenders than at present need to be diverted from the formal court system and dealt with informally through local community agencies and in ways appropriate to their own culture. Again, there is already some recognition of this in existing criminal justice practices or in proposals which are being



considered by the Government. Maori Tribunals, which are modelled on the Maori Committees authorised under the Maori Community Development Act 1962, are operating fairly successfully in Henderson, Mangere, and Rotorua, although they lack resources and deal with only a small proportion of Maori offenders coming before the courts. A few police prosecutors are also attempting to divert first offenders from the formal court system, using informal strategies which sometimes involve rendering an apology and providing other direct assistance to the victim.

These more informal, community-based punishments, if they are imposed with the consent of offenders, are frequently preferable to prosecution, since they do not entail the latter's delay, cost and stigma. They may also be more attractive than formal court punishments because they involve dispositions of more immediacy and relevance to offenders. Where they involve follow-up assistance or intervention in offenders' lives, they are also able to draw on the services and resources of non-statutory agencies or informal community networks with which offenders can more easily identify.

So far, however, the development of these diversionary strategies has been fragmentary and dependent upon individual initiatives; and, as things stand, it seems unlikely that they will be adopted by police prosecutors on a widespread basis in the foreseeable future. We would therefore recommend that structures be developed to ensure that such strategies become standard practice in all areas, particularly at the stage when prosecution decisions are being made, and that prosecution should become a social response of last resort rather than first resort, particularly for minor offending. This will not be easy to achieve. It would seem to require either a major shift in police attitudes or the development of a prosecution agency which is independent of the police and committed to a policy of selective prosecution.

It is important to note that there are dangers in diversion which need to be safeguarded against. In other jurisdictions, research has shown that they have tended to be used in respect of very minor offenders against whom no action would otherwise have been taken. There might also be a temptation to use them in cases where the evidence is not strong enough to warrant prosecution. At the least, therefore, diversionary strategies should only be utilised where there is evidence to justify prosecution, and where the



offender acknowledges his or her guilt and consents to diversion in lieu of formal court action.

It is the responsibility of central Government to provide adequate funding to community agencies which provide these types of dispositions, since they are a cheaper and more efficient option than the formal court system.

#### 4 *White-collar and Corporate Crime*

We have already referred to the perceptions, held by many people, that the system focuses unfairly upon the crimes of lower socioeconomic groups—the powerless and disadvantaged in our society—and fails to provide adequate law enforcement and punishment in respect of white-collar and corporate offending. These perceptions have no doubt been reinforced by the variety of dubious company transactions and individual dealings in the sharemarket which have come to light over the last few months.

Unfortunately there is a paucity of available evidence from which to assess the validity of these concerns. There are a wide variety of agencies other than the police involved in law enforcement in the commercial and corporate sectors. These include the Corporate Fraud Unit of the Commercial Affairs Division of the Justice Department, the Occupational Health and Safety Inspectorate and the Factory Inspectorate. No research into the objectives, operation and enforcement procedures of these regulatory agencies has been published in New Zealand. Our own impression is that because such areas do not arouse widespread and vocal public concern, they tend to be understaffed and unable adequately to investigate all breaches of the law. For example, the Corporate Fraud Unit comprises one solicitor, one accountant and one typist/clerk to cover the whole of New Zealand; the corresponding agency in New South Wales (the Corporate Affairs Commission) has more than 120 investigatory staff and administrators.

We believe, therefore, that research into the way in which white-collar and corporate misconduct is investigated and controlled should be given a high priority, so that there is a better basis for determining the scope of the problem, and identifying the policies and resources which are required to cope with it.

It should be pointed out that these policies cannot be the same as, or even the equivalent of, the policies which are directed



towards offences such as assault, robbery, burglary and theft. Traditional law enforcement practices are likely to be particularly inefficient as a means of dealing with corporate misconduct. Prosecutions for such offending tend to be extremely costly and to have a comparatively low success rate. Moreover, any attempt to attribute culpability to individuals within a corporate management structure will be likely to result in unjust scapegoating and selective enforcement which will do little to alter corporate behaviour or to protect the public. The fact is that the existing criminal justice system, being oriented towards individual wrongdoing, is ill-equipped to deal with offending within businesses and organisations. The fact, therefore, that the system has different structures for responding to such offending should not necessarily be seen as discrimination against the powerless. At the same time, those structures must have adequate resources and powers for investigation and detection, and appropriate sanctions to encourage future compliance. We doubt that this is the case at present.

## 5 *Sentencing, Punishment and the Police*

Many people making submissions to the Royal Commission expressed concern at the Government's response to crime and its perceived failure to deal with the problem of law and order. Nearly all of these concerns focused either on police powers and resources or on judicial sentencing practice. We will consider each of these areas in turn.

### *Police Powers and Resources*

There is clearly much concern that in recent years the police have not been given the personnel, equipment and legal powers required to combat the rising crime rate. However, this concern is to a large extent misplaced, for two reasons.

First, a growing number of studies into policing over the last 20 years, especially in the United States, have shown that an increase in the number of police officers will in itself make little or no discernible difference to the volume of crime, or to the rate at which crimes are cleared and offenders are detected. (For reviews of these studies, see Kelling, 1978; Clarke and Hough, 1980; Hough, *et al*, 1987). In other words, once a certain level of police service has been achieved (undoubtedly long since past in New Zealand), more police officers and more police resources do not have the

impact on crime which is usually anticipated. As two highly respected American commentators on the police (Skolnick and Bayley, 1986) have recently said, 'We have learned that you can't simply throw money at law enforcement and expect proportionate results'. In our view, given current policing strategies, the increase in resources which the police would require to effect a significant reduction in the volume of crime would be undesirable both economically and socially, and it would also divert resources from other areas of government expenditure, such as education, which should receive higher priority.

Second, police powers have already been significantly enlarged over the 15 years, and any further general expansion of those powers would unduly encroach upon individual rights and freedoms. If we are to preserve a society in which there are clear and definable limits upon state power, those rights and freedoms must take precedence over the need to solve crimes and detect criminals.

We are not suggesting, of course, that law enforcement itself makes no difference to crime. The police do an extremely valuable job, and are indispensable to the maintenance of order and social control. Our view is simply that on the available research evidence, rising reported crime rates in themselves cannot justify a corresponding increase in the proportion of government expenditure devoted to the police and in the extent of police powers.

This does not necessarily mean that there is no justification for an increase in police resources. It may be, for example, that the police workload in some areas justifies an increase in police personnel, or that a major shift in policing objectives or strategies might lead to the need for more police officers. We are not in a position to assess this. Our conclusion is merely that the traditional basis for police resource requests, and the public concern which derives from it, are misconceived.

There are, however, short-term crime prevention strategies which can realistically be expected to have some impact upon the volume of crime. For example, although existing research does not conclusively prove their effectiveness, we believe that much can be achieved through the development of community support groups, particularly when these are directed towards building community cohesion and neighbourhood links rather than focusing on security concerns. There is also some agreement in the literature that modest but positive reductions in crime can be achieved by situational crime prevention strategies—that is, strategies which are designed



to reduce the opportunities for crime by increased security in respect of crime targets (such as motor vehicles) and by environmental change in respect of offences which are location-specific. These strategies require detailed analysis of the nature and distribution in time and space of particular forms of criminal behaviour in particular communities.

### *Sentencing*

A frequent criticism of judicial sentencing practice is that existing sentences handed down by the courts are not severe enough to provide an adequate deterrent or to take serious offenders out of circulation for long periods. Particular concern was expressed in submissions to the Royal Commission at the level of sentencing in relation to violent and sexual crimes. Although those concerns are clearly real and widespread, we do not think that they justify or require a more punitive sentencing policy.

In the first place, it is questionable whether the courts are in fact out of step with public opinion in their sentencing practice. Recent surveys of public opinion in Canada, England and Wales, and Australia (Doob and Roberts, 1983; Hough *et al*, 1987; Walker *et al*, 1987) have all shown that, while the majority of the public think that the courts are too lenient, the sentences which they believe to be appropriate in individual cases, when the full facts are known to them, are roughly in line with sentencing practice. In other words, the perception of judicial leniency is, at least in part, due to ignorance and misunderstanding. We suspect that some of the concerns expressed to the Royal Commission about lenient sentencing are of the same order. This points to the need to make greater efforts to adequately inform the public of current sentencing practice. In the meantime, policymakers ought to be very cautious about responding to calls for a tougher penal policy, when these are probably based to some extent upon misinformation.

Secondly, most of the criticisms of current sentencing are based upon the fundamental misconception that the volume of crime will be significantly reduced by harsher sentencing. This is mere wishful thinking. The available research, and indeed common sense, indicate that most offenders, including the vast majority of violent and sexual offenders, are unlikely to be deterred by the use of imprisonment rather than other sanctions or by the use of longer rather than shorter prison terms. The fact is that most offenders do not rationally weigh up the long-term costs and benefits of their



actions by reference to the risk of detection, conviction and punishment. Even if they did, it would be unduly optimistic to believe that a violent or sexual offender who is not deterred by a three year prison sentence would have been deterred by, say, the prospect of a six year sentence.

There are also difficulties with the belief that longer prison sentences will provide greater protection to the public by taking offenders out of circulation. The problem is that among almost any group convicted of serious offences at a particular time (even when they have previous convictions), a majority will not commit further serious offences. Moreover, at present we do not have the ability to predict accurately who will. Hence, if judges or anyone else attempt to identify particular individuals who present a high risk of serious re-offending, they will usually make more mistaken judgments than correct ones. Individuals will end up being detained for longer periods than would have been necessary on other grounds, when in the event they would not have committed further serious crime.

This is not to deny, of course, that if longer prison sentences were imposed on *all* serious offenders, *some* further serious offences would be prevented. However, that would be achieved at major financial cost and would divert substantial resources from other social services which in the long term are likely to be more effective in ensuring social wellbeing and harmony. In the process, the wrong group of offenders (those against whom we do not need further protection) would frequently be targeted and individual justice would be sacrificed. In short, the costs of imposing longer prison sentences against serious offenders for the protection of the public would outweigh the benefits.

It might be that, with further research on criminal careers and the development and careful use of actuarial and individualised data on offenders, a sentencing regime which allowed the use of imprisonment for preventive purposes would be justified. (For a proposed regime of this sort, see Floud and Young, 1981.) However, this would apply to only a very small group of offenders and would make little difference to the overall volume of serious crime.

The plain fact is that the police and the courts cannot solve the problem of crime for the community. Their failure in that respect does not show that they are inefficient or ineffective, but only that the community has unrealistic expectations of them.



Of course, since one of the objectives of the system is to impose appropriate punishment upon offenders, it is still necessary that offenders receive the punishment which they deserve in order to express social disapproval or abhorrence of their offending. While this may not affect the volume of crime in the short term, it does have an indispensable role in the maintenance and reinforcement of social values. However, our own view is that the existing punishments imposed by the courts, far from being too lenient, in fact often go further than is necessary to achieve this end. In particular, we believe that there is undue reliance upon the sanction of imprisonment and that when imprisonment is imposed, longer terms than necessary are selected. We have pointed out the adverse consequences of this for Maori and Pacific Islanders. To some extent, however, the same point may be made about all offenders: unnecessarily severe punishments may embitter or fundamentally alienate offenders and their families. In addition, they are economically and socially very costly.

We have already advocated a more selective prosecution policy and the greater use of diversionary strategies as one means of reducing the reliance upon formal sanctions, especially imprisonment. Even when formal court proceedings are taken, however, the essential purposes of punishment can in our view be achieved more cheaply and efficiently than at present by the use of shorter prison terms and by the greater use of sanctions which are implemented within the local community and involve the participation of community agencies, tribal authorities and so on. After all, other jurisdictions such as the Netherlands and Scandinavian countries survive very well on much lower levels of punishment than those imposed in our system, without any evident breakdown in law and order or respect for the rule of law. Moreover, as the Ministerial Committee of Inquiry into Violence (1987) said, excessive punishment disregards 'the principles of basic human dignity which are the marks of a civilised society'.

In recent years the Government has been concerned about the size of the prison population and consequent prison overcrowding and has thus had a policy of encouraging the use of community-based sanctions. For example, the Criminal Justice Act 1985 introduced the sentence of community care; it increased the remission period for prison sentences; and it enabled prisoners to be released on parole after half their sentence had been served, often on condition that they undergo an educational or rehabilitative programme



or be placed in the care of an individual or culturally appropriate community group.

These reforms, however, do not seem to have had the intended effect of reducing the use of imprisonment. In fact, the prison population has risen to a higher level than it was before the 1985 Act came into force, and prison overcrowding has again become a major problem. Although research is required into the reasons for the apparent failure of the 1985 Act in this respect, our own impression is that there are at least three reasons why the courts have continued to place undue reliance upon the sanction of imprisonment.

First, over the last two years government policy itself has not always been consistent with the philosophy underlying the 1985 Act. In particular, the Government's response to the perceived public concern about violent crime during 1986 and 1987 largely took the form of a series of legislative measures designed to increase the reliance upon imprisonment for certain sorts of offences. These measures purported to be consistent with previous policy, since they relied upon the distinction drawn in the 1985 Act between serious violent and sexual offences, for which long terms of imprisonment should be given, and other offences, for which non-custodial sanctions should be used. The difficulty is that this distinction is arbitrary and impracticable and has undoubtedly undermined the general intent of the 1985 Act. In our view, the only effective way of reducing the reliance upon imprisonment is to reduce the levels of punishment for all offences.

These contradictions or inconsistencies in penal policy which have become increasingly evident over the last two or three years are in fact a reflection of a more fundamental and long-standing problem. Criminal justice policy is frequently formulated against a backdrop of perceived public concern about crime; and far too often politicians from all political parties cynically exploit law and order as a vote-catching issue without regard for the principles or realities involved. The result is a costly and inconsistent policy which fails to achieve its objectives and leads to unrealistic public expectations. It is for this reason that the New Zealand Prisoners' Aid and Rehabilitation Society, in its submission to the Royal Commission, advocated the establishment of a permanent Criminal Justice Commission to recommend policy changes in this area and to ensure some overall coherence in its direction. We doubt



the value of this: ultimately policy decisions must be made by politicians, and the creation of a bureaucratic structure with a similar function to existing government departments would not in itself be likely to alter the nature of those decisions. At the most, it would merely provide a more coherent framework for *recommendations* to Government, which at present come from a variety of departments such as Justice, Police and Social Welfare and may conflict with each other. The impact which that would have on political behaviour is questionable. Nevertheless, the fact remains that unless penal policy ceases to be the subject of piecemeal changes according to the vagaries of media comment and expressed public concern about crime, a more realistic, less costly and more relevant approach to sentencing is unlikely to be achieved.

A second possible reason for the failure of recent policy is that, under the existing sentencing structure, the Government has few means of ensuring that its policy is implemented as intended, because judges have a wide discretion in sentencing and few legislative or executive controls upon the way in which that discretion is exercised. In our view, if government policy in the sentencing area is to become coherent and predictable, judicial discretion in sentencing must be subject to more controls and guidelines. In recent years a number of overseas jurisdictions have been exploring ways of achieving this end, either through the development of numerical sentencing guidelines by legislation or by sentencing commissions, or through the more detailed specification of sentencing principles. The Australian Law Reform Commission (1987a) has recently investigated how such guidelines might be developed in the Australian context. We would urge that a similar investigation be undertaken in New Zealand.

Finally, while community involvement in penal policy is being encouraged, this has not always been matched by the provision of adequate resources. Indeed, several submissions to the Royal Commission complained that the people in the community were being asked to offer services to offenders merely so that court orders could be administered on an unpaid basis. In our view, these complaints have some basis. A community-based penal policy must not involve handing over to the private sector and to non-statutory agencies a responsibility which properly belongs to the state. Rather, it must involve statutory and non-statutory agencies working together to administer sanctions and to provide services to offenders. This requires proper funding of non-statutory agencies



and it also requires the provision of adequate enforcement procedures. Otherwise community care will become community neglect and community-based sanctions will lose their credibility and hence community and judicial support.

There is one other problem with the development of community-based sanctions which has not always been adequately addressed. This concerns the fact that the concept of 'community' is itself problematic. Within any geographical boundary, there will usually be a variety of groups who differ in their cohesion, their interests and their ethnicity or culture. It is not enough, therefore, for community-based sanctions to be implemented in the area in which the offender resides. Where the implementation of such sanctions entails the involvement of community groups and agencies, it is essential that the offender be able to identify with these groups and agencies. As we suggested in relation to diversionary strategies, the offender is then likely to respond more positively to the sanctions, since they will be regarded as more relevant and appropriate.

## 6 *Victims*

The plight of victims of crime has been receiving increasing attention in all Western countries over the last 15 years. New Zealand has been no exception. There has been a slow but steady growth in victim support services. More recently, there has been some degree of legislative recognition of the needs of victims. For example, the Criminal Justice Act 1985 has improved the procedure for awarding reparation to victims; the Rape Law Reform Act 1985 has improved court procedures for sexual assault victims; and the Victims of Offences Act 1987 has required that victim impact statements be provided to judges on sentencing and has established a Victims Task Force to consider ways in which the criminal justice process might better cater for victims.

Despite these recent developments, many submissions to the Royal Commission called for a greater emphasis upon victims, and some argued that the system should give priority to the rights of victims rather than the rights of offenders. We agree that it is essential that victims' needs should be taken into account in the criminal justice process. It must be recognised, however, that such needs cannot always take precedence. The state, in dealing with criminal offenders, is not simply taking action on behalf of victims.



It is also acting in the wider public interest, which will not always coincide with the interests of the victim. In particular, its primary functions are to determine guilt and innocence and impose appropriate sanctions upon convicted offenders. The needs of victims can be satisfied and their rights upheld only to the extent that this is consistent with these primary functions.

Since the Victims Task Force has been entrusted with the task of making recommendations as to appropriate policy in this area, we ourselves have not attempted to provide a comprehensive set of principles or policy proposals. However, there are three issues raised by submissions to the Royal Commission upon which comment should be made.

First, much concern was expressed at the perceived inadequacies in government funding of victim support services. Although the level of funding of organisations such as HELP centres, rape crisis centres and women's refuge centres has significantly improved in recent years, we believe that it is still insufficient. It has to be acknowledged, of course, that it is unrealistic to expect the Government to provide full funding of all support services for victims. Such services must operate as a partnership between the state and the voluntary sector. Nevertheless, the funding from central Government must be sufficient to encourage the creation and maintenance of such services. We doubt that the present level of funding provides that encouragement. Many services struggle to survive, and spend an inordinate amount of their time, energy and resources in fund-raising activities.

Second, particular concern was expressed in submissions about a group of victims whose needs have until now frequently gone unmet—physically and sexually abused children, especially victims of incest. The Children and Young Persons Bill, currently before Parliament, is a reflection of recent attempts to institute a more co-ordinated strategy for preventing, identifying and responding to child abuse and neglect. Since that Bill is undergoing a fundamental revision at the select committee stage, its final structure is unknown. However, it will hopefully result in the provision of more comprehensive and more culturally appropriate assistance to children and families at risk, and will provide a clear structure for state intervention in the interests of abused children. In addition, we hope that the Victims Task Force will be able to identify ways of improving police and court procedures for such victims—for



example, through the use of videotaped evidence to reduce court trauma.

Third, a number of groups involved in providing support services for victims of sexual assault have stressed that the pain and suffering of such victims should be recognised by way of adequate compensation, whether or not they suffer direct physical injury. However, if the Government implements the Royal Commission's proposal (in the *Working Papers on Income Maintenance and Taxation*) that lump sum payments under the accident compensation scheme be abolished, this will remove the main source of existing compensation. It is true that the Criminal Justice Amendment Act (No. 4) 1987 empowers the court to impose a sentence of reparation in favour of the victim where there is emotional harm. However, in cases of rape, sexual violation and other serious violence, the offender will usually receive a fairly lengthy prison sentence, making a sentence of reparation unrealistic. Even if lump sum payments for pain and suffering are no longer to be generally available, therefore, there may well be a case for their retention in the case of victims of violent offences.

## Matrimonial Property

### 7 Introduction

One specific area of concern with the formal justice system lies with the legislation governing property relations between spouses once a marriage has ended. The principles and functioning of the Matrimonial Property Act 1976 are centred on the need to achieve a form of equality between men and women. In essence equality was sought by the Act in order to ensure that women received full recognition for their non-paid work within a marriage. However, submissions to the Royal Commission have highlighted ongoing problems associated with the Act. There is a perceived lack of equality of outcome and a consequent sense of injustice to women and to the children of a marriage relationship. Because the nature of these problems is central to the Commission's terms of reference, we considered that the Act warranted specific consideration within the area of justice.

The Matrimonial Property Act 1976 attempted to:



recognise the equal contribution of husband and wife to the marriage partnership; to provide for a just division of matrimonial property . . . while taking account of the interests of any children.

Although these words from the Long Title to the Act state a laudable aim, that aim is not matched by the reality of the economic consequences of divorce. The Act's provision for an equal re-allocation of existing assets at the time of separation, has failed to produce true equality between the sexes. It is our view that women, and consequently children, are economically handicapped by marriage breakdown, or the breakdown of a *de facto* relationship. We have therefore attempted to formulate a set of principles which will promote equality and justice in real terms.

## 8 *Problems with the Matrimonial Property Act 1976*

### *The Inequality of Equal Division*

It is only at a superficial level that the Act has achieved a form of equality between the spouses after marriage breakdown. (The Act as yet has no application to the breakdown of *de facto* relationships.) All matrimonial assets, and for most couples this is substantially only the family home and chattels, are divided equally after separation. The re-allocation of property under this scheme has been perceived by the majority of submissions on the Act to the Royal Commission, as giving rise to severe injustice. One of the major injustices highlighted by the submissions, is the actual result achieved by the equal division of assets. That result for many wives, and particularly those with children, has been one of deprivation. An equal division of the family assets has been unable to give both the husband and wife an equal springboard from which to begin their new and separate lives. Receipt of half of the equity in the home fails to place women in an equal position to that of their ex-husbands. For in real terms the home, often heavily mortgaged, does not represent the most valuable asset of the marriage. The home is not an asset which can facilitate the maintenance of living standards and quality of life. Instead, the assets which have this future impact are more likely to be an income-earning job and the ongoing career prospects that flow from that job. A career and its related benefits and prospects are the assets which have most impact for an individual's future economic wellbeing. In New



Zealand society that job and its associated prospects are more likely to belong to the husband than to the wife.

While a significant number of married women are now employed full-time in the labour force, such participation does not generally give them economic independence or financial equality. For the typical life pattern of a married woman appears to have three distinct phases: employment, full-time domesticity, then employment again, possibly on a part-time basis. For many wives periods of gainful employment are interspersed with child-rearing, or alternatively the gainful employment is delayed for some years. An interrupted or delayed working life for married women results in a failure to reach their career potential and consequently their full, or even a viable, economic potential. Women in the paid work force generally receive lower wages than men, while at the same time typically carrying the child-care and domestic burden for the family. The traditional role of the woman as housewife and primary care-giver is still the social norm. Consequently in career and earnings potential as well as actual earnings, the wife is disadvantaged by the occupational demands of marriage and the family welfare. Many submissions have pointed to the economic dependency created for women when they fulfil these demands arising from the marriage. The loss of, or failure to gain, a career and its related prospects is not compensable by an equal division of assets at separation. After all, the marital assets are simply the tangible result of the joint collaborative efforts of the marriage partnership. The most vital asset of the marriage, the job itself, is not part of the divisible property. Instead, it generally remains intact and probably enhanced in the hands of the husband alone.

An acute illustration of the injustice of dividing property when the job is the most significant asset of the marriage is the case of a wife who has financially supported the husband while he acquired a professional degree. After separation the assets may be few, but the husband's earning potential great. The present Act is neither able to compensate the wife for her actual loss or her loss of future expectations, nor is it able to attack any future earnings of the husband. For the wife, and usually the children, the prospect of a reduced standard of living, unless remarriage occurs, is the usual economic outcome of divorce.



## 9 *The Economic Consequences of Marriage Breakdown*

There is, at present, no research in New Zealand which documents precisely the general economic consequences of marriage breakdown. However California, the United Kingdom and Australia (Weitzman, 1985; Eekelaar and McLean, 1986; McDonald, 1986) have all carried out extensive research in this area and it would be surprising indeed if their very distinctive findings were not equally applicable to New Zealand. The data collated in each of these jurisdictions have confirmed the prevailing view that women, and particularly those with children, suffer a severe decline in living standards after marriage breakdown.

The Australian study demonstrated that following marriage breakdown wives were considerably disadvantaged in terms of their income earning potential. The disadvantage sprang from the disruption to work participation caused by the bearing and rearing of children. In the majority of cases women continued their day to day responsibility for children after separation, and consequently the economic disadvantage continued. However women living alone after separation, as well as female headed sole parent families, suffered a major drop in income level and living standards. The study concluded that when a man was living alone after separation his income level was enhanced by about \$72.00 per week. However the average income level of a woman with children was reduced by \$86.00 per week. McDonald (1986) has commented that with or without children, women were 'at great risk of dropping into poverty'. Similarly the Californian study (Weitzman, 1985) found that divorced women and their children suffered a substantial drop in their living standards while their ex-husbands experienced an enhanced standard. The Californian law of equal sharing was found to be ignoring the economic inequalities between men and women, particularly when the women had been home makers for many years.

## 10 *Housing and the Matrimonial Property Act*

The disparity in living standards between men and women after marriage breakdown is reflected most vividly in housing difficulties. Many submissions from women focused on the inequality of result arising from a division of assets, and referred specifically to



subsequent housing problems. The problems ranged from older women unable to rehouse themselves after thirty years out of the work force, to mothers forced to move their children away from an area they have known all their lives. Loss of career and good income opportunities, a general lack of work experience, and consequently a low income or state benefit have all contributed to post-separation housing difficulties for women. This resulting lack of access to financial resources has been a major disadvantage whether attempting to purchase a smaller home or seeking to maintain the mortgage on the existing family home.

## 11 *Housing and the Needs of Children*

Housing difficulties for women mean difficulties for children. Women are most likely to have custody of their children after separation, and so their housing needs include the needs of their children. A child's standard of living will depend far more on the home his or her custodial parent can provide than on additional maintenance. Consequently children will take their standard of living from their mother.

In 1983, the Matrimonial Property Act was amended by the insertion of s 28A. This new section directed the Court to

have particular regard to the need to provide a home for any minor dependent child of the marriage and also have regard to all other relevant circumstances'

The amendment was an attempt to reduce the disruptive impact of divorce on children by recognising their need to stay in the familiar surroundings of their own home. The Court was required to be mindful of s 28A when determining whether to grant an occupation order. Theoretically the needs of children were catered for.

However s 28A has not resolved the problem of children being forced to leave their family home. Recognising the needs of children and their custodial parent by granting occupation of the family home still conflicts with the other parent's right to realise capital from the home. The demand for immediate satisfaction of those property rights by either a sale of the home, or purchase of the other spouse's share has been compelled by the principle of 'the clean break'.



## 12 *The Clean Break Principle*

This principle has sprung from the view that spouses should settle their financial and property problems in order to

put the past behind them and to begin a new life which is not overshadowed by the relationship which has broken down

(Lord Scarman in *Minton v Minton* [1979] AC 593)

The desirability of finality and a fresh start has guided judicial application of the Act. At separation there is the dilemma of whether to split the proceeds of the family home in accordance with the clean break principle, or grant an occupation order to the custodial parent, thereby denying one spouse immediate access to his or her property rights. In general the courts have favoured the former approach. Even s 28A has not detracted from the perceived virtues of the clean break. As a rule of thumb house sales have continued to be ordered and the clean break thus adhered to, if the resulting equity for each party is considered sufficient to provide alternative accommodation. The courts have regarded private rental accommodation as an adequate enough alternative for children, to justify a sale of the family home.

Failure to secure an occupation order, or alternatively purchase the other spouse's share in the home, means that the custodial parent must move the children from their home. Such a move may require not only a change of schools, but the loss of friends and familiarity. Research by Davey and Gray (1985) has shown that even where an occupation order has been granted, its length will usually be about three years regardless of the ages of the children. When the mother and children finally leave the family home, according to Johnston and Johnston (1985) they will invariably suffer 'a drastic drop in their standard of housing'.

## 13 *Housing Options for Women*

After marriage breakdown a woman's housing options are effectively circumscribed by impediments arising from the marriage. The chance of buying out the other spouse's share of the home arises far more readily for men than women 'because of their generally higher incomes and better access to finance' (Davey and Gray, 1985). Even if the wife is able to stay in the home under an occupation order her financial difficulties are not at an end. She will generally have to cope with high outgoings on the mortgage, rates, insurance and maintenance. Alternatively if the home is sold and



the woman receives half of the equity, the sum may be insufficient, even coupled with recourse to borrowing, to fund her into a smaller house of a lower standard. Even if she does manage to buy a house it may not be suitable, particularly for teenage children, and again her limited income is likely to be absorbed by house maintenance and mortgage expenses. The resulting lowered standard of living will have an impact on the children and their chance of pursuing former hobbies and interests. Where women can neither re-finance their family home, nor purchase another property, they may be forced to rent in the private sector. This entails high rents, no realisable capital, and relative insecurity to a person accustomed to home ownership. Additionally a high rent makes saving for a future home almost impossible, and state housing will only be available under limited circumstances. For many women and their children, remarriage offers the only prospect of relief from financial and housing inadequacies.

## 14 *Principles for the Future*

### *To Achieve an Equality of Result*

It is our view that the form of property re-allocation between husband and wife after marriage breakdown should attempt to achieve an equality of result between the two. The concept of equality in the present Act is confined to a division of tangible assets. It is not generally compatible with the provision of equality of living standards after separation. A principle of equality of result would look to the future and attempt to ensure that both spouses had equal ability to attain a reasonable standard of living. To achieve an equality of result by means of a property adjustment will generally involve an element of compensation for the spouse who has sacrificed economic advancement in the interest of the marriage and children. Thus an unequal division of assets will generally be necessary to ensure that both spouses have equal ability to attain a reasonable standard of living in the future.

### *To Focus on Future Circumstances*

A principle of equality of result as opposed to an equality of assets division will, by definition, focus on post-separation circumstances, as well as past contributions. The existing scheme of division reflects the partnership nature of marriage and is concerned solely with the period of time during which the marriage subsisted.



However, an equality of result principle would look to the future needs of the spouses, rather than being confined to what has gone before.

If the spouses are to begin their new and separate lives with a broadly equal ability to achieve a reasonable standard of living then a certain predicative accuracy is necessary with respect to the wife. Her future needs, particularly if she has custody of the children, and her likely future economic achievements, must be taken into account when re-allocating property. Adjusting shares in property to accommodate the future circumstances involves an element of compensation for past economic losses. Recompense for marriage-related economic disabilities coupled with an assessment of future needs must be combined in order to achieve an equality of result.

Any proposals for legislative reform in order to achieve an equality of future living standards for the husband and wife can only be hinted at here. However, the approach of the Australian Law Reform Commission (1987b) is a valuable option for reform, in that it attempts to address the problems outlined by the present paper. The Australian proposal would enable the court to adhere to an equal sharing of assets' scheme as a starting point, but depart from that equality if the circumstances demanded it. The proposal recommends further adjustment after equal sharing if one spouse's ability to attain a future standard of living comparable to that of the other spouse had been impeded by marriage-related factors such as child-care. A greater share of the assets could then be awarded to that spouse. Such an adjustment could provide compensation for loss of earnings potential as well as a provision for future needs. However, as already noted by one writer (Ashor, 1987) such a scheme would rely heavily on judicial discretion. The present New Zealand Act was intended to limit the scope of such discretion in order to remedy previous uncertainties. A return to reliance on a judicial sense of the justice of things could once again create variance and uncertainty. A method of attaining equality by property adjustment without resort to broad judicial discretion is desirable.

A further option for reform which focuses on establishing future living standards is the classification of income-earning capacity as matrimonial property. Enabling a wife, for example, to share in her ex-husband's future income is a further method of achieving an equality of result, and compensation for her own past economic losses.



### *To Maintain the Children's Living Standards*

Any future disparities in the living standards reasonably attainable by the spouses will have an impact on the wellbeing of the children of the marriage. In the first place, disparity in the living standards reasonably attainable will arise from the fact that the wife has usually carried most of the responsibilities of child-care during the marriage. Subsequently, that disparity will be ongoing for the mother if she has custody of the children. Her future needs will be inseparable from those of the children, and in our view any property adjustment which will serve to remedy the imbalance between the spouses will generate a flow on effect to the children. However, it is our view that the living standards of the children themselves should receive major consideration under the Act. Child maintenance will not normally have a marked impact on the child's standard of living. Rather, that standard of living will be derived from the home. Re-allocation of property, as opposed to maintenance payments, will determine the standard of a child's home and thus his or her standard of living. In our view, the achievement of realistically attainable and secure living standards for the children of the marriage must flow from the Matrimonial Property Act. The Royal Commission's terms of reference identified a commitment to children as one of the foundations of our society. This commitment was further emphasised by the Working Papers on Income Maintenance and Taxation. The need 'to ensure the wellbeing and healthy development of all children' is one of the three objectives of income redistribution which, the Commission stated, should guide future social policies. In our view that objective must become a prime consideration under the Matrimonial Property Act.

### *To Abandon the Clean Break Principle*

To achieve the principles set out in this paper the problem posed by judicial adherence to the clean break principle must be resolved. That principle has dominated attitudes towards the form of division under the Act. It has not only had a restrictive impact on the scope and practical effect of the Act but is out of line with the general tenor of family law in New Zealand today. The ongoing nature of parenthood is stressed by the conciliation principles of the Family Proceedings Act 1980, yet in an area as vitally important to the child's wellbeing as the home he or she lives in, the idea of finality and the severance of ties has dominated.



In our view the clean break principle must be abandoned. The principle has no realistic application where there are dependent children to be housed and maintained at a consistent level. Likewise it has no fair and just application when an equally attainable level of living standard is sought for each spouse.

*To Ensure that Equality of Result and the Maintenance of Childrens' Living Standards Supersede the Satisfaction of Property Rights*

The clean break principle has the effect of ensuring that each spouse receives their legitimate property interests soon after the marriage breakdown. It is a principle particularly suited to a statute which primarily involves property. The Matrimonial Property Act has been regarded as such a statute, yet it has a social impact on the lives of men, women and children which far outweighs its property ramifications. A statute, like the present Act, which determines the reallocation of property after marriage breakdown must be concerned with the welfare of the nuclear family in the broadest sense. Because the effect of the Act is so wide-ranging, its application must reflect the utmost concern with the social ramifications. To give effect to the principle of equality of result the Act must move away from its present prime concern with determining and satisfying property rights. Equality of result may require the delay or denial of one spouse's immediate rights under the Act. Achieving an equality of result between husband and wife should supersede the satisfaction of immediate property rights.

One of the major concerns voiced in the submissions was the harmful effect on children of a move away from their family home. Such a move is generally only necessary in order to satisfy the legitimate property expectations of the spouses. Yet if those property concerns were not the prime focus of the Act then more effective consideration could be given to the childrens' needs. The maintenance of childrens' living standards rests primarily on their continued occupation of their family home. Occupation of the home by the children and their custodial parent until the children are independent or an appropriate alternative home is acquired would help prevent children from suffering a severe decline in their living standards. However ensuring a consistency in childrens' living standards by keeping them in the home will frequently mean the denial of finance to the non-custodial spouse. That spouse in turn may require his or her interest in the home in



order to help support a second family. The thrust of family law today is to favour the second family at the expense of the first. Yet if childrens' living standards are to supersede property interest, a conflict will undoubtedly arise when a second family is constituted.

Notwithstanding such a conflict it is our view that the children of the marriage must have their living standard maintained. The achievement of that objective will generally require one spouse to forego an immediate property settlement. It will be unusual for a family to have sufficient financial resources to enable an equal result between husband and wife, coupled with ongoing provision for the children yet still advance the non-custodial parent his or her share in the equity of the home. Equality and childrens' living standards must prevail over the immediate division of assets.

In order to ensure such principles, there will need to be a greater readiness to grant occupation of the family home to the parent with the children. Mortgage and home maintenance expenses will need to be reviewed in the light of both spouses' ability to attain a reasonable standard of living. Additionally the length of an occupation order will need to be extended until either the children are independent or an equally suitable alternative home is acquired. Alternatively, if the family home is sold the shared capital may need to be distributed on an unequal basis to ensure that the wife as well as the husband can attain a reasonable standard of living. Such an adjustment would need to be made in the context of the custody arrangements for the children and their need for a consistent living standard,

## 15 *De Facto Marriages*

Lastly we endorse the promise made by the Minister of Justice in 1987 to give the reform of law relating to de facto marriage a high priority on the list of legislation for 1988. The law pertaining to the property interests of de facto spouses is in a state of disarray. Uncertainty and injustice abound; in the absence of agreement a woman who has contributed both domestic and child-care duties, yet has not contributed financially to the relationship, is unlikely to receive any property settlement at all. In our view, such women must have the same legal protection as married women.

However, there are major difficulties in formulating proposals for reform. Questions arise as to the definition of a de facto relationship, in terms of both its length and nature; whether or not the



definition should include homosexual partners; the balance to be struck between a de facto and a de jure spouse; and the over-riding issue of the state's role in imposing the legal obligations of marriage on those who have deliberately chosen an alternative form of relationship. Regardless of how these questions are resolved, any reform option, be it an extension of the Matrimonial Property Act or a separate legislative scheme, must ensure both equality between the sexes and the wellbeing of children.

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# PERSONAL SOCIAL SERVICES

Implications of the Principles  
of Social Provision

John Cody





# Personal Social Services

## *Implications of the Principles of Social Provision*

John Cody

### *Introduction*

The Royal Commission on Social Policy has set out its general position on social services in the chapter 'Social Provision: Access and Delivery' in Volume II. This paper discusses some implications of the Commission's approach for the personal social services.

The Commission has placed great emphasis on supporting existing social groups so they can provide care, and on establishing a way for users to shape the kind of services they receive. The personal social services provide a useful test for these principles because the users of these services are often described as living in relatively unsupportive social networks and being in a powerless position when they are seeking services.

The comments made in this paper are based on the conclusion that the Commission has identified principles which consolidate current opinion on changes required in the personal, family and community services. The emphasis given to the rights of users and the importance of existing social structures addresses fundamental issues and takes the focus away from secondary questions such as the role of professionals, organisational structures, and methods of intervention. However, the application of the principles implies some basic changes in the way decisions are made in relation to every aspect of service delivery: practice, management and policy.

The main difficulty with the Commission's position is that there is no indication how the changes will be introduced and sustained. If the Commission is unable to ensure that the process it has begun continues, we face the prospect of some reorganisation of existing services, without a means for continuing the discussion or changing the nature of the relationships between those who provide social care.

The first sections of this paper indicate some of the Commission's conclusions on aspects of social provision. There is then a



description of the personal social services to identify the field under discussion and some of the reasons why personal social services provide a good test for the Commission's conclusions. Finally there is some speculation on how services could operate in a way which would be consistent with the principles of social provision and the views expressed in the submissions to the Commission.

### *The Royal Commission Position on Social Provision*

Social provision was the term used to cover all the means available to promote wellbeing and meet social need. The core of the Commission's position was an assertion of 4 principles; choice, adaptability and flexibility, co-ordination, and accountability. (Refer to *Social Provision: Access and Delivery*, in Volume II.) When applied to personal social services the most significant changes seemed to be:

- The empowerment of people to exercise choice and negotiate for the resources they require.
- Increased adaptability and flexibility through the application of the principle of subsidiarity (see below), including the transfer of resources and responsibility from the state to the smallest possible group capable of providing direct care.
- Co-ordination at the point of service delivery.
- Accountability on the basis of agreements between those directly involved, with particular emphasis on the level of satisfaction among those who use services. (For the purposes of this discussion funders are considered providers of indirect services.)

The description of 'subsidiarity' used by the Commission was:

No organisation should be bigger than necessary, and nothing should be done by a larger and higher social unit that can be done effectively by a lower and smaller unit.

(derived from Andrew Greely 'No Bigger Than Necessary', *Meridian*, 1977)

This emphasises the role of 'intermediate bodies', particularly those which are already a part of the social structure, for example, families and kinship networks, and voluntary associations of all kinds. It also acknowledges that informal care givers have a claim on the resources of more formal and powerful agencies.

The main limit on the application of this principle seems to be the principle of individual choice, which allows users to decide

with which groups they will associate and thereby obtain access to resources.

The selection of those principles suggest a movement:

- from providers being the final arbiters of how needs will be met towards assessments which have been agreed on between all the parties,
- from a centralised policy making process drawing on consumer consultation towards decision made in negotiation between the parties at the appropriate level, preferably at the point of service delivery,
- from users relying on appeals to higher authority within provider organisations towards ways of dealing directly with persistent disagreements, using mediation and arbitration if necessary,
- from rationalised and unified services which seek organisational efficiency towards agencies and resource groups which reflect the social settings in which people live and contribute to efficient social provision within society as a whole, and
- from monitoring services through management controls in agencies towards improved, shared information on the performance of services, particularly on client satisfaction.

If this is an accurate reflection of the line of development the Commission was promoting, then the state has a dual role; as the guarantor of the integrity of the decision making process and as the main agent for allocating resources. There is a tension between these roles, particularly when decisions are disputed. The Commission has taken a position on the state's role in resource allocation which is summarised in the next section. The first issue has not been dealt with directly and is taken up again at the end of this paper.

### *Roles and Responsibilities of the State*

The Commission concluded that the state is the expression of collective responsibility. It is the only agency which is able to deal with the whole range of social need, can get and enforce minimum standards of care, can distribute resources equitably, and can guarantee that services will be available. Therefore the state has the principal role in partnerships with others involved in social provision.



The Commission noted that one feature of the public submissions was that people frequently made a distinction between positive 'claims' which would and should be made on the state, and more negative descriptions of government agencies as an impediment to realising those 'claims'.

The Commission concluded that the state should provide those services which were uniform and 'delivered in the same manner in response to the same problems throughout the country. For other services state provision may be inappropriate if it neglects important variations and, in overlooking this diversity, creates unresponsive services which do not meet the needs for which they were intended' (refer to the paper *Social Provision: Access and Delivery*, in Volume II).

Voluntary Agencies, kin and communities are to have as their primary role 'discretionary provision', that is provision not concerned with the equitable distribution of resources.

### *The Organisation of the Social Services*

The Commission has not taken a position on the implications of these roles for the organisation of social services, although it decided there were grounds for reviewing the structure of some central government agencies, most of which provide personal social services. It recommends that there be a detailed investigation to consider the implications of establishing:

- A *Department of Community Services* responsible for all community social services currently administered by the Departments of Social Welfare, Health, Justice, Maori Affairs and Internal Affairs and the Accident Compensation and Housing Corporations. With the possible addition of functions from the Department of Labour, and
- A *Social Service Ministry* to co-ordinate, at least, community services, health and education.

The investigation was to occur in the context of a careful assessment of the roles of central and local government. At the time of writing there was no suggestion of changes in the organisation of services offered by regional health authorities or other regional or local government.

However, the chapter on social provision concluded by saying 'It is important that the (principles of social provision, among other things) remain central to debate and are not lost sight of due to



preoccupation with correcting current problems and reorganising administrative and procedural systems'. This paper attempts to follow that lead and it is assumed that the detailed investigation will have a great deal of ground to cover before conclusions are reached about organisational structures.

## *The Personal Social Services*

The personal social services are a major strategy for meeting social need. For the purposes of this discussion these services are treated as a single sector involving a wide range of groups and agencies.

The common factor is that the services are provided face to face and primarily intended to sustain or create a sense of individual self-worth or sound relationships within the groups in which people live—although that individual or group may not be where change is required. Generally this is done to offer protection, improve poor relationships or provide substitute or supplementary care.

It is, in principle, an intrusive form of service and impacts on fundamental values and behaviour. To be successful it requires good communication, the identification of common interests and mutual respect. In effect, these activities become a 'uniquely informal, negotiated approach to the provision of social welfare services.' (Bill Jordan, *Counselling, Advocacy and Negotiation* BJSW, 1987) The Commission's emphasis on respect for diverse values, informal care and negotiated decision making within the whole system of social provision could reduce some of the current tensions between agencies, practitioners and clients.

Workers in this field are located on the margin of a number of systems and include a range of occupational groups. Some provide these services as the core of their activities and others as a pre-requisite for effectively employing another set of skills. The first group includes institutional and domiciliary care givers, social workers, psychologists, community workers, counsellors and therapists. The second includes nurses, teachers, priests and home budgeters. A description of existing personal social services is included in another paper written for the Commission: *Current Systems of Social Provision in New Zealand: A Directory, Volume III*.

There are 3 main resources at issue in this type of service:

- (a) *Skill*. Certain abilities and attributes are required to relate to people for these purposes, and there is a range of views



on how competence should be defined, developed and deployed.

- (b) *Authority* to assess standards of care and behaviour, for example, determining whether or not a child is neglected.
- (c) *Finance*. Either directly or indirectly providing the means to obtaining care or support, say, home help or institutional care.

Personal social services are one point where the inadequacies of other social services become apparent. It is essential that personal social services are not used to compensate for inadequacies in income maintenance, health, education, housing or employment, or in related areas such as the courts and policing. On the other hand, when there is unmet need in these sectors the results can appear in the inappropriate use of personal social services. Consequently monitoring personal social services can give some indication of how other services are functioning.

If these distinctions between resources and service areas have validity it is as an aid to thinking about and organising responses to need. It cannot be overemphasised that people and their circumstances do not conform to these categorisations.

### *The Way Needs were Defined*

The extent to which the needs of particular groups have been met, for example families and elderly, are the subject of other papers.

However, it is noteworthy that criteria for assessing effectiveness relate primarily to fairness and user satisfaction. The Commission considered the following aspects critical to an assessment of programme effectiveness: client satisfaction, client relevance, client sensitivity, cultural sensitivity, availability, cost of service deliverers and client, effects on behaviour, responsiveness to change, client choice, and the adequacy of access to services' (refer to *Policy Development, Assessment and Monitoring* in Volume II).

This is a direct response to the consistent theme in the submissions in which people wanted to be able to influence services to meet their personal circumstances and conform with their values. The principles adopted by the Commission move towards a process of integrating what would otherwise be an unmanageable range of diverse and conflicting expectations.

Some submissions had pointed to the possibility of the Commission dealing with diversity and conflict by focusing on decision making processes. For example:

The Royal Commission should focus not on substance but on mechanisms for lay control of public policy, except where substantive suggestions are seen as absolutely necessary . . . . [The] Commission should reject all . . . frameworks and with them any aspiration to solve substantive problems in favour of developing effective participatory mechanisms for people to solve the problems themselves . . .

The basic question facing you is 'Who decides?' In my opinion if you answer that you have answered everything—if you do not answer that you have answered nothing.' (Pat Shannon, 95)

and:

There are . . . many ways in which conflicts can be resolved outside the traditional framework of the law. Negotiation and mediation are two such means. The Commission may wish to consider not only how well the system of settling disputes in the courts meets the test of fairness, but also whether new initiatives need to be taken to promote the fair resolution of conflict in a range of contexts.' (Department of Justice, 156)

### *Subsidiarity and Choice in Decisionmaking*

These principles together seem to bring possibilities for dealing in a coherent way with both individual and collective rights and responsibilities, and with the relationship between social service agencies and other social groups.

In general, the adoption of these principles would, it seems, create a clear entitlement for people:

- to receive services they consider appropriate.
- to choose to identify the social groups from which they will seek assistance and support.
- to individually or collectively require organisations or more influential groups to show that there is no smaller or less powerful body able to discharge their functions effectively.

### *Subsidiarity*

This a powerful principle. It provides a way of looking at how society is structured, and a basis on which those with power and authority can be called to account.

Subsidiarity is concerned with the rights and duties of public authority to intervene in social affairs. Among other things, the principle represents a belief that it is an injustice to transfer to a larger and higher collectivity functions which can be performed



and provided for by lesser and subordinate groups. One effect of this is an emphasis on creating and supporting 'intermediate' social groups which come between the individual and the state, and which are believed to make social life richer and more effective. When these groups are deficient or non-existent the state must be directly concerned with the welfare of the individual, but not in such a way as to destroy or absorb those groups by permanently taking over their function. (This description is based on an entry in the *New Catholic Encyclopaedia*. McGraw Hill, 1966.)

Central to this is the assumption that there are hierarchies of intermediate groups with which people identify and lie between them and the state. These groups include families, parishes, hapu, community groups and local social service agencies. Each of these may in turn relate to superior groups that guide their activities.

Those applying this principle will require a very fine appreciation of the social setting in which any service operates. The internal structures of authority within diverse social groups will need to be recognised and formal organisations will need to become fluent in identifying issues and dealing with them at an appropriate level.

For example the report *Puao-te-ata-tu* represents an attempt to create a more satisfactory basis for exchanges between the iwi and the Department of Social Welfare by making some changes to the organisation's structure, for example district executive committees, and practices, such as the eligibility criteria for some benefits. Introducing this principle takes the discussion a step further. The implications seem to include establishing a basis for the iwi to decide to operate independently with its share of the resources, and placing the onus on the department to establish that the iwi could not meet the needs of the people effectively. Or, if the iwi wished to work more closely with the department, the nature of the relationship would be negotiated at the appropriate level. For argument's sake, resource allocation could be the concern of the iwi and regional management, action to be taken when problems are identified could vary between hapu and the relevant district office staff, and matters specific to particular people could be dealt with by the whanau and a social worker.

Similarly, churches, unions, local government or comparable institutions could strengthen their role in providing welfare services for their constituents.

## Choice

The submissions were consulted to see if they gave an indication of how choices would be made. It was not possible to tell whether users of personal social services were adequately represented, and the emphasis on choice and satisfaction implies a substantial effort will be made to obtain information on whether current users are satisfied before new prescriptions for reform are drafted.

The people who responded to the Commission seldom used the term 'personal social services', but there was a great deal of discussion about the need to improve family and other personal relationships, to ensure that standards of care were met and that direct assistance was available to supplement or substitute for family care when necessary.

The submissions contained different perspectives on the most appropriate points of reference for social support and the values which should guide what was done. For example, some looked to the neighbourhood while others emphasised cultural communities; some relied on self-help collectives while others wanted disciplines imposed to preserve the nuclear family. However, people did not seek a range of options for themselves. They wanted responses appropriate to their own circumstances, not an opportunity to go shopping in a social services market.

Under these circumstances it seems likely that people may prefer to make key choices based on factors such as kinship, culture, religious affiliation, work, neighbourhood or common experience, depending on their perspective of social care.

## Perspectives

Quotations from the submissions have been used to illustrate the main perspectives. In fact many people drew on a range of points of view, and few discuss what choices they would make if there were demands being made by other groups for scarce resources. For these reasons it would be useful to continue the dialogue which began with the oral submissions to the Commission.

In general, views on appropriate services and social structures fell into the following groups: the iwi, women's interests, traditional family, community orientations, individual entitlement agencies, and professional contribution.



## *The Iwi*

Maori people consistently sought to establish their claims under the Treaty of Waitangi, strengthen their social identity, and obtain their share of resources to care for their own in partnership with the state. Examples of this kind of submission are:

This is the decade of the Ngai Tahu claim to the Waitangi Tribunal. It is also the decade when Pakeha people are being awakened to the implications of the Treaty of Waitangi. Ideas of rangatiratanga and power sharing structure our thinking . . . .

Important problems arise when 'Maori programmes' such as Maatua Whangai become regular policy. Often agreements and relationships are worked out and agreed on in a face to face situation. A fair and equal partnership seems to be in position with both sides offering appropriate resources. But when the programme is underway the practice and methods of the Pakeha system seep down through to dominate the policy, thereby affecting the Maori esteem.

At the start of the programme . . . it was accepted that whanau make decisions on where children will be placed—now we find home placements are being coded and placed on computers. We are having to justify the needs to meet the ends. (Ngai Tahu Social Policy Task Force 5329) and:

We see ourselves as working better with our own people because the racial barrier is not there. When Maori people talk to professionals, social workers, probation officers, immediately a barrier goes up because of the helper being European. If they are dealing with their own people the message is direct and clear.

(Quoted in *Nga Kohikohinga Mai* in *The Voice of the People*, Volume I of this report.)

## *Women's Interests*

Women's interests included those asserting womens' rights, and seeking to change womens' roles, to protect the victims of violence and obtain more resources for self-help and voluntary groups. Characteristic comment emphasised the following points:

There is an enormous disparity between the contribution of men and women in the social services . . . . Without the efforts of thousands of women in New Zealand, many voluntary agencies would cease to exist . . . The struggle to survive, for many voluntary agencies, is in part due to women returning to the work-force, due to hard economic times.

An increase in government funding is necessary . . . Women's refugees are at a crisis point, due to lack of funding . . . The thousands of women and children who benefit from the service, should have, as of right the best care and support available to them. (Whangarei Women's Refuge 3829)

and:

The fact that nationally, there are now 52 refuges and all are busy, mirrors that New Zealand is a violent society . . . There needs to be more accessible and free counselling services.

### *Traditional Family*

These interests sought state support for the protection of traditional family norms:

I would like to see our society return to Biblical principles as norms for behaviour and standards of justice . . . I would . . . like there to be more positive counselling for adoption . . . It could be presented as a positive thing to do to give you baby to a stable couple unable to have a family of their own. (2091)

and:

Pregnant girls under the age of 16 are encouraged to make far-reaching decisions about the future of their baby which they are generally not mature enough to make. Living with the decision is likely to become harder as the baby gets older . . . Babies who are the result of such under-age sexual activity should all therefore be made available for adoption at birth. (1956)

### *Community Orientation*

There was a range of approaches to fostering supportive communities. The main perspective were cultural and religious:

We call for a Samoan fale/malae to be built in South Auckland to service the cultural needs and provide appropriate social services for Samoan people under the guidance and participation of Samoan people themselves . . . Within the Fale/Malae . . . the services available through Health, Welfare, Labour, Education and Justice programmes may be co-ordinated and serviced to suit the needs of Samoan people.

(The Samoan community of Mangere, 5099).

and:

Social justice should permeate and inform the institutions and the entire life of the community. Every individual has the obligation of serving and enriching it . . . A Christian society recognises the importance of love and charity in the life of the community . . . . . Those who have the means are obliged by the duty of *social justice, love and charity* to assist the needy. They fulfill that duty as individuals, or as members of voluntary organisations carrying out works of community service, or in serving the state in its official or in office.

In the matter of charity the state has only a subsidiary function. Its intervention is required when voluntary charity is insufficient. In doing so it must not deprive private initiative of its adaptability and spontaneity.

(Roman Catholic Archdiocese of Wellington, 2541)



### *Individual Entitlements*

A concern to maintain entitlements for individuals to receive services provided directly by the state. For example, from the trade union movement:

We believe that social goods and services (including personal social services) are highly valued by New Zealanders, and that people need to be guaranteed access . . . at an affordable cost, regardless of personal situation. It is our view that the state is the only mechanism we have to ensure that delivery. The need for provision of services at good universal minimum standards also requires paid workers. For example, the essential needs of the frail elderly or the severely disabled living at home or in residential care are such that they cannot be left to the uncertainty of provision by volunteers, who by definition cannot and should not be expected to put their voluntary commitments before other commitments . . .

The desirability for some changes being made in existing services is noted, but it is also submitted that such changes

include the requirement of government to negotiate with interested parties on funding levels or preferred service options. Such a negotiation process would in our view enhance a co-operative, consensual form of decisionmaking, giving working people a greater feeling of participation. It seems to us that the most useful form would be in the Tripartite Wage Conference, which already has the legal responsibility to consider the social wage.

(FOL/CSU (3049), paras 4.5 and 7.5, pages 66 and 90–1)

### *Agencies*

Some large agencies discussed issues which arose from trying to adapt to the perspectives outlined above while retaining ultimate responsibility for standards of care and accountability for public funds. An example of this was:

Devolution in (the context of the bicultural policies of the Department of Social Welfare) means relinquishing to the iwi many of our functions with respect to Maori children and young people. It makes sense in terms of improving the lives of Maori youngsters as well as being—as it may well be—a valid expectation under the Treaty.

There are some caveats . . . Although we can assert the natural nurturing and control functions of whanau, hapu and iwi, the state must still stand as final guarantor of the health and safety of children. We can intrude a lot less but in the end we still need laws which sanction state intervention if all else fails to protect children's rights . . .

(Consequently) I would propose that we set as a goal the elimination as far as practicable of statutory intervention by the Department of Social Welfare and the devolution of the necessary powers of control upon the

iwi of New Zealand. The relationships with the state should be contractual: the government will provide the funds necessary to care for children at risk; the iwi will be accountable to the department for the use of these funds to ensure the welfare and safety of children . . . . .

What is good practice with respect to Maori children is also undoubtedly good practice for the children of other ethnic groups as well—including Pakeha.

(J. W. Grant, Director-General of the Department of Social Welfare)

### *Professional Contribution*

There were instances of people seeking more effective services, and some professionals indicating that these could be made more available:

Professionals with responsibility for the health, education, and general welfare of children in today's society are becoming increasingly frustrated by the apparent lack of effective resources available to ensure that children suffering from physical and emotional neglect in early and middle childhood receive the care they have a right to, and that society requires for its survival.

Too often such children are passed around from one agency to another without any satisfactory outcome. While action may be forthcoming in cases of serious abuse, this is usually too late to prevent long term consequences (2796)

and:

The children who are most at risk of becoming violent offenders can be identified from a relatively early age. They are the children who tend to be described by parents and teachers as 'unmanageable' or 'out-of-control' . . . They are children who are failing to acquire the internalised controls and the social skills which will be necessary for the successful transition to adult life . . . The real tragedy is that effective remedial programme for out-of-control children could be put in place for a tiny fraction of the money which we currently spend on the criminal justice system. (999)

### *Providing Services Under these Conditions*

The previous section identified some groups likely to be influential in a system of social provision which empowered people to exercise choice and negotiate for the resources they require. Under conditions of increased communication, face to face conflict resolution and more complex and varied responses to needs, the personal social services should thrive.

A change in management philosophy would be required to support a form of service delivery in which all service providers are



acknowledge to have roles in management and policy making. The nature of the change is illustrated below as a shift from administrative to negotiated resource management, which could be applied consistently whatever the size of the system. That is, with individuals, families, communities or national organisations.

TABLE 1: Some dimensions of the changes in management implied by the principles of social provision

	<i>Administrative</i>	<i>Negotiated</i>
<i>Choice</i>	Claims tested against policy; policy changed by political lobbying	Service to meet user's requirements, unless over-ruled in some form of arbitration
<i>Shared Responsibility</i>	Responsibility delegated or divested; retain ultimate responsibility for minimum standards	Equivalent parties meet as equals to plan and evaluate
<i>Subsidiarity</i>	Delegation to smaller units	Social structures of users identified; appropriate point of exchange between groups and agencies determined
<i>Flexibility</i>	Discretion within policy parameters	Common values and assumptions provide basis for variations in practice
<i>Adaptability</i>	New policies generated; resources reallocated	Changes proposed by users at all levels; constrained by interest of other users with a claim on the resources
<i>Accountability</i>	For efficiency and the viability of the organisation, and more recently effectiveness	Evaluation through debate; information on the total resource required

A process based on negotiation could institutionalise the concepts of partnership and shared responsibility. Without some change of this kind the position remains one in which resource providers retain the right of veto.

The essential features of negotiation are taken to be:

- the issues are dealt with by the parties, if necessary by arbitration, and
- higher authorities would generally limit their intervention to determining an equitable decision making process if the parties could not agree.

This would change the nature of the issues being referred to higher authorities and provide people with some assurance that they could test the credibility of their proposals if there is disagreement.

There are by definition limits to which this process can be prescribed because conventions vary between social groups. The common features would perhaps include identifying the parties and the appropriate level of representation, and obtaining agreement on the process to be used to produce a decision.

One approach which could help with both the preparation for and settlement of these questions is outlined by Peters and Marshall in their paper *Social Policy and the Move to Community: Practical Implications for Service Delivery* in Volume III of this report, which was accepted by the Commission. Peters and Marshall describe the preconditions for creating an 'ideal learning community'. The participants meet as equals with a willingness to examine the rules and interests which are influencing their behaviour, as well as the practical consequences for themselves in whatever is being considered. One assumption is that these are optimum conditions for learning and provide a base for the 'community' to share responsibility for the outcome. This may appear a long a costly process, however the costs need to be compared with the deep-seated grievances which have followed the misperceptions and unchallengeable decisions of agencies, families and others involved in this sector.

Although most changes to services for individuals and groups are likely to be small, uncontentious and dealt with by mutual agreement, the total resource relative to the need is limited. Sharing responsibility for resources will bring to the surface difficulties which have not had to be confronted directly to date.

The great strength of the Commission's position is that by emphasising the introduction of different processes there is no need for a blueprint of outcomes. Action can begin from where we are now and services that are giving satisfaction can continue undisturbed.



## *Monitoring*

The approach adopted by the Commission creates a structure of incentives which could lead to significant improvements in monitoring, based on improved information, resource management practices, and clarified roles and responsibilities.

Committed argument is more likely to draw out and test information than is management monitoring or research alone. Dissatisfaction will be the main motivation for seeking change and consequently evidence relating to levels of satisfaction will become important to all parties. The expectations that this will be accompanied by proposals for improvements will create a need for better information, freely available, on options for service delivery.

Arguments based on equity will require information to the use of the total resource. This will in turn require improvements in both planning and reporting so that it is possible to assess the impact of any proposed change on other groups. Under these conditions, if personal social services continue to be regarded as a sector, they will have to be accounted for as a single resource pool so that the relative contribution of all agencies can be assessed.

If personal social services were accounted for separately within the current host organisations, particularly government departments and health boards, their autonomy would be enhanced and this could remove some constraints on development, enhance co-ordination and allow more appropriate forms of organisation to emerge if required.

The clarification of roles and responsibilities begins with the role of the state.

## *The Dual Role of the State*

The Commission's position on the role of the State was summarised earlier in the paper. The Commission recognised that people see two roles for the State in social provision. Firstly, as a guarantor of their rights and entitlements and, secondly, as the main provider of resources. The first includes protection of cultures and the social consensus, and the second relates to the resource allocation decisions made by the government of the day. This distinction is more fundamental to maintaining standards in the personal social services than the funder-provider split which has received much attention of late.

Ministers and their departments have performed both roles simultaneously with decreasing success. Whenever there is a fundamental difference of opinion they become judge in their own cause. The effect of this is to erode the social consensus and to distort resource allocation decisions.

Given that personal social services intrude extensively into the cultures of this country, there may be a case for separating the responsibility for the decision making process from service delivery—in effect, to designate a guardian for the values inherent in the Commission's Terms of Reference and principles for social provision.

There is a direct reference to one solution to this dilemma in the Commission's paper *Policy Development, Assessment and Monitoring* where it says:

There is one further issue which impacts on representativeness, transparency and participation. It relates to the differences in Maori society between executive function and senatorial responsibility. Among all tribes at hapu and iwi levels, there are leaders whose skills are suited to addressing the many contemporary aspects of Maori development. There are also leaders upon whom the spirit and integrity of the tribe depend. The latter comprise the kaumatua group, the elders, and although they would not be expected to necessarily take an active role in all aspects of policy-making, their evaluation and support of a policy is crucial for its effective implementation.

A more widely recognised means of monitoring the legitimacy of decision making processes is required. One possibility is to look to the Auditor-General who already carries responsibility for the integrity of public sector management processes and reports directly to Parliament. In the social services the Social Welfare Commission could acquire a comparable role. Dealing with this issue may offer a more enduring and economical way of sustaining the system than controlling resource allocation through a mega-ministry.

## Conclusion

This paper has attempted to show that the Commission is advocating that some fundamental changes be made to some aspects of the personal social services. If this is true the role of the Commission needs to be taken up by some other body to ensure that the way any changes are introduced is also consistent with the principles of social provision. This implies re-presenting the Commission's



position to the people who shaped it, through the appropriate intermediate groups, so that the interests of the parties can be identified and negotiation can begin. Without that, what would have changed?

cause. The effect of this is to erode the social consensus.

Given that personal social services intrude extensively into the cultures of this country, there may be a case for separating the responsibility for the decision-making process from service delivery—in effect, to designate a guardian for the values inherent in the Commission's Terms of Reference and principles for social provision.

There is a direct reference to one solution to this dilemma in the Commission's paper Policy Development, Assessment and Monitoring where it says:

There is one further issue which impacts on responsiveness, transparency and participation. It relates to the differences in Maori society between executive function and senatorial responsibility. Among all tribes at paper and review levels, there are leaders whose skills are suited to addressing the many contemporary aspects of Maori development. There are also leaders upon whom the spirit and integrity of the tribe depend. The latter comprise the *haramata* group, the elders, and although they would not be expected to necessarily take an active role in all aspects of policy-making, their evaluation and support of a policy is critical for its effective implementation.

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ENERGY  
AND SOCIAL POLICY

Molly Melhuish





# Energy and Social Policy

## 1 Introduction

1.1 Energy policy is an integral part of social policy. Access to resources, a part of this Commission's terms of reference, involves energy and natural resources as well as financial resources. The impacts of development of energy and natural resources, likewise, affect the environment and the needs of future generations. These are major themes in submissions to this Commission.

One submission (3927), about 'environmental resources' which of course include energy resources, was so concise and yet so complete that it is quoted here in full. It forms an ideal preface to the paper which follows.

Dear Sir/Madam,

My submissions are concerned mainly with environmental factors. Social policy needs to ensure that

- environmental resources are managed on a basis that can be sustained through time so future generations can benefit;
- the quality of life is maintained through clean air and protecting natural beauty;
- recognising differences in cultural values.

Yours sincerely,

1.2 All submissions to this Commission covering energy have been read, and more information sought from some people. Reports on submissions to the Energy and Minerals Advisory Committee, to its predecessor the Energy Advisory Committee, and several other consultative exercises, have also been drawn upon for this paper.

Although submissions are not a voting process, the reports are significant tests of the balance of opinion on energy issues. These committees however have been criticised as being effectively a mouthpiece for the government (Environmental Council, 1983:8). Therefore at the end of this paper a survey of letters to newspapers on one controversial issue is presented.



Examples are chosen both for their illustrative value and for their impact on New Zealand society, the economy or the environment. Maui gas policy inevitably features, as those reasons led the writer to choose it as a 'test case' in energy resource management.

1.3 New Zealand's laws relating to energy, minerals and natural resources are now being totally reformed and amalgamated, and new laws are planned to be introduced by mid-1989. Accepting that the standards of a fair society include the public's right to Voice, Choice, and Safe Prospect (Royal Commission on Social Policy 1987a), the question of how the new laws provide for public participation in today's changed political and economic climate provides a major focus of this paper. The new market philosophy will be reflected both in deregulation of prices and in separation of the commercial interest in resource management from the national interest. The general intent is that new State-Owned Enterprises will work towards purely commercial objectives; the national interest will still be properly the arena of Government Ministers.

The framework drawn upon for discussing natural resource policy is one developed by Dr D. Bromley and being drawn upon by the Ministry for the Environment which is leading the review of the laws. It discusses management of environmental resources in terms of two types of decisions:

- about who has the prior right to a resource, and who has to buy out the person with that right;
- about how much decision-making should be left to the market, and what should be a matter for collective decision-making (Bromley, 1988:13).

The first choice is basically about what sort of world we want and what are fair entitlements to resources. The second is about efficiency in managing those resources and the cost of making mistakes.

1.4 Each section focuses on a separate issue identified in a preliminary session with one of the Commissioners as being of public interest. The original topics were: Is Energy Special? Resource Management and Conservation; Pricing; Control (the Legal Framework). These topics evolved into a coherent framework about energy and natural resource policy; first about objectives, then means of implementing, then what effects cannot be expressed in dollars; finally about control mechanisms and public participation.

## 2 Concerns about Energy: Is Energy Special?

2.1 The phrase in the terms of reference for the Commission, 'A fair distribution of the wealth and resources of the nation' includes all the nation's natural resources, including energy. Using resources wisely is of course the essence of 'safe prospect' for the future. This concern pervades many Maori submissions to this Commission, referring mostly to their management of the few resources still guaranteed to them, their fisheries in particular.

Most submissions to this Commission reflect a narrow view of 'access to national resources,' as financial resources. Thirty three, out of a total of nearly 6,000, were identified as including the topics energy or electricity. Most people directly interested in energy policy did not make submissions to this Commission.

Other submissions took a broad view of energy and natural resources as matters for social policy. We take the two types of view in turn.

### 2.2 *Energy as Social Welfare*

Availability of energy at an affordable cost is taken for granted by most people. But when energy costs or availability threaten to restrict people's enjoyment of what is accepted as a normal standard of living, energy is viewed as a matter of social welfare. Two types of situation were mentioned frequently in the submissions:

Freephone submissions indicated that the greatest concern about rising energy prices came from elderly people. Their main focus was the inadequacy of their benefits; they are squeezed between their fixed incomes and rising prices for essentials such as energy and doctors bills. Specific issues included the special need of elderly people for adequate warmth—it costs as much to heat a house for one person as for two.

The importance of energy bills in the budget of the unemployed is indicated by a submission which mentioned separately 'electric', bus fares, and heating within a single sheet from a small newsprint pad (0198). This was a graphic illustration of 'energy poverty'. People in the past have doubted that energy poverty is significant in New Zealand, but standards of living have fallen since that



opinion was commonplace, and further price rises are causing alarm, as mentioned in many submissions.

A second type of concern for energy as welfare comes from rural districts with high distribution costs. One rural power board has disconnected 153 consumers for non-payment(4770). Overdue payments have increased significantly since 1985 due to a combination of inflation and the deterioration of people's personal and economic situations (Atkinson, pers.comm). Three other rural electricity authorities (3087, 3995, 4782) spoke of problems of high electricity prices in their districts. Unemployed people as well as elderly people are facing problems paying energy bills.

## 2.3 *Energy as Social Policy*

2.3.1 One view of energy as social policy focuses on national development. A submission detailed the importance of electricity in rural areas—both for the farms themselves and the towns that service them (3995). No industrial energy users made submissions on the subject, but energy was developed specifically for industrial development over many years; food processing and the forest industries were the main growth sector in the 1970s when electricity supply was expanding at its maximum.

The development of energy-intensive industry for export and import substitution includes the Comalco smelter, the pulp and paper industry, and the gas-based major projects of the 1980s. The Department of Trade and Industry in a submission to the Royal Commission on Nuclear Power commented as early as 1976 (Department of Trade and Industry, 1976) on New Zealand's relative disadvantage in energy-intensive industry, compared with costs in competing countries such as the United States and Canada. Its main concern was the increasing cost of electricity from new power stations.

2.3.2 Several submissions to this Commission take a broader view again—one which also characterised many submissions to the Energy Advisory Committee. This view holds that sustainable management of all natural resources should be a key matter for social policy.

Land, water and people are our basic resources—there is plenty of potential but too little organisation. . . Small-scale energy systems were seen as having potential in Hokianga, since sun, water and wind are in abundance and there is local expertise (2359).

An essential social goal is to work towards a society which places sustainable demands upon its environment (4501).

I do not believe that the theory of the firm is an appropriate basis for achieving economic efficiency and improving social welfare. I believe the conceptual issues in natural resource economics . . . provide a fundamentally sound and appropriate base for economic and social policy (0578).

2.3.3 Concern for energy in a broad sense is indicated by the many public submissions on annual energy plans between 1980 and 1985, and on the discussion document 'Goals and Guidelines, an Energy Strategy for New Zealand' in 1978 (Hill et al, 1978). Each attracted about 50 submissions from a wide range of individuals and groups.

The Energy Advisory Committee's 'Review of the 1980 Energy Plan' reports (1981:10,8)

a widespread interest in and concern about energy conservation. In fact the comments on this represent a major portion of the contents of all submissions. . . One quarter of the submissions expressed views on energy pricing. . .

Also in 1985 'A Discussion Paper on Maui Gas Options' attracted over 300 submissions. Of those analysed, 160 were from individuals, 40 from commerce, industry and related organisations, 29 from territorial authorities or local bodies, 15 from energy distributors and similar organisations, 12 from environmental organisations, 10 from community and consumer groups and trade unions, and four from academic or professional bodies.

## 2.4 *Is Energy Special?*

This is being asked today by those people who are planning government restructuring. The question implies that the government should not necessarily have a significant role in energy policy. It suggests that the asker has nothing to prove. Today it is those who believe in energy policy who are asked to justify any government involvement. The Ministry of Energy commented in its submission (3132) that even 'regulating the access' of private companies to Crown-owned resources by means of a system of licensing is regarded as intervention, and is being questioned.

The need for New Zealand to have energy policies seemed self-evident up to now. Energy is essential for civilisation as we know it. Electricity and gas transmission are natural monopolies. Government is actually owner of almost all energy resources in the natural



state; it is therefore responsible for allocating them for development. Our largest energy reserves—coal and gas—are non-renewable, and hydro dams make permanent changes to rivers. Therefore any energy development inevitably affects future generations. Large-scale power stations require twelve years or more to plan and construct; this makes some kind of long-term planning essential.

Energy developments have side-effects, or externalities, which are not priced in the market place. These include environmental impacts and pollution, the costs to future generations of depleting resources, and risks to health and safety. However, restricting development is also considered in the market philosophy to be costly; therefore Bromley (1988:33) prefers the term 'joint costs' to 'externalities'.

2.5 Think Big took energy policy into the realm of macro-economic policy—it helped return the National government to power in the 1981 election—and to overturn it three years later. The Planning Council (1981:39) described the rationale for export-led growth as follows:

The prime cause of New Zealand's recent difficulties has been the lack of economic growth . . .

The only fundamental answer to the challenge of providing rewarding work for a growing labour force is to return to higher levels of sustainable economic growth. This will require a hard-headed determination to pursue the economic strategy set out by the Council and others. The success of this strategy depends on better fiscal and monetary management; cooperation in incomes policy and in sustained increases in production and productivity in our services; and *an extra boost in the latter half of the 1980s from the programme of major investments* [emphasis added] designed to relieve the balance of payments constraint and reduce our vulnerability to oil price increases.

The Council believes some borrowing from future benefits of this strategy is justifiable in order to maintain the level of economic activity in the early 1980s.

By approving a major project using a non-renewable resource, the government allows potential benefits to future generations to be converted into actual benefits in the immediate future. During the construction period employment is created; afterwards a gross income stream is created, some of which will be either taxed for the national coffers, or be reinvested to give a further productive base and employment. Inevitably some will be dissipated in physical waste (for example, inefficient use of gas) or managerial waste (for example, cost escalation at the Marsden Refinery expansion).

The paper following, by G. Bertram (1988), gives analyses of the amount of economic rent created in several New Zealand energy developments, and of where the rent has been directed or dissipated. This gives meaning to the common phrase 'cashing in' our natural resources.

2.6 In another way energy is not special. Human resources require management too, although issues such as human rights are very different from the thermodynamic laws which constrain energy policies. Even financial resources have to be managed.

Nevertheless the scientific character of energy and natural resource management makes such matters at least in most people's opinion the province of experts. Submissions both to this Commission and earlier consultations show that people think also that the government has a role to play in energy pricing. Government is more likely than private enterprise to ensure energy will be supplied at a fair price, to avoid unnecessary price rises and give notice of necessary ones, to ensure good safety standards and to have proper concern for the needs of future generations. Beyond those general concerns the public prefers to leave the details to others.

### 3 Manaaki: Resource Management

#### 3.1 *Tiaki/Manaaki*

*Tiaki* is a term that well expresses Maori resource management (Te Aue Davis, pers.comm). It means 'wise use of natural resources'—people and nature dependent on each other for sustenance and care. Thus Maori resource management ensured that resources were available for future generations.

Resource management—the lore of the forest or the seas—was a specialised field of study. Only a very few people passed from the *whare wananga* to become *tohunga*, or experts. They alone were able to place *rahui* (temporary restrictions) on food gathering places such as the sea after a drowning, or for conservation of depleting resources such as birds, fish, etc.

In most Western traditions resource management is based not on a unified concept of people and the earth, but on a separation of the means of resource management from its objectives. Dollars are interposed between the producers of a resource and the users of it, and this emphasises the objective—to maximise the dollars that a



resource will earn. But this cannot capture all the values of the resource.

Dollars themselves are not a simple quantity. A dollar in the hand is worth more than a dollar in the future, because it can be invested to yield further money in the future. Also there is less certainty about getting a future dollar than having one today; anything could happen in the intervening time.

Community objectives such as regional development, promotion of export industry or import substitution, self-sufficiency, or sustaining the resource for future generations, complicate management of natural resources. These often conflict with the producer's revenue-earning objective, or with each other.

Experts debate at length about both techniques and objectives of resource management, and devise various and conflicting theories about how we should think about it (0578). Most other people become consumers of resources, so separated from resource management that children may think that milk comes from bottles, and their parents probably think electricity is something for the government, not themselves, to be concerned about.

Argument and debate is exactly what does not take place in the Maori view. Resource management arises out of the understanding of mutual dependence of *tangata* and *Papa-tu-a-Nuku* (the environment embodied as the earth mother). Techniques of sustaining their resources were taught from childhood; people were not insulated from nature by city living, high technology, or money.

*Manaaki* is a term which captures much of the idea of the Maori objective of resource management. It suggests generosity with all the resources of a tribe, both its human resources and its natural resources. With rich natural resources a tribe can *manaaki* its visitors handsomely; this generosity creates a relationship between the giver and the receiver, enhancing the *mana* of both. Without *tiaki*, *manaaki* is nothing. Thus the combined concept *tiaki/manaaki* embraces ideas of both 'protection' and 'production'—of conservation, development, and use all together. The original meaning of 'conservation' namely 'wise use of resources' also embraced all these meanings.

## 3.2 *Examples of Conflicts in Energy Resource Management*

3.2.1 *Coal.* Environmental impacts of open-cast coal mining are obvious. In underground mining it is the miners who bear the risks to health. For any non-renewable resource the main conflict is the balance between present and future needs. Open-cast coal in the Waikato is much cheaper than coal from underground mines. It can also be produced in large quantities at short notice. Until about 1984, when 'commercialisation', a precursor of corporatisation, was introduced, some open-cast coal was reserved for use for electricity generation in dry years (New Zealand Mines Department, 1973). Now Rotowaro open-cast is being run at maximum production to cut costs in the short term; however the advantage of flexibility is lost.

Taking out 'easy' coal at the Huntly underground mines may make other coal in the underground mines unrecoverable (Dominion Sunday Times, 28 February 1988). Is Coalcorp asset-stripping by doing that?

3.2.2 Natural gas has the benefits of low cost and low environmental impact. Used as CNG, LPG, and synthetic petrol it gives New Zealand a degree of self-sufficiency in case of an oil crisis. Today the objective of low cost dominates policy. The main uses of gas are inefficient: about a third is used to generate electricity, losing 2/3 of the energy value; another third is used for synthetic gasoline, losing one half of the energy value. The profile of gas usage today is given in Energy and Minerals Advisory Committee (1988:60). Because of this waste, people in the future will have less of a fuel which causes very little environmental damage.

Until recently, the Maui field was believed to have 10 times the gas quantity contained in the next largest field, Kapuni (Ministry of Energy, 1985:35). Official information just released shows that DSIR believed in March 1987 that the amount of gas recoverable from Maui might possibly be as little as half the original 'official estimate' (Walker, 1987). This suggests the importance of policies to encourage resilience in the energy sector, which were a major focus of a recent study of energy planning for an uncertain future (Boshier et al 1986, Chapter 6).

Enough exploration has now been carried out to lead DSIR to believe that no further very large gas fields will be discovered. Although smaller fields may be very attractive economically they



are not expected to make a major impact on the supply of gas to future generations (Cook, 1985:17). However a contrary opinion was expressed by the Ministry of Energy (Ministry of Energy, 1985c:17).

The eventual replacement for natural gas will undoubtedly be biogas, which even today is available from some sources at quite low cost (Gabites, Porter and Partners, 1982). A policy of retaining substantial quantities of natural gas over a long period could make biogas more economic, because natural gas could be produced rapidly (similarly to open-cast coal) when biogas, the main source, is in short supply.

3.2.3 The management of the hydro resource is very complex, and involves a number of different agencies. Management includes:

- Control of water as it flows, which affects environmental values such as fresh water fisheries, stability of river banks, and formation of sand bars at river mouths.
- Allocation of water between electricity generation and irrigation.
- Control of watershed; a responsibility of catchment authorities.
- Maintenance of assets built by people such as hydro dams and associated works.

3.2.4 For certain energy types there is little conflict. Using solar energy today has no effect on its availability in the future. However building a second storey on a house to catch the sun may shade the neighbour's living room or garden; one submission (4412) called for solar rights to protect people's interest in sunlight.

### 3.3 *Responsibility for Resource Management*

Resource management of energy involves decisions on:

- (a) How and when we as individuals will use energy that we own, buy, or (as in the geothermal case) merely use. Such decisions occur at both micro and macro levels, because decisions by companies are still made in pursuit of individual goals rather than goals of society.
- (b) how we wish society's collective interests in energy, which are affected by individual actions, to be reconciled. Such collective interests include—
  - environmental impacts of energy production and use;

- community impacts such as unemployment caused by corporatisation;
- health or safety and other risk factors;
- depletion of non-renewable energy resources.

These ideas were set out and applied to natural resource policy for New Zealand in the present climate of change, in a recent series of lectures by Bromley, (1988:9) as follows:

... the policy problem is one of reconciling the interests of the individual with the interests of others in matters of how the services of the environment will be used, managed, and controlled.

He imagines a broad continuum with policy issues at one end and operational issues at the other, and suggests that collective action is appropriate at the policy end. Operational issues are better resolved by 'atomistic' action—that is self-interested decisions by individuals or companies. The link between policy and operation is provided by society's 'institutions', which include not only administering bodies but also the laws and codes of practice which they administer. These define the range of choice open to private decision-makers.

For resource management to be effective, the responsibility for it must be clearly defined. Maori society practiced communal responsibility, with no ownership of resources. Maori people regarded themselves as custodians with only limited rights to exploit the resource. Management practices were derived from experience handed down over centuries.

The term 'tragedy of the commons' suggests, incorrectly, that a resource which has no owner will be wasted. In fact it is not lack of ownership, but of lack of responsibility that does the harm. This point is illustrated by Individual Transferrable Quotas for offshore fisheries. Ownership rights are now traded freely, but the resource is still being wasted because there is too little knowledge about the sustainable yield (MAFFish, 1988).

### 3.4 *Information*

Access to information is an essential requirement for resource management, to allow assessment, for example of whether a renewable resource is being used sustainably, or a non-renewable resource is being wasted. In 'Government Management 1987' (pp. 5,6), Treasury views information as a costly commodity:



the acquisition of information has costs, and in many circumstances is difficult to transfer from one person to another. In such circumstances it is better if those with ready access to information, or those in possession of relevant specialised information attempt to find their own solutions, rather than risk ill-informed intervention by third parties.

An alternative view recognises that information is rather easy to transfer—as Cabinet Ministers and other people have to acknowledge, sadly, from time to time. Commercial organisations put much effort into protecting their information, to the frustration of environmentalists who would like to challenge its quality and the assumptions on which it is based. Information which cannot be tested often becomes propaganda.

In contrast to Treasury's view of information stands the statement in Section 4 of the Official Information Act:

The purposes of this Act are . . . to increase progressively the availability of official information to the people of New Zealand in order:

- (i) to enable their more effective participation in the making and administration of laws and policies; and
- (ii) to promote the accountability of Ministers of the Crown and officials,—

and thereby to enhance respect for the law and to promote the good government of New Zealand.

The right to information, and to be confident that it is meaningful, is essential if people are to express their preferences for collective action.

### 3.5 *The Maui Gas Example*

Once again Maui gas provides the best example (3602). The government's 1985 Maui Discussion Paper gave depletion dates for Maui gas based on an estimate of gas reserves which was 15 percent higher than the official estimate (Gas and Geothermal Directorate, 1985). Yet two months later the government was told that the reserves might be 30 percent lower, or even worse (New Zealand Geological Survey, 1985). It took nearly two years for that to be admitted in Petrocorp's prospectus.

Rights to information about a natural resource can only be specified in law when the boundary between commercial and public interest in the resource is clearly defined. The Petroleum Act, 1937 provides New Zealand's best example. Monthly reports on the Maui field production are lodged with both the Secretary of Energy and the Geological Survey of DSIR. But according to

Section 47E of the Petroleum Act, only the Secretary of Energy has the right to ask for more information. The Director of Geological Survey may 'inspect' detailed information—but only the Secretary of Energy may require 'certified copies' to be sent. This has great practical significance because without copying information one cannot engage consultants to test its quality or significance. In effect, information about Maui remains under control of the Secretary of Energy. The public would have had more confidence in the independence of DSIR.

Can the Crown act effectively to manage the resource? The Crown was half owner of the Maui mining license, through a Petrocorp subsidiary (until Petrocorp was sold to Fletcher Challenge). But Petrocorp was required by the Maui Agreements to act to the 'maximum commercial advantage' (Fisher, 1986). This meant keeping detailed information on the field secret from the Buyer, which was also the Crown.

The only right the Buyer has is to take a specified quantity of gas each year at a very good price indeed. These rights end in the year 2009—and if the gas runs out early there is no liability to the Seller, namely Maui Development Limited (MDL). Therefore it is strongly to MDL's advantage to keep the controversial reserves information secret.

How should the public be consulted regarding the future use of gas in the event that the expected shortage of Maui reserves is confirmed? The Secretary of Energy believes (Walker, pers. comm.) that the national interest does not come into the question of how much gas can be 'economically recovered' from Maui. That is strictly a commercial matter, covered by contract between Buyer and Seller; all the public should be involved in is how best to use the gas which the parties to the contract are willing to sell.

### 3.6 *Energy Management*

Resource management applies to individual users of energy as well as producers. The price mechanism is the simplest and best way to encourage individuals to use energy wisely.

The term 'energy conservation' has a negative image to some people, who think of it as switching the lights off, or freezing in the dark. Other people think of batts in the ceiling and weatherstrips on draughty doors, and energy conservation to them means comfort. Saving energy is a people-intensive activity as every



household, shop, office, or industry has a contribution to make. To many people who were involved in responses to the 'energy crisis', energy conservation means jobs—at all levels of personal and professional skills.

Professional excellence is important as any crisis gives rise to its own breed of quacks. Faulty or downright fraudulent energy conservation equipment was sold in the late 1970s—yet some of the solar heaters so strongly criticised had a useful part to play, so long as the consumer understood what to expect (David Haskell, pers.comm). Training of 'house doctors' to help householders get the best value for their energy expenditures have been successful overseas, and is being tried now in New Zealand.

The term 'Energy Management' is used now in New Zealand to refer to a professional approach to saving energy, with the objective of increasing cost-effectiveness without reducing the comfort level or service that energy provides. It is based on concepts developed overseas and in New Zealand also.

### 3.7 *Saving 'Gigabucks' with 'Negawatts'*

A 'Gigabuck' is a thousand million dollars. A 'Negawatt' is a watt not used because a lightbulb, a refrigerator, or a smelter is more efficient in physical terms than it was before.

The technical basis for energy management is improving rapidly, as described by Lovins (1985). New fluorescent light bulbs use a quarter of the energy of incandescent ones and last over 13 times as long. If used throughout the United States to lessen growth in electricity demand, they could save some 30 Huntly-sized power stations. Efficient refrigerators could save another 30 Huntlys. Gradual replacement of motors by properly sized and controlled motors for each task could save another 70 Huntlys in the United States. Many of these measures pay back in a year; the most important barriers are not financing but information.

The Ministry of Energy together with the Centre for Resource Management of Canterbury University have estimated potential savings in New Zealand for similar energy management measures (Tolerton, 1987). Table 1 estimates the savings considered to be economic today in New Zealand.

Thus some nine and a half petajoules of energy, over half of it electricity, can be saved in New Zealand by measures economic to the

TABLE 1: Energy savings economic from consumer's viewpoint

	Petajoules Per Year					Total
	Solid Fuel	Gas	Electric	LPG	Oil	
Household	1.1	.5	2.7	4.3		
Commercial	.8	.4	.5	.02	.3	2.0
Dairy Industry	.2	.1	.5	.9		
Meat Industry	1.5	.2	.6	2.4		
Total	3.6	1.2	4.3	.02	.3	9.5

consumer today. This compares to 343 petajoules of energy consumed in New Zealand in 1986.

Methods of financing such savings are also discussed in Lovin's article:

In an age of costly electricity and cheap efficiency, as now, smart utilities [supply authorities] will sell less electricity and more efficiency. They will market 'negawatts' (saved electricity) and use new ways to finance their customers' savings. Existing and future efficiency gains, if not properly managed, can quietly take away most of the present market for electricity, but they can also offer alert utilities an unprecedented opportunity to control risk, improve cash flow, secure market share, save operating costs, and become once more a declining-cost industry (Lovins 1985:19).

### 3.8 Technological Optimism or Pessimism?

Concern for future generations matters little to people who are convinced that people in the future will be better off than people today. One of the main assumptions in the economic paradigm now accepted by the government is that technology will solve the problems of resource scarcity, pollution, and other externalities of resource use. Treasury has asserted that future generations may not thank us for saving them some Maui gas; they would probably prefer the capital stock and technical know-how that were bought with the proceeds from Maui gas (Treasury, 1985). (This argument is countered by the later section on economic rent.)

Technological pessimists have a good reason to identify energy as having special problems. Energy needs energy to extract it, convert it to a useful form, and transport it to the user. A country with very large energy supplies can capture minerals from very low-grade ores. But New Zealand's very large lignite resource for example, once dug out and dried out and converted to electricity or



a liquid fuel may largely use itself up in the process (Baines and Peet, 1984). That means the net energy produced would be quite small.

Since the 'energy crisis' became unfashionable, attention has focused on the other half of technology failure—the inability to control pollution. Either greenhouse gases or acid rain could require global controls on energy use, just as the depleting ozone layer has led to international action to limit production of chlorofluorocarbons.

Technological optimists say that the real cost of energy has remained roughly constant for at least a century. A critical look at whether every crisis has been overcome by some new technology (Fisher, A. 1981:125–6) concludes that there is a small but definite increase in real costs, and some reason to believe that this change is permanent and increasing.

## 4 Energy Pricing

### 4.1 *Concerns About Energy Pricing*

Concerns from householders have already been discussed—they are mainly that energy prices are rising while incomes are fixed or reducing because of unemployment.

No submissions on the subject were received by this Commission from industrial or commercial energy users, who usually contribute to public consultation exercises more explicitly related to energy issues. The Energy and Minerals Advisory Committee (1987:6) drew the following conclusion from submissions to it:

Domestic consumers regard a 'fair price' as one which will be low enough to support a standard of living consistent with traditional community expectations.

... Major non-domestic consumers regard a 'fair price' as one which supports commercial viability in what is perceived as an increasingly competitive market ... Not only stability of price, but resistance to perceived subsidisation of 'less efficient' users [those not using electricity as a factor in production] are elements of major users' calculation of fairness.

A consistent theme is seen in all submissions from the first public consultation exercise 'Goals and Guidelines' (Ministry of Energy, 1978) through to the present. It is most concisely expressed in the EAC's 'Review of the 1980 Energy Plan' (EAC 1981:8):

Two concerns [about pricing] were frequently expressed: firstly the changing of prices without warning, because this denies consumers the predictability that is desired and, secondly, the raising of energy prices unnecessarily since this adds to the cost of living and makes New Zealand industry less competitive.

## 4.2 *The Place of Energy in the Household Budget*

Electricity accounts for about 90 percent of the cost of fuel and power used in New Zealand households. Gas, coal and firewood each make up about 3 percent of the fuel and power (energy) expenditure, and kerosine and heating oil make up the remaining 1 percent. Domestic fuel and power bills account on average for 2.4 percent of all household expenditure. Petrol used in household transportation is estimated (by us) to take another 4.7 percent on average of household energy.

The New Zealand Household Expenditure and Income Survey, (Department of Statistics, 1987) based on a random sample of households, divides households into 10 categories according to income. This allows us to look at the impact of energy price rises on households of different incomes. Instead of the extreme 10 percent highest and lowest, we take a broader cut, looking at the lowest 20 percent income households, and the top 20 percent, and comparing them to the national average.

We take from the categories the expenditure on energy (fuel and power) itself, and also the expenditure on the home appliances and road vehicles which use the energy.

TABLE 2: Average weekly expenditure dollars

	Income Group			Ratio to Average	
	Bottom 20%	Average of all incomes	Top 20%	Bottom	Top
Domestic fuel and power	7.5	9.8	11.7	.77	1.19
Fuel for road vehicles	7.8 <sup>1</sup>	19.6 <sup>1</sup>	30.8 <sup>1</sup>	.40	1.57
Purchase, home appliances	8.0	14.9	22.3	.54	1.49
Purchase, road vehicles	8.9	28.3	56.1	.31	1.98
Total household Budget	183.7	415.7	698.7	.44	1.68

<sup>1</sup>Note: These figures were estimated by the distribution of vehicle ownership expenses. Source: Housing Expenditure and Income Survey, 1985-6, table 1.



The impact of price rises on households is indicated by the fact that domestic fuel and power, with ratios .77 and 1.19, shows by far the least range between low and high income households. The corresponding ratios for food are .58 and 1.45; for housing (purchase) .33 and 1.87.

It is worth noting that low income households spend more on home appliances and road vehicles than on the energy they both consume. High income households spend about twice as much on the energy-using products than on the energy itself.

Household expenditure on bicycles is 1 percent of the expenditure on road vehicles (Department of Statistics 1987:81). The potential for use of bicycles is suggested by the fact that in 1976 it was estimated that 64 percent of all car trips in New Zealand were less than 5 kilometres long. Car trips in non-city urban areas made up 21 percent of all New Zealand car trips, and they averaged just 1.3 kilometres in length (Beca Carter Hollings and Ferner, 1976:28).

TABLE 3: Percentage of household budget spent on energy

	Income Group		
	Bottom 20%	Average of all incomes	Top 20%
Domestic fuel and power	4.1	2.4	1.7
Fuel for road vehicles	4.2	4.7	4.4

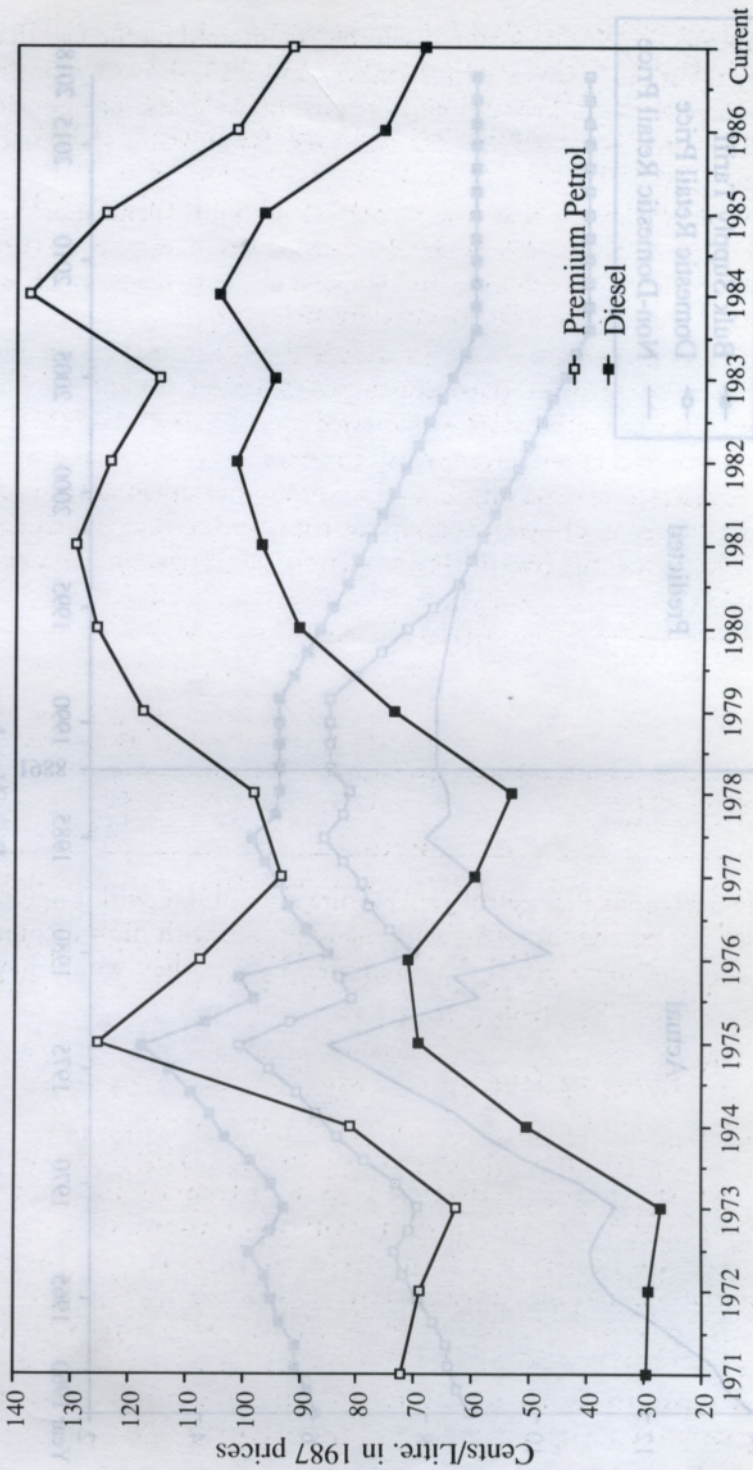
Table 3 suggests that petrol expenditure rises in line with the total household expenditure. (Actually many people with high incomes probably use more petrol than indicated here as they would have access to company cars.)

### 4.3 Trends in Energy Pricing

Figure 1 shows the retail prices of electricity and petrol in recent years. Petrol and diesel prices in main centres are expected to fall following deregulation, but those in rural areas are expected to rise in line with the extra cost of servicing those areas.

Figure 2 shows actual electricity prices in real terms, together with Electricorp's main forecast. This assumes that cross-subsidisation between domestic and non-domestic consumers will disappear by 1996.

FIGURE 1: Real prices of petroleum products

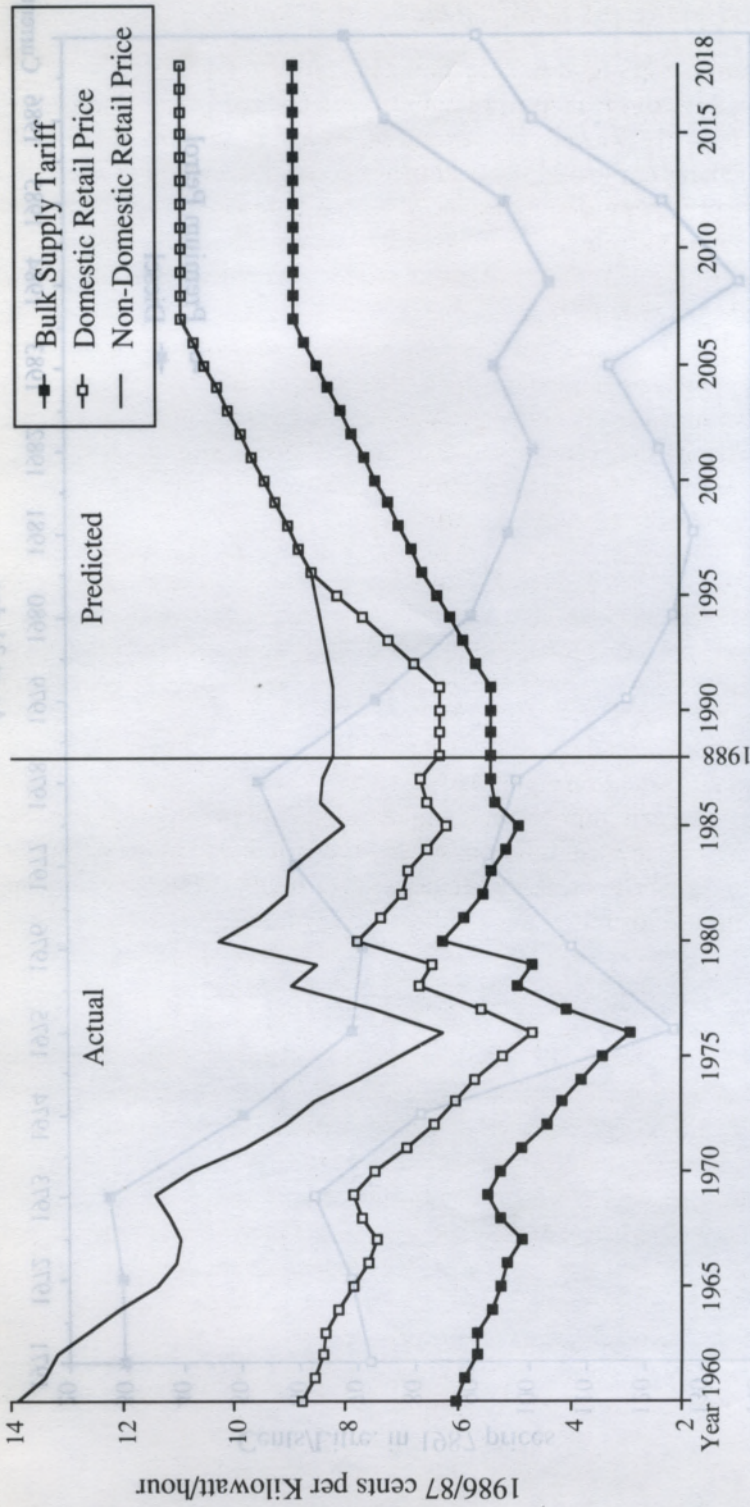


As at 31 dec.

Sources: Ministry of Energy, 'Energy Data File' September 1987.



FIGURE 2: Electricity Tariffs in Real Terms



Source: Electricorp 1988 (J. Lermat personal communication)

#### 4.4 *A Role for Government in Pricing*

Common sense suggests that policies favouring low cost energy work against those favouring stability of energy prices. Low-cost energy is easily wasted. For example, home insulation is poor in New Zealand compared to most other countries, where household energy is much more expensive. Maui gas is bought from the producers at an extremely low price by world standards, making it possible to use it in power stations where two thirds of the energy of the gas is wasted.

If a choice is to be made just where the balance should lie between low cost and stability or at least predictability of energy prices, some form of collective action is necessary. Public submissions call for this type of government involvement according to the Energy and Minerals Advisory Committee, which said (Energy and Minerals Advisory Committee 1987b:29):

A government agency needs to monitor, analyse and provide information on energy prices charged throughout the country. Government must be prepared to challenge prices and if necessary intervene in price setting for reasons such as consumer exploitation or a large firm abusing market power and restricting potential competition.

Beyond monitoring comes regulation. The removal of existing price control of transport fuels is being considered by the government, and submissions to EMAC which discussed this were equally divided between support and opposition to deregulation (EMAC 1987b:32). A few submissions supported pricing policies designed to reflect government's social or environmental objectives, or to encourage use of indigenous and/or renewable energy.

#### 4.5 *Price Control—Current Status*

The Commerce Act 1986 allows price control to be imposed on any goods or services where competition is limited or is likely to be reduced, and is 'necessary or desirable in the interests of users, consumers, or as the case may be, of suppliers.'

Oil products have been under price control since 1935, following a price war in New Zealand in the early 1930s, and problems overseas with anti-competitive price fixing (Commission of Inquiry 1976:21). A bill to deregulate oil is under consideration at the time of writing. Natural gas has been price controlled since it was introduced in 1970, because it is produced by a single company, Petrocorp, and transmitted in bulk by its subsidiary, the Natural



Gas Division. (Petrocorp has now been sold to Fletcher Challenge.)

Electricity has never been subject to price control because until recently it was under the control of the Electricity Act. No formal case has yet been brought to the government to impose price control, although it is now being looked into by the Commerce Commission. Coal is not price controlled.

#### 4.6 *Electricity Pricing: Accounting or Economic Basis?*

Until the advent of Electricorp, electricity prices were set according to Section 34 of the Electricity Act 1968. The bulk tariff was uniform throughout New Zealand until 1984 when the South Island tariff was reduced to reflect the surplus of hydroelectricity there.

The level of the bulk tariff was set to give a revenue surplus of about 25 percent, which enabled new power stations to be partly financed from the retained funds. The bulk tariff was allowed to be reduced to an Electrical Supply Authority if this was necessary to establish a new industry, or expand an existing one, in the national interest. This provision was apparently never used, but the same rationale lay behind the central government's approval of the Comalco smelter.

For reasons discussed in the following section, this accounting principle of setting the bulk tariff led eventually to its own downfall. The Electricity Division had been able to remain profitable while building power stations for which the electricity cost was significantly greater than the revenue earned. This led to a surplus of generating capacity even after a third potline at the Comalco smelter had absorbed most of the surplus.

Pressure from government officials grew for an economic approach, rather than accounting approach, for setting electricity tariffs. Economic theory holds that efficient prices are based on marginal costs, which for electricity were much higher than the average costs on which the tariffs had been based. However the definition of marginal cost depends on a number of assumptions which were, and still are, in sharp dispute. The Ministry of Energy defined marginal cost as (Energy Advisory Committee 1983:4):

the total cost of producing an increment of output, which includes capital costs of new facilities if they are required to provide the increment.

The Treasury approach was different again. It held that an accounting approach was appropriate so long as the electricity industry was held to the same accounting rules as any other business, which would require it to pay taxes and dividend, and so long as the built assets such as power stations were valued at replacement cost. A Review Committee of officials estimated in 1984 that Treasury's recommendations to value the assets of the electricity industry at replacement cost would lead to a real increase of the wholesale price of electricity of 52 percent, by the year 1990 (Business Round Table, 1985:1).

This led to a major controversy about electricity pricing with the familiar terms 'ripoff, massive price hikes' and so on. The failure of Treasury to agree to Electricorp's estimate of the value of their assets derives from the basic difference between two accounting approaches.

#### *4.7 Cheap Hydro: a Delight and a Dilemma*

New Zealand's electricity system is unusual, although not unique, in world terms (Energywatch, 1984). About 19,000 Gigawatt-hours (GWh) a year comes from hydro stations compared to about 26,000 generated in total. Working and administration costs (including fuel) for all thermal power stations combined are about 10 times as high as those for hydro stations (Bertram, 1988, Table 2). When transmission and substation costs of the national grid are added, thermal electricity is still five times as costly as hydroelectricity.

For new power stations, hydroelectricity with high capital cost is as expensive as thermal electricity. All the low-cost sites have been used, and most of the remaining rivers have high flood peaks but low dry-weather flows, requiring expensive dams which return fairly small average electricity yields.

Because there is a large difference between the cost of a fixed 'pool' of low-cost hydroelectricity and the cost of new thermal or hydroelectricity, each new user of electricity in effect dips into the pool of cheap electricity. This raises the average cost, and therefore the price, to all users. If new users are not to disadvantage existing ones, then they should be charged the marginal cost (from new power stations). Of course it is impossible to define a new user in the household sector: what happens when a person moves house or young people set up new households for themselves? Fair tariffs



require equal treatment of consumers with the same characteristics of use. Furthermore a new industry could not be charged more than its competitor which is already in place.

For just those reasons, economists say that an efficient price regime, when it charges all similar users at the same price, must charge the marginal price in order to prevent excessive demand growth. Where the average price is much lower than the marginal price, as is the case today for electricity in New Zealand, large economic rents would be generated, and it would be a matter for collective choice how these would be allocated in society.

#### 4.8 *Cheap Gas: Impossible to Prevent Waste*

Natural gas is also extremely cheap. The Maui contract price escalates at the annual inflation rate less 3 percent. As of February 1988 the price stood at 126.332 cents per Gigajoule. Kapuni gas which now makes up only a small part of New Zealand's gas supply, costs only 43.307 cents per Gigajoule (Energy and Minerals Advisory Committee, 1988:57). For comparison the cost of producing coal from the Huntly East and West mines in 1984 (the last year for which such information is available) ranged from \$2 to \$3.50 per Gigajoule. (Ministry of Energy 1985a:81). Arabian light crude oil at \$18 a barrel comes to \$5.10 per Gigajoule (calculated from Ministry of Energy 1985a: 131).

These extremely cheap prices were necessary to enable gas to be used to generate electricity. No other market was able to justify the very large capital cost of the Maui field, though in contrast the Kapuni field was developed with distribution as a premium fuel in mind (to the disappointment of the owners of Kapuni, the Shell BP Todd consortium).

The true 'price' paid by the Crown for cheap gas proved to be unexpectedly high, as was discussed in Section 3.2.2.

#### 4.9 *Commerce Commission: Indication of Future Policies*

Government restructuring in aid of purely commercial objectives has changed pricing policies. The Commerce Commission reflects the government's present 'more-market' policies. Issues of resource management are not part of their brief. The most important of the few energy pricing decisions so far is one on an application by the

Natural Gas Division of Petrocorp for price increases (Commerce Commission, 1987).

The Commission gives priority to the need for low prices, in comparison to price stability, as indicated by s. 31 of the decision: the necessity or desirability of safeguarding the interests of users, consumers and suppliers is determined by their ability to obtain the price controlled good *at the lowest possible price* [emphasis added] commensurate with the quality of the product.

Nevertheless the Commission considers that price stability also is in line with the criteria to be considered in allowing price control. It decided therefore to restrict Petrocorp to annual price hikes only, whereas one large user had complained about three price hikes in a year.

The Commission had to deal with distortions caused by the uneconomic extension of the gas pipeline to Hawkes Bay and even more uneconomic, to Gisborne. It decided to charge Gisborne consumers only the extra tariff paid by users of the Hawkes Bay extension, even though that meant a significant degree of cross-subsidisation. Charging the full costs of the Gisborne extension would have priced gas out of the market. (See sections 16, 28, and 66ff of the decision.)

#### 4.10 *Economic Rents in New Zealand Energy Projects*

Fair prices are a matter for collective choice. Where a natural resource is sold for a higher price than its cost of production, it yields an economic rent. But if the production or distribution of the resource is done with unnecessary waste, some or all of the potential rent may be dissipated. It is a policy matter to ensure that such potential rents are disclosed, and to hold the government accountable for their distribution.

Some energy projects in New Zealand are capable of yielding high economic rents. The accompanying paper by G. Bertram (1988) gives three examples of distribution and dissipation of rents in the energy sector.

Most of the rent in New Zealand's electricity comes from hydroelectric power stations, which in 1985-6 earned approximately \$580 million over and above the transfer earnings of sunk capital. A further amount of rent, on the order of tens of millions of dollars in 1985-86 was dissipated in the form of the low power



price to the Comalco smelter, which thus can afford to make aluminium at a lower efficiency than is usual in other countries.

Because the demand for electricity is not very elastic, prices could rise substantially and yield additional rent to the producers. Bertram estimates that up to \$880 million might potentially be available to Electricorp before being threatened by the entry of competing generating stations. This amount is now being enjoyed by electricity consumers in the form of lower prices than could have been charged. However, many energy management measures are available to the consumer at around 6 c/kwh (Tolerton, 1987). This compares to domestic retail prices of 6.3 c/kwh today, which are expected by Electricorp to increase to 8.6 c by around 1996, and continue to increase thereafter. (Electricorp, 1987:16)

Compressed Natural Gas (CNG) was an industry which was able to support large capital investments because it was taking very low-cost Maui gas and selling it at a retail price determined by parity with petrol. This allowed the larger service stations to take profits three to four times higher than were normal in the industry. As competition increased, profits declined.

Standards introduced in 1984 required expensive CNG metering dispensers to be installed, and this transferred some of the rent from service stations to the manufacturers of the new dispensers. This helped to block the entry of service stations into the CNG market.

The Marsden Point refinery was an example in which only the government's guarantee of a monopoly of the domestic market made the expansion project worthwhile to the New Zealand Refining Company. Bertram estimates that the refinery today can just about match the price of competing products overseas, now its capital costs have been met by the government.

#### 4.11 *Fair Distribution of Economic Rent*

What are fair prices for energy? This is particularly important to ask when there are large economic rents. The question is one for collective choice; if left to chance experience has shown that institutions often have enough power to capture most of the benefits, rather than society as a whole. In each of the cases above the rent was distributed in ways which resulted in jobs for a while, but more expensive energy in the end.

Two extremes can be described. Rent can go entirely to the consumer, in the form of low energy prices. This appears to be favoured now by the Commerce Commission and as the examples have shown, leads quickly to waste of energy causing price rises earlier than would otherwise be the case. The second extreme is to allow the producer to take all the rent—in a simple world a monopoly producer might do so.

Between these lie the choices for society. The entire rent might be taxed away, and distributed according to Government's general policy objectives. Or it might be captured by the Government as a lump sum payment on the sale of the resource, or of the entire assets of the industry on its sale to a corporation.

The idea of the high asset value (Bertram 1988) for Electricorp, favoured by Treasury, was to capture as much as possible of the rent inherent in the electricity system for the Crown. The aim of Electricorp in the negotiation was to keep that rent as a revenue stream for the Corporation. Both of these strategies are based on rising electricity prices. The third alternative would be for the consumer to capture most of the benefits. But this, as we have said, has already resulted in electricity demand growing faster than justified. This meant that new power stations were built and the electricity sold for less than the cost of production.

Some of the rent might be tagged, and applied to specific purposes:

- a resource rent collected annually (for example, a royalty), or capitalised as a one-off payment for the resource (for example, a very high asset value in selling the rights to use a natural resource).
- compensation—to Maori tribes if there had been a well-founded claim to a particular dam site, or a river bed;
- compensation to conservation interest if special conservation values had been lost.
- funds for exploration, to search for more of a resource to replace some used up. Note that New Zealand's most 'prospective' gas and oil structures are already drilled: exploration has an increasing potential to dissipate large amounts of rent.
- funds for research and development on energy management to use existing energy resources more efficiently.



— subsidy for meeting needs of people suffering energy poverty, or for providing them with the means of personal energy management which they could not otherwise afford. This list would seem a persuasive indicator that New Zealand does not have to repeat the mistakes of past energy projects.

The policy issue is that the potential for rents must be stated in a transparent manner, and their distribution must be an explicit decision. Quite the reverse has happened now it appears that a low asset valuation for Electricorp has had built into it the expectation that Comalco will continue to receive subsidised electricity (Terry, 1988:1).

## 5 Control and Public Participation

### 5.1 *Half a Revolution*

Control of New Zealand's major energy resources has been revolutionised by formation of Electricorp and Coalcorp and privatisation of Petrocorp. Decisions once made by Ministers in the national interest will now be made by Boards of State-Owned Enterprises or even private companies, in their own commercial interests. The sequel in Parliament is yet to come. The other half-revolution will establish how the new companies will be controlled or regulated.

A comprehensive review of laws governing natural resources has just begun. Pressure for reform had come from recognition that procedures today are unwieldy, and neither developer nor objector can reliably guess their prospects for success. Present laws governing natural resources are inconsistent with each other both in their objectives and criteria for decision-making. The result is wasted natural resources and wasted human 'energy'. Reform is overdue.

### 5.2 *Features of Natural Resource Laws*

Law governing natural resources must give clear answers to three questions.

(a) What is the meaning of 'natural resource' for the purpose of the legislation? The government's review of resource management laws will cover water and soil, minerals, and town and country planning (land of course is a natural resource). But geothermal energy is not mentioned, and today's minerals laws do not cover

petroleum. Forests and fisheries are not specified so far in the law review either, although common sense regards them as natural resources. These matters need to be clarified at an early stage (Ministry for the Environment, 10 March 1988).

(b) Who will have final responsibility for making decisions about natural resources? In general it will be the owner of the resource, or the holder of the right to produce or use it. That person, or company, may decide to extract the resource, or to hold it for future use, or restrict its supply to drive prices up. For most energy resources in their natural state the Crown is the owner (except for offshore petroleum for which the Crown has sovereign rights).

(c) Will the freedom of the decision-maker be limited in any way? For example the Minister of Energy (and Mines) today can make decisions about petroleum without consulting anyone, but must consult the Minister for the Environment before allowing mining in a national park. A holder of water rights must keep to the terms and conditions of the water rights consent document. Owners of Individual Transferable Quotas for fishing must pay a resource rent for the privilege. Any action of the Crown as shareholder of a State-Owned Enterprise must be not inconsistent with the principles of the Treaty of Waitangi; private companies or those with Crown-owned shares that are not State-Owned Enterprises are not restricted in that way.

### 5.3 *Burden of Proof*

In a legal sense, the burden of proof lies on whoever wishes to change the status quo. If pollution is allowed, polluters have incentive to withhold evidence; if rights to mine natural gas or coal are unrestrained, the legal status quo will protect the owner's information on how much of the resource is left. The semi-judicial procedures of the Planning Tribunal put objectors on the back foot because it is the applicant who has information and the objector who has to scurry to make his or her case tight and soundly based.

This makes it crucial for natural resource laws to define who has the prior rights to impose costs on others. In a pure market economy the owner of property has all the rights; any constraints on the owner's freedom would be regarded as 'government intervention'.

The consequences for environmentalists when they bear the legal burden of proof are noted in an example of Bromley (1988:



18-19). Those who continue to pollute are encouraged to stall change in search of yet better evidence. An alternative legal environment would have granted a clean environment without argument.

The burden of proof also has a political dimension, as indicated in two propositions which form the basis for the approach of a recent working paper by the Ministry of Energy and New Zealand Institute of Economic Research (1988):

The first is simply that statements of both Government and Treasury are not in contradiction with central government intervention nor with economic planning per se. The second is more controversial. It is that in the current policy climate it appears that where doubt exists about whether intervention may be warranted the benefits of those doubts will be given to non-intervention.

Only the second proposition appeared in a letter from the Ministry of the Environment (11 March 1988) to people regarding guidelines for the review of natural resource laws: (a verbal assurance was given that this was not the final word).

Any suggestions about guidelines must recognise government's philosophy on this review. This is that the 'burden of proof' lies with justifying the case for government intervention, rather than accepting intervention as a 'given'.

## 5.4 *More than just Cash Values*

In terms of the Bromley framework mentioned in Section 1.3, the 'revolution' has given entitlements to resources to the new State-Owned Enterprises and private companies.

However the resources had more than merely cash values; that is why they were Crown-owned in the first place.

The cash value of the assets of New Zealand's energy trading departments was negotiated when they were transferred to the corresponding State-Owned-Enterprises—or in the case of Petrocorp, when it was sold to Fletcher Challenge.

National interest concerns are now to be met through the influence of shareholding Ministers on the relevant Corporate Plans, through explicit subsidies set up by other Ministers, or through the market. This last is preferred by the government. Market mechanisms could include charging companies for the natural resources they use or the pollution they cause. Social impacts could be the subject of negotiated settlements between interested parties. But the essence of environmental and resource management is that the

Corporation	Total Valuation (equity, debt and lump sum payments or preference shares)
Electricity Corporation	\$6,300 million
Coal Corporation	\$80 million
Petrocorp	\$788 million

Sources: *National Business Review* 5 April 1988; *Dominion Sunday Times* 6 March 1988

impacts are spread over many people and often over long time periods. Therefore 'third party' effects are important, as well as effects on future people who cannot negotiate, and effects on *Papa-tu-a-Nuku* herself, whom we ignore at our cost as well as hers.

The Ministry for the Environment has the responsibility to ensure that all values are taken into account in the management of resources. These include intrinsic values of ecosystems, the principles of the Treaty of Waitangi, the interests of future generations, and other community values. In its submission to this Commission (0226) the Ministry says:

This raises a key social policy question—How can people be effectively represented in decisions which affect them? Neither planning processes nor market mechanisms enable people to be fairly represented in all cases.

The Environment Act has no procedures which apply to resource owners; it only specifies what the Secretary for the Environment and the Parliamentary Commissioner must do. One of the Secretary's key responsibilities relates to government decisions about resource management. While new contracts for the production or use of resources by State-Owned Enterprises are being finalised, it is the 'reporting function' of the Secretary that must be relied upon to protect public interest values.

The way in which Petrocorp was privatised raises the question of whether all values were fully considered. It is very significant that apparently no consultation took place with the Ministries of Energy or the Environment, or the Department of Maori Affairs, when the decision was made to remove Petrocorp from the State-Owned Enterprises (SOE) Act. Thus the strategic importance of New Zealand's own petroleum resource could hardly have been fully considered, nor could the implications for future generations. Also the removal from the SOE Act deprived the Taranaki tribes of



any hope of compensation by the Crown for their land claims in the form of Crown-owned assets, as Petrocorp was the only significant Crown-owned asset in the region. When Petrocorp lost its SOE status there was no further duty of the shareholders to act not inconsistently with the principles of the Treaty of Waitangi.

## 5.5 *Property Rights: A Geothermal Example*

A major task of the new legislation will be to define just what 'property rights' to natural resources will comprise. In Bromley's terms, it will define the boundary between the public interest and private interests in each resource. Both public and private interests are disadvantaged when property rights are poorly defined or understood. An excellent example is the Rotorua geothermal controversy (*Rotorua Geothermal Users Association vs Ministry of Energy and Attorney General for New Zealand* [1987, High Court]).

All rights to take geothermal energy are vested in the Crown. The right to control and license bores in Rotorua was delegated to the Rotorua District Council in 1967, subject to the provisions of the Geothermal Energy Act 1953. The Council made no attempt to regulate or charge for the energy draw-off despite evidence of declining geothermal resource and ongoing discussion of government concerns and reports during the early 1980s. When it became evident by mid 1986 how seriously the geysers at Whakarewarewa were being harmed, the Ministers of Energy and Tourism issued a 15-point policy statement and requested the Council in stronger terms to put an effective management structure in place. When this was also unproductive a total summer shutdown was imposed for the area within 1.5 km of the Pohutu geyser, excepting only bores for which there was no practical alternative source of energy.

Bore owners declared that this 'interfered with their property rights,' and the TV coverage of the enthusiastic demonstrations of very respectable citizens has given New Zealanders a lasting image of what for most people was just some economists' jargon. But the High Court found that the District Council had issued no licenses in respect of the use of energy, only for the engineering aspects of the bores. (It was granted that capital and maintenance expenses for the bores had been incurred.) Residents had little reason, the Court said, to expect a continuing use of the resource, for which they had paid nothing and which was affecting one of New Zealand's most significant tourist attractions specifically protected by law. The



Crown had power to revoke the Council's powers at will, and also to require bores to be closed in the public interest, especially if the Minister believed it was harming a specified tourist attraction.

Residents who had bought their property expecting to use the thermal water lost an energy source and also suffered loss on the value of their properties. Had they or the Council understood the law better they might well have been willing at an earlier stage to pay a resource rent and accept the degree of resource management necessary to prevent the decline of the geysers on which Rotorua's commerce depends so heavily.

### *5.6 Property Rights: Maui Gas*

Where property rights are unconditional, the balance of values required by the Environment Act is very difficult indeed to achieve. The Maui mining licence is just such a case (Fisher, 1986); it gives Maui Development Ltd. (MDL) the sole right to take gas and condensate from the Maui field for 42 years renewable for a further 42 years. No environmental requirements or conditions for resource management are attached, so there could be no case for the Crown to revoke the right. The Crown has rights only as Buyer of processed gas, and only for the Take or Pay quantities plus up to 50 percent more on request in any year. These rights end when the contract terminates in 2009.

The Crown is further constrained: although it owns 50 percent of MDL it must manage its interests to maximise the commercial advantage, not the national interest. And if the gas runs out earlier than expected, the contract simply terminates, with no liability to the Seller (MDL).

The Government's problems are rooted in the purpose of the Petroleum Act 1937—to facilitate development. The many amendments have not changed that; in practice they reaffirm the rights of petroleum owners more strongly every time an amendment confirms existing rights. And there have been several, including tax breaks and especially the 1980 No. 2 amendment which excludes existing mining licences (Maui and Kapuni) from the powers of the Minister of Energy to control depletion rate in the national interest.

These difficulties of the Crown were not acknowledged publicly until late 1985, in submissions on the Government's Maui Gas Discussion Paper. The Oil and Gas Division of the Ministry of



Energy submitted that the Crown would not necessarily have any rights to gas after 2009 (Gas and Geothermal Directorate, 1985a) when the contract terminated. Maui Development in its submission went further and said that the increase in gas use required for the proposed Liquified Natural Gas project was contrary to the contract's terms and might not be possible. Thus the choices which New Zealanders had thought were open actually were restricted by MDL's right to maximise their commercial advantage.

### 5.7 *Wise use of Resources*

A clear trend is evident in the aims and functions of different resource laws, depending on the year in which the laws were passed.

At first, resource statutes were designed to facilitate resource development. The Petroleum Act 1937 is 'to make better provision for the encouragement and regulation of mining for petroleum . . .' The Water and Soil Conservation Act 1967 requires a balancing of development and conservation values.

The concept of wise use (Energywatch, 1986) was seen in the Public Works Amendment 1973, which enabled the Minister of Works to direct his Ministry to look at conservation, development, and effective use of natural resources. The Town and Country Planning Act 1977 requires planning schemes to provide for the wise use of resources of the region, district or area. In the Coal Mines Act 1979 the Minister of Energy *may* have regard to the general development and conservation of New Zealand's energy resources. The 1981 Mining Amendment Act *requires* the Planning Tribunal to consider the wise use and management of New Zealand's mineral resources.

What matters are relevant in deciding on wise use of natural resources? The Water and Soil Conservation Act 1967 prescribes several objectives for both use and conservation of water, but no formal mechanisms for determining priorities. But decisions made ad hoc by the courts have indicated a clear direction with an increasing scope of matters found to be relevant (Fisher, 1987:37). The loss of farm land was weighed against the benefits of electricity generation (*Metekingi vs Rangitikei-Wanganui Regional Water Board* [1975] NZLR 150; 5NZPTA 330 [High Court]). Later the question of the use to be made of the electricity was found highly

relevant (*Gilmore vs National Water and Soil Conservation Authority and Minister of Energy* 8 NZPTA 298 [High Court]).

D Fisher (1987:41) notes that the Environment Bill (now the Environment Act 1986) is concerned with management of natural resources rather than environmental protection, or environmental planning—or even with natural resource conservation. Management is towards human objectives:

if these values protect the environment, well and good; if these values degrade the environment, equally well and good.

It provides no overall direction for resource management to follow the trend of case law. Instead, the separate and often conflicting objectives of the different actors in resource management lead to an increasing tension.

It would seem important to recognise the trend of case law in any new legislation, and to ensure that new natural resource laws give full scope for the conflicts caused by scarcity to be debated. As has been observed in the section on resource management, market mechanisms are not good at achieving this.

## 5.8 *Sovereignty over Natural Resources:* *International Experience*

It has been generally assumed that the Crown could exercise sovereign rights and regain control of the use of the Maui field. Indeed in March 1988 this was still being claimed by the Minister of Energy (1988), the Managing Director of Petrocorp (1988) and the Secretary for the Environment (Blakeley 1988), all in the week that the proposed sale of Petrocorp to British Gas was finally abandoned. But the difficulties of re-asserting sovereignty after it has expressly been yielded, as was done in protecting the Maui interests in revisions of the Petroleum Act, would be far greater than in explicitly retaining the degree of control indicated in Treasury's Annex to Government Management: Brief to the Incoming Government (1987:418)

... it is an acceptable legal convention that property rights are all held from the Crown. While the Crown should not capriciously interfere with these property rights, the residual right to amend holdings remains with the Crown acting on behalf of society.

How does this experience compare to that of other countries in managing their natural resources in the public interest? New



Zealand's experience is certainly not unique: a recent book on natural resource policy (Rees, 1985:174) concludes:

If the minerals sector fails to perform in line with public policy objectives, it is conceptually possible to devise a whole range of policy measures to 'correct' the perceived deficiencies. However in market economies which are deeply embroiled in the international capitalist system this task of correction is by no means a trivial one.

Does the lack of control of the Maui resource amount to an unfair situation? An observation of an expert in international resource law suggests it may do (Brownlie, 1970:309).

In the domestic law of many capital-exporting States government contracts are susceptible to lawful modification and annulment by the government. . . . When a concession contract is made with a foreign interest, it is quite unrealistic to treat this contract as a fundamental law, overriding the power of legislation within the state concerned, and producing rigidity in the economy.

What foreign investors cannot expect to obtain is an acquired right, so to speak, to influence and even control the economy of the host State as a result of legal doctrines which purport to create indefeasible rights for foreign investors.

Nor does 'sanctity of contract' in Take or Pay gas contracts between the United States and Canada override the realities of the market place (Greenwald 1987:10):

The United States/Canadian renegotiation experience is best described as successive contract modifications over a period of six years to reduce, and finally to remove, the impact of take or pay obligations.

## 5.9 *Should Government Retain Ownership of Resources?*

Long term contracts have proved more inflexible—in other words more predictable—in New Zealand than the laws governing energy production and use. Therein lies both their disadvantage and their advantage. The government must expect public reaction to the commercial decisions it makes, at least as much as it expects and seeks reaction to the laws made by Parliament.

Probably the biggest commercial decisions ever made were those first to corporatise the major Crown-owned natural resources, and then to take the final step for one of them, and privatise Petrocorp. The approach taken by this paper allows us now to say what we mean by 'biggest'—it refers to the amount of economic rent that will be decided on in the first instance by individual, not collective, decision—making processes.

The New Zealand public believes that government ownership of natural resources is crucial to give it freedom to act on the public's behalf (Energy and Minerals Advisory Committee 1987:11). The Maori view holds, even more strongly, that the Crown must not allow ownership of resources to pass into private hands. The controversy over 'asset sales'—first Petrocorp, then perhaps other State-Owned Enterprises—flared up when the government accepted a bid by British Gas for Petrocorp, with the intention of using the cash payment to reduce the national debt. There followed a series of Letters to Editors, which tailed off about a month after the proposed sale. An informal survey of letters to five newspapers of the four main centres, plus three provincial newspapers, yielded 35 letters about the government selling off its natural resource assets. Four advocated the sale of Petrocorp or other State assets; the others were definitely against such sales. None sat on the fence.

These results justify selecting a quotation on this important issue. This is the statement of a woman from Christchurch to Radio New Zealand (Morning Report, 22 February), who spoke for many when she connected the asset sale issue to the whole government programme for change. Following the process of this Royal Commission on Social Policy, to 'Let the People Speak', she has the last word on Energy as Social Policy:

I've had enough of increases in the power, the threatened increases in the telephone charges, the new tax system that they're bringing in, then on top of all that, they're selling off our assets, New Zealand's assets, Petrocorp to British Gas . . . All right they say we've got to tighten our belts before things will get better, but you know, when they're talking about selling off New Zealand's assets—what are our children going to be left to inherit?



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# Rents in the New Zealand Energy Sector

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This paper discusses the nature and origins of rents as a category of income arising from the working of markets, with illustrations drawn from the New Zealand energy sector, and then considers how such rents are distributed, whether by allocation to specific individuals or groups, or by being "dissipated".

A rent arises in any situation where some resource or commodity is in fixed, limited supply and can be hired out or sold for a price higher than the supplier's minimum reserve price. Rents fall into several categories depending upon the cause and nature of the scarcity which gives rise to them. We may distinguish:

- pure scarcity rents accruing to land or other natural resources in fixed supply, when demand for the services of those resources exceeds the cost of making them available. The New Zealand market for kauri and high-grade heart rimu timber currently exhibits rents of approximately this type, as continuing demand for such timber for specialty uses presses against the limited supply from a nearly-depleted resource which is subject to competing demands from conservation and tourism uses. In the long run (100 years+) native forests are of course reproducible on an expanded scale; but the growth cycle is long enough, given the absence of large-scale replanting in the past half-century, to render the forests containing high-grade native timbers effectively a resource in fixed and scarce supply. Another, internationally-familiar, example is fisheries, where fish stock and the maximum rate of biological reproduction set limits to the size of the sustainable catch, and where the absence of an agency to appropriate rents is apt to lead to overfishing (Gordon 1954).

differential rent, which accrues to low-cost suppliers in any industry where not all suppliers have the same unit costs. Two types of differential rent may be distinguished. First is so-called "Ricardian rent" accruing to some producers in an industry on account of their control of especially productive or well-located natural resources. In the New Zealand



energy sector the major example is hydro electric generating sites, with prime sites near major centres of consumption—for example, the Waikato River—yielding high rents to the scarce combination of water-flow and topography. Another example is the Kapuni natural gas field which, as a low-cost onshore operation, secures Ricardian rent in a New Zealand market where the price of gas is set to render the offshore Maui field profitable. A second type of differential rent which verges on quasi-rent (see below) is analysed in Salter (1966) and may be designated “Salter rent”. This applies to the case of a capital-intensive industry where the costs of entry are high because of the need for any new entrant to invest a large sum to build a single plant. Existing firms in the industry, who have already incurred their investment costs, are sheltered by this barrier to entry because their current operating costs per unit of output are well below the long-run unit cost (including capital costs) which face new entrants. Amortisation and the return on investment of existing firms in any industry (not just natural-resource-based sectors) are covered by the Salter rents or quasi-rents they earn on their sunk investment costs.

- quasi-rents, which accrue to the owner of a reproducible productive asset which is in fixed supply in the short run, but open to competitive entry in the long run. These rents tend to erode over time (hence the “quasi”), as competing producers are attracted in, and prices are bid down, by the high profitability resulting from the rent. In New Zealand’s energy sector, one case study of quasi-rents which has been researched is the retailing of CNG in the period when only a limited number of service stations were equipped for the trade (Ellis 1983).
- monopoly rents, which accrue to the owner of an activity licensed and protected by government, or protected by the enterprise’s own deployment of market power. The protected status (to date) of the Marsden Point oil refinery generates rents of this kind (albeit they are mainly dissipated in running a high-cost refinery) (Barr and Gaudin 1985). The monopoly control over the Kapuni and Maui gasfields by the Shell-BP consortium, under New Zealand’s prevailing licensing regime, may also generate monopoly rents (Bertram, 1978, p.293). (One hypothetical alternative would be



to have a number of separate companies owning and operating the two fields in competition with each other; if no cartel were formed, competition would theoretically drive the price down to the marginal producer's cost of supply. In practice, "no cartel" is a very strong and usually unrealistic assumption.) On a world scale, the major example in the past decade has been the ability of OPEC to command high oil prices during the period of time required for alternative sources of supply, and energy-saving investments in consuming countries, to come on-stream. (In the longer-run, OPEC's monopoly has proved "contestable". In the very long run, pure scarcity rents should again give Middle East producers high returns on their oil, assuming no comparable new oil province is discovered.)

To some extent, thus, whether a particular stream of income is viewed as a rent or not depends on the time-scale of the analysis. The high profits from a known oilfield, for example, appear as rents for the period of exploitation; but without the expectation of such a level of profitability should oil be struck, the original exploration effort might not have occurred. Resources requiring to be found by exploration before they can be exploited, and technologies which must be invented and developed before they can contribute to production, are cases where rents have a "socially useful" function as an incentive to further exploration or research.

Indeed it is generally true that the key incentives in a growing and/or changing economy are provided by the rents which entrepreneurs anticipate winning if their ventures are successful. New industrial investment is motivated by the quest for quasi-rents, mineral exploration by the quest for scarcity and/or Ricardian rents. Without rents, or the hope of them, a capitalist economy would lack its mainspring.

*A rent exists, then, whenever the consumer of a commodity is obliged to pay more than the cost of supplying that commodity from the cheapest existing source.* In free markets, the price is expected to settle at roughly the cost of production from the *marginal*, not the *cheapest*, source of supply. Therefore in any free-market situation there will be rents gained by the owners of relatively low-cost ("intra-marginal") supplies. Rents will be entirely absent only when all firms in an industry have identical unit costs, and when the product sells for a price which is just equal to cost.



It follows that the gaining of rents is an intrinsic part of the efficient functioning of the market mechanism—there is no *necessary* incompatibility between rents and market efficiency. Such incompatibility *may* arise, however, in the case of monopoly rents, especially where these are not sanctioned by society in the interests of overall economic efficiency. The allocation of rents may also, of course, raise important issues of equity.

In the sections which follow, we shall first look more closely at how rents arise; then consider how they may be allocated or dissipated; and then identify issues relating to incentives, efficiency and equity in the New Zealand energy sector.

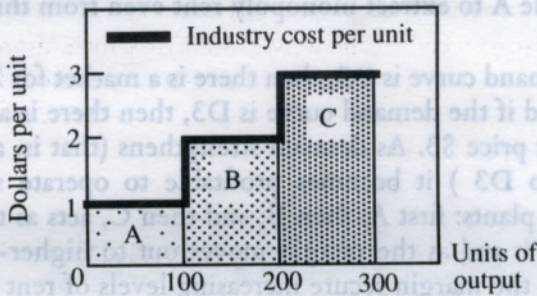
## Differential Rent: Some Simple Economic Theory

Rents arise first from the fact that not all economic resources are of equal productive capacity, and second from the fact that many real-world market structures are characterised by some “degree of monopoly” (market power). Either or both of these two elements may be encountered in any specific situation.

To show how rents are conceptualised and measured, it is useful to begin with a simple model of differential rent in an industry which has three producing units of unequal productivity. Suppose that A, a low-cost producer, has production costs (including “normal profit”—that is, the opportunity-cost of mobile or “foot-loose” capital employed) of \$1 per unit, while B, the moderate-cost producer, has unit costs of \$2, and C, the high-cost producer, has unit costs of \$3. Suppose further that all three plants have productive capacity of 100 units of output per week, and that each plant can produce either its full output or none (this assumption is merely convenient, not essential; for a more sophisticated version of the story see Salter 1966 p.78). We can then draw Figure 1, showing the cost and output capabilities of the three units side-by-side. The resulting heavy black line is an “industry supply curve” in the sense that this concept is used by Salter (1966 Chapters IV—VI) (see also Parmenter and Webb 1974).

The position is then that if the product is selling for a price of \$3 per unit or more, all three plants can be operated profitably. If the price falls to a level below \$3 but above \$2, then plants A and B are profitable but plant C, if operated, would make a loss. If the price

FIGURE 1: Industry supply curve



falls to between \$1 and \$2, only plant A is profitable. At prices below \$1, the whole industry shuts down.

The size of the market and strength of demand will now determine whether any rents will be gained by the lower-cost producer or producers. If the market could absorb only 100 units per week at a price of \$100, then A would just break-even, and B and C would be shut down. If there were a market for 200 units per week at a price of \$2, then plants A and B would supply the market, with B just breaking even and with A (because of its lower unit cost) doing much better than breaking even. With total costs of \$100 to supply 100 units of the good, A is receiving gross revenue of \$200. This \$100 difference is rent. Taking a yet stronger market, if the industry could sell 300 units per week, at a price of \$3, then A's rent income would rise to \$200, and plant B would now become also an "intra-marginal" supplier, earning rent of  $\$300 - \$200 = \$100$ .

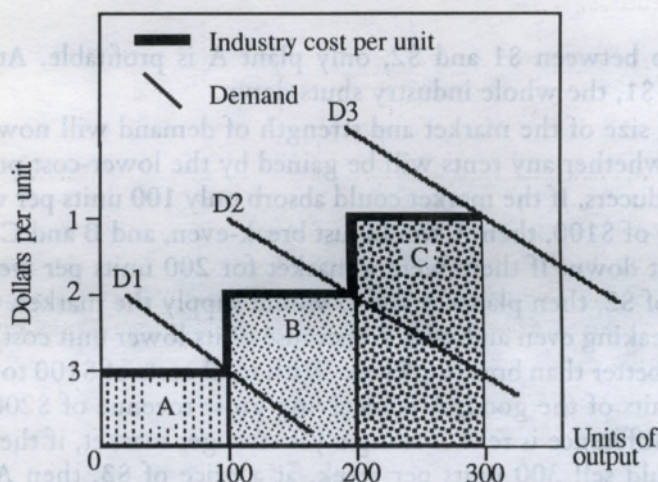
In economics it is usually taken for granted that the size of the market for a good varies inversely with its price: price-cutting attracts in more buyers, while price increases drive some potential buyers away. This idea gives the "demand curve", which can be superimposed on the industry supply curve to give the "market price" and "market quantity" at which demand and supply are in balance with each other. Figure 2 shows three possible demand



curves, corresponding to the three situations outlined in the preceding paragraph. If the demand curve is D1, then there is a market for 100 units at price of \$1. More than 100 units could be sold only if price were reduced below \$1. Plant A is therefore the only possible supplier, and will receive no rent (given our assumption that plant output must be 100 or nothing). A more flexible output would enable A to extract monopoly rent even from this market—see below).

If the demand curve is D2, then there is a market for 200 units at price \$2; and if the demand curve is D3, then there is a market for 300 units at price \$3. As demand strengthens (that is, as we move from D1 to D3) it becomes profitable to operate successively higher-cost plants: first A, then B, and then C, acts as the “marginal supplier”; and as the margin moves out to higher-cost plants, those inside the margin secure increasing levels of rent income.

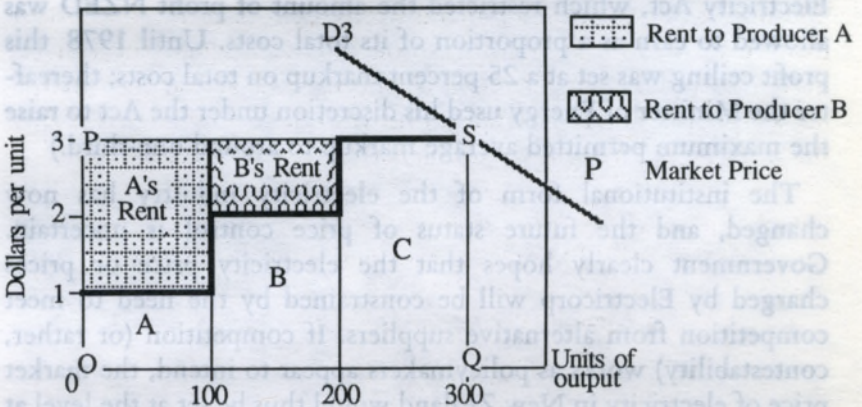
FIGURE 2: Demand curves and industry supply curve



Take, for example, the state of market demand represented by the demand curve D3 (see Figure 3). The market price is  $p$ , so the market can now accommodate all three producers, with C operating at the margin and both A and B receiving rents. The total cost of supplying 300 units per week to the market is obtained by adding up the three rectangles  $A+B+C$ —in other words, total cost is the area enclosed below the industry supply curve. In the example, this

comes to  $100 + 200 + 300 = 600$ . Total revenues from sale of the good are given by the area of the rectangle OPSQ, price times total quantity; in this case,  $300 \times 3 = 900$ . Total rents are the difference between revenues and costs ( $900 - 600 = 300$ ) and these rents are distributed between A and B according to the sizes of the shaded rectangles [A's rent] and [B's rent].

FIGURE 3: Rents to producers with different supply costs



To show how these ideas apply in practice, we can take two examples of energy-supplying industries in New Zealand for which research has been done: electricity generation and CNG retailing.

## Some New Zealand Examples

### 1 Electricity Generation

The production of electricity in New Zealand has been dominated since the 1920s by the NZ Electricity Division (NZED), reorganised in 1986-87 as State-Owned Enterprise Electricorp. This organisation owns and operates some 30 hydroelectric stations and 8 thermal power stations, all of which are tied together in a single nation-wide system, the National Grid. The system is operated



with the aim of supplying electricity as cheaply as possible from the available generating capacity, subject to the constraint that allowance must always be made for actual or possible variations in rainfall (and hence in the volumes of water available for hydroelectric generation).

Price control on the "bulk tariff" at which NZED sold its power prevented the organisation from exploiting its consumers by pushing up the price to obtain monopoly rents. (This price control operated through the mechanism set out in Section 34(1) of the Electricity Act, which restricted the amount of profit NZED was allowed to earn as a proportion of its total costs. Until 1978 this profit ceiling was set at a 25 percent markup on total costs; thereafter the Minister of Energy used his discretion under the Act to raise the maximum permitted average markup to around one-third.)

The institutional form of the electricity industry has now changed, and the future status of price control is uncertain. Government clearly hopes that the electricity price or prices charged by Electricorp will be constrained by the need to meet competition from alternative suppliers. If competition (or rather, contestability) works as policymakers appear to intend, the market price of electricity in New Zealand would thus be set at the level at which it is not profitable for anyone to build a new power station to compete with existing suppliers. Given the very large indivisible investment costs of new generating stations, and the fact that existing suppliers are operating with large sunk costs and may be able to engage in lengthy price wars to hold their market share, this is at best a blunt instrument—but it may prove a suitably menacing one to hold prices in the long run reasonably close to (i.e. just below) the "marginal cost of supply"—that is, the price at which it is just worth installing new generating capacity.

For the purposes of the present paper, the significant feature of the electricity industry is that it exhibits rising marginal cost of supply up to somewhere near the existing scale of output, but fairly constant marginal costs for increasing levels of supply. The reason for this is that there exist several technologies for generating large quantities of electricity at a fairly standard best-practice cost. One of these technologies is thermal generation fired by coal, gas or oil. In the near future, coal-fired or gas-fired thermal stations are the most likely new marginal additions to the electricity system in New Zealand, given uncertainties over long-run world oil prices.



The reason why New Zealand has to date had cheaper electricity than many overseas countries is that the country is endowed with natural resources which produce electricity at less than its "world marginal cost". These resources—river gorges, geothermal steam, shallow coalfields, natural gas—have by now mostly been developed for electricity, or allocated to other competing uses (ranging from wild and scenic river preservation to domestic reticulation of gas). The investment costs of developing these resources for electricity generation have been incurred in the past—they are "sunk costs"—so that effectively we can treat the dams, powerhouses, boilers and turbines as extensions of the natural resources themselves—as assets bequeathed to present users by the past. When electricity from these sources is sold, any revenue in excess of current operating costs is effectively rent. It is from these rent incomes that the electricity generating industry finances the servicing and repayment of past loans, the building of new power stations, and any payments of taxes and profits to Government (the present owner).

The large operating surplus characteristic of NZED in the past, and of Electricorp today, is thus to be interpreted as differential rent "earned" by low-cost intra-marginal stations in the national system.

An idea of the orders of magnitude involved can be gained from the financial results of NZED in its last year of operation, 1985-86 (Annual Statistics, 1986, table iv p.2). In that year 26,000 gigawatt-hours (Gwh) of electricity were generated from the thirty operating stations, and sold for roughly \$1,068 million—an average revenue of 4.1 cents per kilowatt-hour. [A gigawatt-hour is 1 million kilowatt-hours.] (This average price is less than the bulk tariff because of the inclusion of the Comalco aluminium smelter and one or two other special low-price customers.) Of the 26,000 GWh total, about 18,700 GWh came from hydro stations and 7,300 GWh from thermal stations (including geothermal). The working and administrative costs of the hydroelectric stations totalled \$63 million, or around 0.34 cents per kilowatt-hour. The corresponding figures for the thermal stations were total working and administrative costs of \$266 million, giving average unit operating costs of 3.65 cents per kilowatt-hour. Working and administrative costs of running the transmission lines and substations of National Grid totalled \$69 million (about 0.27 cents per kilowatt-hour of electricity), bringing total operating costs to \$398 million,



and leaving roughly \$670 million of operating surplus to pay for interest, depreciation, and profits. (Of this, \$62 million was spent on loan repayments, \$366 million was paid as interest, \$78 million was allocated to depreciation, and \$164 million remained as net profit.)

Interpreting these numbers in the framework of Figure 3 above, we could treat the hydro system as producer "A" and the thermal stations as a group as producer "B". Adding the system overhead operating costs of 0.27 cents per kWh to the average unit operating cost of the generating stations, we would have average unit cost for the hydro system of 0.61 cents per kilowatt-hour and average unit cost for the thermal system of 3.92 cents per kWh. (Annual unit-operating-cost data are shown in Table 1. These costs exclude capital charges.)

TABLE 1: Unit operating costs of the New Zealand electricity generating system

Year to March	<i>Working and Administration Costs of Generation, Cents/kWh</i>		
	<i>Hydroelectric stations</i>	<i>Thermal stations</i>	<i>All generating stations combined</i>
1983	0.17	2.17	0.70
1984	0.23	2.60	0.76
1985	0.25	2.65	0.87
1986	0.34	3.65	1.27

In a simple story which ignored the real-world detail of the electricity industry, we would then have a product which cost roughly 3.9 cents per unit from the high-cost producer and sold for 4.1 cents per unit, so that the thermal "plant" roughly broke even. The lower-cost hydroelectric "plant", however, had unit costs of only 0.61 cents, and therefore secured rent of  $(4.1 - 0.6) = 3.5$  cents per kWh, or a total of \$655 million. On this basis, therefore, virtually all NZED's operating surplus would have constituted differential rent to the producing units based on the cheap hydroelectric resource. To credit all this as rent to the hydroelectric system would, however, understate the actual contribution of the thermal stations to overall profitability, because if the thermal stations did not exist to provide dry-year security of supply, the hydroelectric generating sector would have to be larger, with roughly 15 percent excess capacity in normal-rainfall years. The existence of thermal stations is what permits the hydro system to operate at 100 percent capacity in mean years; in the calculations which follow, we have



therefore "credited" 15 percent of the revenue from hydro-generated electricity to the thermal system, and 85 percent to the hydro system.

Table 2 presents calculations on this basis for the four years 1982/3-1985/6. We have taken total revenues from sales of electricity, and subtracted all the operating costs of the electricity system including expenditure on buying-in electricity from independent suppliers (an item of negligible significance relative to the totals). This gives the operating surplus for the system as a whole. We then allocate this operating surplus between hydro and thermal stations by repeating the calculation for each block of generation, incorporating the crediting of 15 percent of hydroelectricity revenues to the thermal system for reasons just discussed, and assuming that all electricity from both sources was sold for a uniform price. (In fact, hydro electricity was sold for a lower average price than thermally generated electricity. This is power due to the Manapouri-Comalco contract for sale of electricity from the Manapouri hydroelectric station to the Comalco aluminium smelter at Bluff at a very low price. This detail does not change our aggregate rent estimate, though it affects its allocation between hydro and thermal stations.)

The system's total operating surplus, thus calculated, is \$462 million in 1983/84, rising to \$633 million in 1985/86. The fact that the great bulk of this accrued to the low-operating-cost hydro block of generating capacity confirms that the dominant reason for the profitability of the system is differential rent.

How much of the operating surplus can be treated as rent? As an approximation, we shall take the total surplus minus the "normal rate of profit" on mobile capital which, if not paid this rate of return, would leave the industry. Dams and turbines, once built, are not footloose (that is, they will not shift to other uses if they cease to earn a return on their capital costs) but some parts of the capital invested in the electricity system would certainly have positive "transfer earnings" (that is, could secure a return in alternative uses) and allowance should be made for this. Unfortunately, we do not have the data to conduct this exercise. The net book value of NZED's "completed works" (that is, stations actually generating power, and operating transmission systems) in 1985-86 was around \$3 billion (Annual Statistics..... 1986, p.2), so that if we were to allow for, say, a 10 percent "normal" return on this total, nearly half the total operating surplus would appear as "normal profit"



TABLE 2: Differential profitability in the electricity sector

## Part 1: Total system

Year to March	(1) Total electricity generated GWh	(2) Total sales revenue \$ million	(3) Working and administrative costs of generating stations \$ million	(4) Non-generation working and administration costs incl purchase of power \$ million	(5) Total hydro and thermal operating surplus \$ million (2)-(3)-(4)
1983	23,619	712	166	84	462
1984	24,997	760	191	59	510
1985	25,754	827	224	62	541
1986	25,986	1,033	330	70	633

## Part 2: Hydroelectricity stations

## Hydroelectric generating stations as a group:

Year to March	(1) Electricity generated GWh	(2) Adjusted share of total revenues* \$ million	(3) Working and administrative costs \$ million	(4) Pro-rata share of non-generation operating costs (incl purchases) \$ million	(5) Operating surplus \$ million (1)-(3)-(4)
1983	17,321	444	30	62	352
1984	19,358	500	45	45	409
1985	19,115	522	48	46	428
1986	18,688	631	63	50	518

## Part 3: Thermal Stations

## Thermal generating stations as a group:

Year to March	(1) Electricity generated GWh	(2) Adjusted share of total revenues* \$ million	(3) Working and administrative costs \$ million	(4) Pro-rata share of non-generation operating costs (incl purchases) \$ million	(5) Operating surplus \$ million (1)-(3)-(4)
1983	6,298	268	137	22	109
1984	5,639	260	147	13	100
1985	6,638	305	176	16	113
1986	7,298	401	266	20	115

\*15% of hydro revenues credited to thermal to reflect its contribution to system security

Source: Annual Statistics in Relation to Electricity Construction, Generation and Supply for years shown.

rather than rent. But because the great bulk of this sunk capital is not mobile, its actual transfer earnings are extremely low (just the scrap value of the materials and plant) and accounting conventions such as a required return on book value of assets fail to meet the economic definition of rent. As a very rough guess we might suppose that perhaps \$50 million of the operating surplus might credibly be classed as transfer earnings, and therefore excluded from the category of "rent". The 1985/86 operating surplus of \$633 million would then consist of \$50 million of transfer earnings of capital, and \$583 million of differential rent.

One further problem is posed by the fact that the electricity from the largest (and almost the cheapest) hydroelectric station Manapouri is sold to the Bluff aluminium smelter at a price less than half the wholesale price to other bulk-electricity buyers. Part of the potential rent from the hydro system is thus not collected as revenue, but rather is passed on, via lower electricity prices, to the partners in the Bluff smelter and to the world's aluminium users. (The rationale for this arrangement in the past was that the "potential rent" could not be realised in practice because of the remoteness of Manapouri from the country's main electricity markets. As this rationale has faded with expansion of demand and improvement of the National Grid, so government has been able to raise the price of power to the Bluff smelter.) The amount of rent thus "missing" from Table 1 on account of its dissipation via the Bluff smelter is extremely difficult to estimate, but would have lain somewhere between \$10 million and \$50 million in 1985-86.

There is of course a wide range of operating costs amongst individual hydro and thermal stations, and a fuller attempt to estimate rents needs to look at the station-by-station picture. In Figure 4 and Table 3 below is shown the way in which greater real-world detail can be incorporated for the 1983/84 year. The diagram has two components: first, a left-hand segment which shows the special situation relating to Manapouri and the Bluff smelter, and then a right-hand segment which shows the remainder of the electricity sector (including Manapouri power over and above that used by the smelter). Starting from the flat low-cost plateau representing Manapouri, the industry supply curve (showing the short-run marginal cost of supply) slopes up to the right as one after another of the higher-cost generating stations are brought into the picture.

To draw Figure 4, in the absence of official data relating to the Bluff smelter, we assume that in 1983/84 the smelter used 3,900



GWh at an average price of 1.5 cents/kWh. This then leaves the remaining 21,000GWh produced and sold receiving average revenue of 3.05 cents/kWh, net of system overheads. Operating surpluses secured are shown by the shaded area in Figure 4, and are calculated station-by-station in Table 3. The total is of course the same (bar some rounding errors) as in Table 1, since all we are doing is analysing the system's operating surplus in greater detail. The more thorough approach in Table 3, however, identifies the fact that among the thermal stations Wairakei, Huntly, New Plymouth and Stratford together secured surpluses totalling \$53 million, while Meremere, Whirinaki, Otahuhu and Marsden A aggregated minus \$30 million. We have not attempted in Table 3 the earlier 15 percent adjustment in the allocation of operating surplus between hydro and thermal.

The theoretical structure underpinning Table 3 and Figure 4 is illustrated in Figures 5 and 6 below. In Figure 5, the demand curve in the right-hand quadrant is the demand by all electricity users other than the Bluff smelter. A controlled wholesale price (bulk tariff) of  $p^*$  has been imposed at a level which is below the "market-clearing" price at which the demand and supply curves in the right-hand quadrant intersect. Assuming that transfer-earnings on capital have been incorporated in the curves, the total surpluses "earned" by the system then consist of the rents from the Manapouri bulk sale at price  $p_m$  (area M) *plus* rents from all other generating capacity with unit operating costs lower than the bulk tariff (area N) *minus* the losses (negative rents, area L) from those stations which have operating costs above the bulk tariff, but are nonetheless operated to satisfy the market demand  $q^*$  at the bulk tariff. (This, obviously, is not an operation running according to strictly commercial criteria.)

TABLE 3: Calculating operating surplus by individual stations, 1983/84

Stations	Power produced 000 kWh	Results for the 1983/84 year					Revenues @3.05¢ except Comalco (1.5¢) \$000	Surplus \$000 (see note j)
		Working expenses excl admin \$000	Fuel \$000	Admin charges \$000	Total O&M costs 000 \$	Per-unit O&M ¢ per kWh		
Ohau B <sup>a</sup>	105,496	54	0	83	83	0.08	3,218	3,134
Benmore	2,629,812	1,513	0	2,317	2,317	0.09	80,209	77,893
Manapouri I <sup>b</sup>	3,900,000	2,255	0	3,454	3,454	0.09	58,500	55,046
Manapouri II <sup>c</sup>	927,102	536	0	821	821	0.09	28,277	27,456
Lake Coleridge	247,075	161	0	247	247	0.10	7,536	7,289
Tekapo B <sup>d</sup>	914,154	660	0	1,011	1,011	0.11	27,882	26,871
Ohau A <sup>e</sup>	1,130,394	794	0	1,216	1,216	0.11	34,477	33,262
Aviemore	1,124,001	771	0	1,181	1,181	0.11	34,282	33,101
Roxburgh <sup>f</sup>	1,792,452	1,486	790	2,276	2,276	0.13	54,670	52,394
Rangipo <sup>g</sup>	334,982	326	0	499	499	0.15	10,217	9,718
Maraetai	763,627	1,125	0	1,724	1,724	0.23	23,291	21,567
Waitaki	608,810	1,091	0	1,670	1,670	0.27	18,569	16,898
Whakamaru	457,851	1,087	0	1,664	1,664	0.36	13,964	12,300
Aratiatia <sup>h</sup>	309,055	720	0	1,103	1,103	0.36	9,426	8,323
Matahina	282,948	720	0	1,102	1,102	0.39	8,630	7,528
Arapuni	760,555	1,952	0	2,989	2,989	0.39	23,197	20,208
Tokaanu <sup>i</sup>	800,805	2,175	0	3,332	3,332	0.42	24,425	21,093
Tekapo A	169,192	487	0	745	745	0.44	5,160	4,415
Atiamuri	268,529	829	0	1,269	1,269	0.47	8,190	6,921
Waipapa	230,533	717	0	1,098	1,098	0.48	7,031	5,934
Ohakuri	375,320	1,226	0	1,878	1,878	0.50	11,447	9,569
Karapiro	486,971	1,773	0	2,716	2,716	0.56	14,853	12,137
Cobb	179,134	957	0	1,466	1,466	0.82	5,464	3,997
Wairakei	1,150,101	8,407	0	10,732	10,732	0.93	35,078	24,346
Waikaremoana	343,769	2,941	0	4,504	4,504	1.31	10,485	5,981
Highbank	53,290	701	0	1,073	1,073	2.01	1,625	552
Huntly	1,298,320	6,979	12,538	26,409	26,409	2.03	39,599	13,190
Mangahao	92,704	1,327	0	2,032	2,032	2.19	2,827	795
New Plymouth	2,265,137	11,066	37,337	55,337	55,337	2.44	69,087	13,750
Stratford	507,411	3,270	9,483	13,397	13,397	2.64	15,476	2,079
Monowai	43,279	765	0	1,172	1,172	2.71	1,320	148
Arnold	26,647	1,089	0	1,668	1,668	6.26	813	-855
Meremere	268,233	7,045	9,006	20,076	20,076	7.48	8,181	-11,895
Whirinaki	9,028	353	363	793	793	8.79	275	-518
Otahuhu	55,373	2,000	1,835	5,410	5,410	9.77	1,689	-3,721
Marsden A	85,222	5,105	8,260	15,977	15,977	18.75	2,599	-13,378
Totals	24,997,311	91,379	78,823	50,150	220,352	0.00	760,187	507,527



TABLE 3: Calculating operating surplus by individual stations, 1983/84—continued

Notes: a. Incl 4.9% of Twizel Control.

b. Sales to Bluff smelter.

c. Remaining Manapouri power not sold to smelter.

d. Incl 42.5% of Twizel Control.

e. Incl 52.6% of Twizel Control.

f. Incl Wakatipu & Hawea controls.

g. Incl 29.5% of Tongariro control.

h. Incl Taupo control.

i. Incl 70.5% of Tongariro control.

j. Surplus includes an unknown, but probably not very large, amount of "normal profit" on mobile capital; and is not corrected for the interdependence of thermal and hydro generation.

Sources: NZED, *Annual Statistics*; plus NZED, *Annual Generation Costs, Year Ended 31 March 1984* (unpublished). Note that generating costs by station appeared in the Annual Report of the NZED for years up to 1982/83 but have not been published since. The 1983/84 figures above were released but not published by NZED.

Figure 6 shows how the situation in Figure 5 would be modified if a uniform market-clearing price,  $p'$ , were charged for all electricity supplied, including power for the Bluff smelter. The total surplus would be increased by extra rent from Manapouri (area W) plus extra rent from intramarginal stations (area X), plus the losses no longer incurred by supplying excess demand (area L). The strict, "perfect" free-market situation of Figure 6 yields total rents ( $M+W+N+X$ ) which are larger than the rents obtained under the status quo ( $M+N-L$ ). Total electricity consumption is cut back from  $q^*$  to  $q'$ , saving costs which would otherwise have to be incurred to meet marginal demand from high-cost marginal stations.

FIGURE 4: New Zealand Electricity Division operating cost and surplus, by Station, 1983/84  
Cents per Kilowatt - Hour

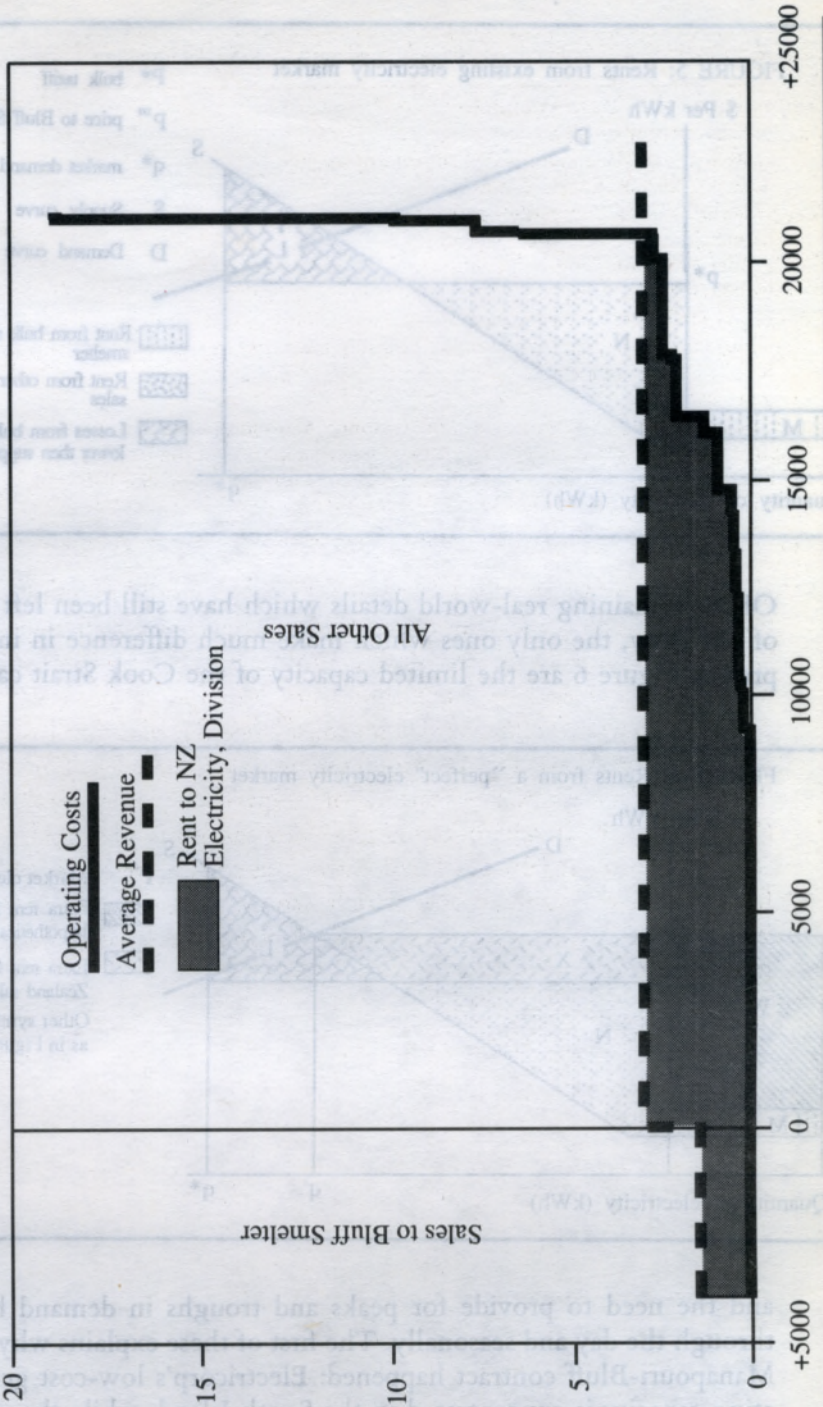
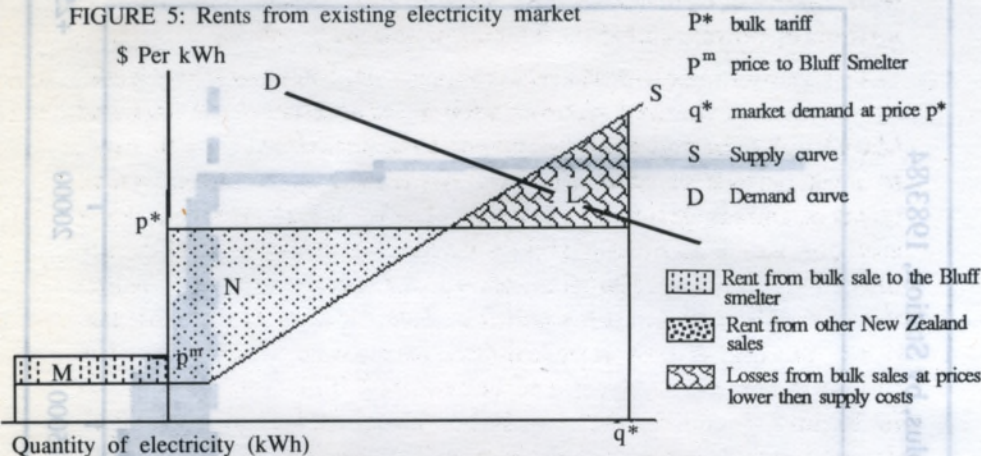


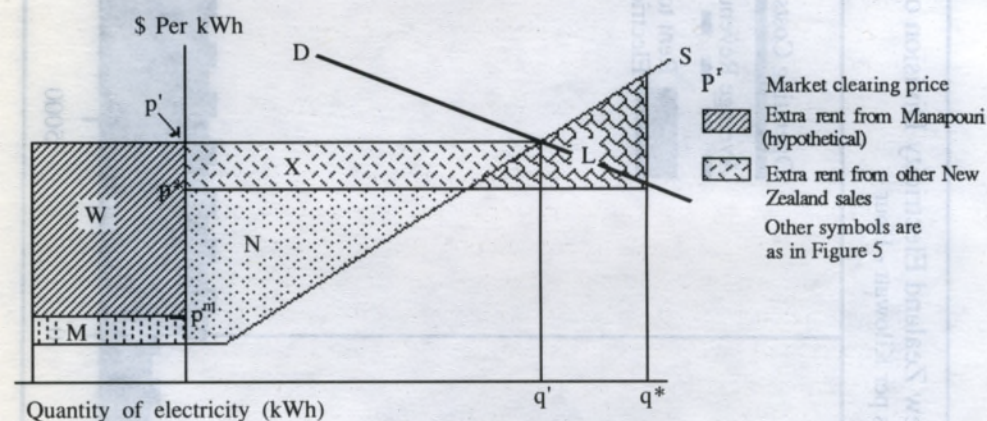


FIGURE 5: Rents from existing electricity market



Of the remaining real-world details which have still been left out of our story, the only ones which make much difference in interpreting Figure 6 are the limited capacity of the Cook Strait cable,

FIGURE 6: Rents from a "perfect" electricity market



and the need to provide for peaks and troughs in demand both through the day and seasonally. The first of these explains why the Manapouri-Bluff contract happened: Electricorp's low-cost generating capacity is concentrated in the South Island, while the main markets for electricity are in the North Island. The market-wide

free-market price  $p'$  could thus only arise if the Cook Strait cable were large enough not to pose a constraint on inter-island transmission of power, and if such transmission was costless.

The second issue—peaks and troughs—explains why very high-operating-cost thermal stations such as Whirinaki, Otahuhu and Marsden A exist and would continue to be used from time to time, to meet periods of especially high demand. Figure 5 is drawn in terms of annual quantities of energy (kWh), but electricity is actually purchased as a flow of kilowatts, and low-cost stations are limited in the rate at which they can produce electricity. When therefore, the rate of use exceeds the flow capacity of low-cost stations, the higher-cost marginal stations must be brought into the system if power cuts are not to be required. The demand curve D in Figures 4 and 5, thus, must be thought of as an "average" demand curve and  $p'$  as an "average" price. The actual demand curve shifts in and out in the course of each day, and it is this feature of the system which presents the major analytical challenges for the managers of any electricity supply system (cf Electricorp 1987). By using figures on actual unit costs incurred over the course of a typical year and average revenues earned, we can abstract from this issue without losing too much. It needs always to be remembered, however, that before drawing strong conclusions about how the market for electricity *ought* to be organised and regulated, it is necessary to come to terms with the physical and engineering realities of the system.

The significance of the existence of large differential rents in the electricity sector has recently come to the fore because of the decision to corporatise the old NZED under the name Electricorp. The government, acting as the owner of the assets of NZED, proposes to transfer those assets to Electricorp at a price which corresponds to the present value of the rents (net revenues) likely to be earned by Electricorp in a market environment in which its possible competitors will be "marginal" suppliers—that is, newly-built thermal stations, or new hydro stations on sites not already developed (and hence high-cost, or environmentally-sensitive, or both). This element of "contestability" is expected to result in a long-run wholesale price for electricity at the marginal cost of new supply.

It is of some interest to relate our rent estimates above to the disputed issue of the value of Electricorp's assets. We have analysed at least \$580 million of the \$630 million operating surplus of the generating system for the 1985/86 year as differential rents (Table



1 and discussion) on the basis of the controlled price then ruling, and on the basis of the cost structure characteristic of pre-corporatisation NZED. It was shown that in 1985/86 average revenue was not much above average operating cost of thermal supply, which means that it was substantially below the long-run marginal cost of supply (that is, below the level at which it would be possible for a new generating station to break even, including covering its capital costs). A common estimate of the long-run marginal cost of new thermal generation in 1986 was around 8 cents/kWh, about double the short-run marginal cost at that time, taken to be the average unit operating cost of the thermal stations as a block, from Table 2. The following year Treasury estimated the long-run marginal cost of new supply as "in the range of 8-11 cents per unit (\$1987)" (Treasury 1987, p.4).

This implies that in 1986, the "barrier to entry" provided by the gap between short-run and long-run marginal cost could have enabled a deregulated NZED to add 4 cents or more per kWh to its average revenue before being threatened by the entry of competing generating stations. If all output at the 1986 level continued to be purchased at the higher price, the resulting extra 'Salter rent' on the 22,000 GWh not sold to the Bluff smelter would have added \$880 million to the \$580 million-odd of actual differential rent, a total of nearly \$1.5 billion. Allowing for subsequent inflation and possible cost savings under corporatisation, it seems safe to say that the *potential* operating surplus of the electricity system now operated by Electricorp should be above \$1.5 billion annually, if the above estimates of marginal cost are correct.

At first sight, an asset capable of earning \$1.5 billion annually should be worth well above the \$8-10 billion which Treasury was asking on the taxpayers' behalf (until the negotiations were taken out of their hands by a group of Cabinet Ministers late in 1987), let alone the finally-agreed price of \$6.3 billion. Such a low price could, however, make sense if "market-clearing" prices are expected to remain below the long-run marginal cost estimates just cited; or if Government intends to continue to use price control to prevent Electricorp extracting Salter rents from its customers in the short run. In the longer run such a price-control policy would not be sustainable, because as demand for electricity expands, the existing system will eventually be unable to satisfy demand, leading to a demand for new generating stations to be built. To warrant such construction, the average electricity price would have to equal



the long-run marginal cost by the time excess demand appears—say, early in the next century. The doubling of the existing average price entailed in this adjustment, Treasury suggests, will need to take place some time over the next 12 or so years (Treasury 1987, p.4). The controlled price can reach its long-run level along any year-by-year “path” chosen by the government’s regulators.

Electricorp, in their 1987 forecasts, discuss the future course of prices and show in a table and diagram (reproduced as Appendix I) the assumptions on which their main forecasts of electricity demand are based (Lermit and Cameron 1987, p.16). They have the existing (1987) bulk tariff of 5.4 cents/kWh prevailing until 1990/91, after which the wholesale price (in 1987 dollars) rises to 6.6 cents by 1995/96 and 8.9 cents by 2006/07. This last figure appears to be their present estimate of the unit cost of new generating capacity, and they comment (1987 p.22) that “the Corporation will be unlikely to carry out new developments while the price charged remains below the cost of expanding production”.

A back-of-envelope calculation using these prices shows that if Electricorp were currently securing, say, \$600 million of rent annually from generation of about 27,000 GWh at a wholesale price of 5.4 cents/kWh, then annual rents would rise to the full \$1.5 billion by the year 2006/07, and the present-value at 10 percent of the stream of rents *even if no profit were secured on any increase in sales above 27,000 GWh* would be \$9.5 billion. At the 9 percent discount rate favoured by Electricorp (Lermit and Cameron 1987 p.17) this would rise to \$10.8 billion, while at the 13 percent discount rate used in some other parts of the government sector, the present value would drop to \$6.7 billion. These figures recognisably overlap with the range in which bargaining between Treasury and Electricorp was proceeding in late 1987 before an impasse was reached. However, our back-of-envelope numbers seem to suggest that Treasury’s asking price of around \$8-10 billion, which Electricorp evidently rejected, could be considered to have been rather low, especially at the lower discount rates. [Electricorp is reported to be currently using a 7 percent discount rate.]

There seem to be two major reasons why Electricorp might be more pessimistic about its future profitability than our figures above would suggest. The first is that the figure of 8.9 cents/kWh for the unit cost of new supply may actually be rather above the price at which competing suppliers might enter the New Zealand electricity market. Several possible competitors might expect to



undercut the 8.9 cents figure, possibly substantially, on the basis of low fuel costs. A natural-gas-burning electricity station built as a downstream diversification by Petrocorp, or the partners in the recent Kupe oil/gas strike, or Brierley Investments, or by the Auckland Electric Power Board in association with any of these, might conceivably push its unit costs down to the 6-7 cent range by shaving investment costs, using new improved technology, and using the new station as a means of flaring-off "surplus" gas. Similar downstream investment by Coalcorp might also undercut the Electricorp figure, if a decision were taken to exploit coal resources which had no other market. The price path assumed by the Electricorp forecasts, and the (probably similar) path underlying Treasury's calculations, may thus not be attainable.

Secondly, as Electricorp note at some length in their forecasts (Lermit and Cameron 1987, pp.22-25, 31-32), one major possible competitor for the local electricity market is energy conservation. Three recent studies (Boshier et al 1986; NZERDC 1987; Tolerton 1987) have drawn attention to the possibility that electricity-saving technology could be introduced at a rate sufficient to eliminate future growth in electricity consumption by the New Zealand economy. Tolerton estimates that 4.5 PJ/year of electricity could be saved by conservation measures which would have positive pay-off to the consumer at an average cost equivalent to 6 cents/kWh. In that case, existing generating capacity would suffice to meet future needs, and there would be "a corresponding decline in long-run marginal cost as the need for capital developments is reduced" (Lermit and Cameron 1987, p.24). This opens up the possibility of stagnant electricity demand with no real increase in the existing wholesale price, leaving a present value of the Electricorp operation of, say, \$6 billion. Such inability to push up the electricity price to full long-run marginal cost in the face of consumer resistance and the availability of a competitive substitute (conservation) is the most likely reason for valuations of the electricity system lower than \$10 billion.

To date, New Zealand households have shared (via lower-than-marginal-cost prices) in the differential rent resulting from their country's possession of high-yielding generation sites. In future, this dissipation of the rent will be replaced to some (as yet unknown) extent by a process of appropriating the rents as revenues or dividends to government. The rents, thus, are being reallocated to a new use: away from subsidising living standards directly,



and towards relieving the burden on taxpayers of government debt. If, as a result, tax rates can be cut significantly because of increased earnings from electricity sales, this would provide countervailing relief via household disposable incomes; but the benefits of tax cuts are unlikely to accrue to the same groups that benefit most from the existing subsidy. In *principle*, however, the reallocation could be achieved without leaving anyone in New Zealand worse off—especially if some component of increased electricity charges can be “exported” (e.g. by loading it onto the consumers of Bluff aluminium or other electricity-intensive export commodities).

From a revenue point of view, thus, the best way to conceptualise the proposed sale of the system to Electricorp is to view Electricorp as taking over from the Government the servicing of some \$6.3 billion of the existing national debt. The formal transfer of the assets is not necessary to accomplish this aim; all that is required is for the Government to lay claim to the rents from electricity generation under the heading of revenues available to be used to support government expenditure in general (in contrast to the past and present—until Clyde and Ohaaki are completed—when electricity rents have been earmarked for large-scale projects to build new power stations). Since Electricorp’s existing interest payments on its loans from the government already contribute some \$400 million to the government’s debt-servicing capacity, the net budgetary gain should not be overstated.

From the point of view of the Royal Commission, the interest of this issue arises from the effect of electricity prices on household living standards. The possibility that (real) electricity prices could rise *on average* by about 100 percent some time in the next decade or so, coupled with the declared intention to introduce new pricing structures to eliminate the existing cross-subsidy in favour of domestic electricity users, would mean that one of the long-established universal benefits provided by government would be sharply reduced.

The best way for New Zealand to hold down electricity prices in the long run is to encourage energy conservation measures and thus avoid the future necessity of building more power stations. There is thus a strong pay-off to household living standards from successful implementation of conservation measures, and it could be appropriate for the Commission to make mention of this point in its report.



## 2 *CNG Retailing: a Case of Quasi-Rents*

A 1983 study of the CNG industry collected cost estimates for service stations selling CNG to motorists, and estimated their profitability (Ellis 1983, Chapter 7). The situation at that time was that CNG was a relatively new fuel and only a few stations in each area were equipped to sell it. Consequently:

most stations still have a catchment area in which they have a weak monopoly. Stations in smaller centres, or where the entry of would-be competitors is restricted by limitations on the available gas supply, have a stronger monopoly.

The consequence of this, together with exemption from price control, is that CNG stations have been able to set their prices at a level which provides them with a generous return on their investment, provided that they can obtain sufficient turnover to keep their equipment busy. The same price yields a much less generous return if the station is only supplying a light level of demand, such as that to be expected soon after opening (Ellis 1983 pp.180 & 182).

The cost of installing CNG equipment in an existing service station, taking account of government grants, was estimated as \$94,000 for a small station selling 670 cubic metres of gas a day, and \$166,000 for a large station selling 3,000 m<sup>3</sup> a day. The smaller station could be expanded to 1,000 m<sup>3</sup> a day at an extra cost of \$25,000 (with government grant); and the large station could be expanded to 4,300 m<sup>3</sup> a day at a cost to the owner of \$69,000 (Ellis 1983, pp.183-186).

Operating costs were estimated for these four representative types of operation: small, small expanded, large, and large expanded. Station operating costs and revenues are shown in Table 4 below:

Ellis estimated the selling price required for each type of station to break-even as an investment proposition (providing for a depreciation rate of 10 percent and a net profit before tax of 20 percent of original capital outlay). This permits estimation of the so-called "normal profit" required to warrant the installation of new CNG retailing equipment, and hence gives an estimate of the quasi-rents secured as a result of the ability of the limited number of operators in the industry to charge an average price of 42.2 cents per cubic metre. In the longer run, as Ellis points out (1983 p.196) competition from new entrants would be expected to drive the price down towards the normal-profit level. In the short run, early entrants to CNG retailing secured quasi-rents, at a rate that increased sharply



TABLE 4: CNG retailing in 1982 cents per cubic metre

Type of station	Operating cost	Selling price	Break-even price	— Operating surplus: —		
				Actual	"Normal profit"	Quasi-rent
Small	25.7	42.2	37.4	16.5	11.7	4.8
Small expanded	26.1	42.2	36.0	16.1	9.9	6.2
Large	26.3	42.2	30.9	15.9	4.6	11.3
Large expanded	26.4	42.2	30.5	15.8	4.1	11.7

Source: Ellis 1983, pp.193-195

with the size of the operation. It was presumably the existence of these quasi-rents that attracted one of the major oil companies (Caltex) into early promotion of CNG, thus stealing a march on its competitors.

The working of this long-run market adjustment mechanism was aborted in 1984 by the imposition of new standards for the on-line metering of CNG sold by retailers (Ministry of Energy 1984, p.56). These standards required the installation of pumps with high-technology electronic metering equipment, at a cost of around \$25,000 apiece. At a stroke, the new standards radically reduced the incentives faced by new entrants to the CNG retailing sector, and cut the profits of those already in the industry. The quasi-rents, thus, rather than being squeezed out as the industry expanded to its competitive-equilibrium number of outlets, were transferred as extra revenues to the manufacturers of the new metering equipment.

### 3 *Petrol: The Marsden Point Refinery*

The expanded and upgraded refinery at Marsden Point was built on the basis of an undertaking by the New Zealand Government that the owners (the consortium of major oil companies serving the New Zealand market) would be permitted to recover a "reasonable" (around 15 percent) return on their capital investment by loading capital charges onto the local-market prices of oil products. The refinery's costs subsequently over-ran the original estimates by a large margin.

Oil company projections indicated that the type of expansion desired by the Government—a hydrocracker capable of processing a wide variety of types of crude oil—would not be profitable if



undertaken in a competitive market context. That is, there were no perceived rents to be obtained from a free market. Only the government's willingness to guarantee the refinery partners a monopoly of the domestic market, and to permit them to exploit that monopoly by raising petrol and other oil-product prices, made the expansion worthwhile. The benefits to New Zealand, the government argued, would take the form of greater security of supply in the event of a new Middle East war or embargo; the higher prices for motorists were a fair price to pay for this security.

From the private companies' point of view, their favoured local-market position was only as secure as the Government's tenure of office. However, the new government in 1984-85 chose to assume the whole of the refinery-expansion debt, somewhat more than \$5 billion. Subsequently, however, the Government has moved towards deregulation of the local market, which may mean that the refinery ceases to be a competitive supplier even with its debt servicing charges carried by excise tax rather than through price recovery.

Barr and Gaudin (1985) traced the historical course of the prices of premium gasoline and light crude oil, in real 1984 dollar terms, from 1965 to 1985. The real price of gasoline about 1973 before the first oil shock was 45¢ per litre. Following the first oil shock, the real price rose to 80¢, and apart from a dip in the late 1970s (reversed by the second oil shock of 1979-80) was still at this level in 1984. There then took place a sharp increase to 90¢, following the 1984 devaluation and Budget adjustments.

Tax as a component of the price, Barr and Gaudin showed, was lower after 1980 than in the preceding 30 years, and was not a factor in the mid-1980s rise in prices. (Tax has been around 22 cents/litre real over the past several decades). Having allowed for changes in crude oil prices and in taxes on petroleum products, they concluded that:

The component of the price that has increased is the refinery and distribution margin . . . There have been very tight refinery processing margins overseas since 1981. In spite of this, the total New Zealand margin has increased from some 20 cents/litre prior to 1973, to approximately 30 cents/litre between 1982 and the present. The major reason for this 50 percent increase appears to be the previous government's decision that a large component of the Marsden Point refinery expansion would be loaded onto the gasoline price.

This loading is presently 7.48 cents/litre on all petroleum fuels whether processed by the Refinery or imported directly. It is a cost-plus loading



that is expected to rise significantly in the near future, perhaps to more than 10 cents/litre.

The present high price of gasoline should make local alternative fuels more attractive, and this is the case. For comparison, the price of CNG in energy terms is now about half that of gasoline, and LPG about 60 percent. Although locally produced methanol is not yet readily available, it too should have become more price competitive. Consequently, the incentive to switch to these alternative fuels are [sic] as good now as they have ever been, and are likely to get better.

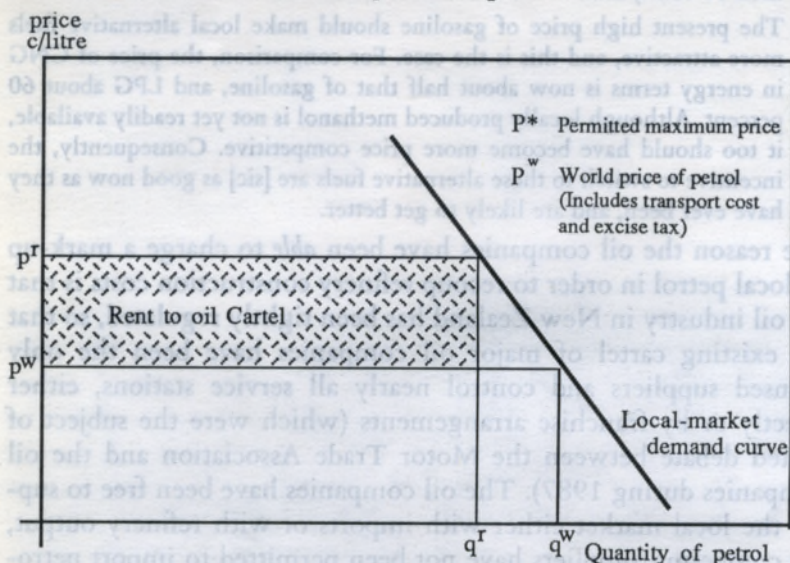
The reason the oil companies have been able to charge a mark-up on local petrol in order to recoup refinery construction costs is that the oil industry in New Zealand has been tightly regulated, so that the existing cartel of major oil companies have been the only licensed suppliers and control nearly all service stations, either directly or by franchise arrangements (which were the subject of heated debate between the Motor Trade Association and the oil companies during 1987). The oil companies have been free to supply the local market either with imports or with refinery output, but competing suppliers have not been permitted to import petroleum products for resale. New Zealand consumers are therefore unable to purchase petrol at its import price, and must instead pay a loading on the price to support the refinery.

Figure 7 shows, in terms of simple economic theory, the way in which it was originally envisaged that the capital charges for the refinery expansion would be loaded onto the New Zealand petrol price. The price  $p^*$  is the world price at the current exchange rate, marked up for normal wholesale and retail margins and New Zealand excise taxes. (That is,  $p^*$  is the price petrol consumers would pay if there were a free market.) The price  $p'$  is the permitted price charged by the oil companies. The higher price reduces local market demand from  $q^*$  to  $q'$ , but given a low price elasticity of demand for petrol the smaller market yields substantially greater revenues to the cartel than would prevail in the free-market situation. The shaded rectangle shows the rents gained by the refinery partners as a result of their monopoly position in the local market. Obviously, de-regulation of the industry would open the way for companies not involved in the Refinery to bring in imported petrol and sell it at the lower price  $p^*$ , thus undercutting the Refinery cartel.

It was this vulnerability of the cartel to competition from imports in a de-regulated environment that probably underlay the government's 1986 decision to convert the "refinery levy" part of the



FIGURE 7: Price structure of premium petrol



local petrol price into a general excise tax, which is now to all intents and purposes indistinguishable from the other taxes on petrol, such as the National Roads Board tax, and the revenue from which goes into the Consolidated Fund, out of which the government has undertaken to pay the costs of servicing the debt resulting from the expansion. In terms of Figure 7, the effect of this change is to collect the shaded area as excise tax rather than allowing the companies to collect it directly as a mark-up. Because an excise tax is charged on all petrol (including any that may be imported by new competitors) the price of imported petrol is effectively pushed up to  $p^r$ , eliminating the possibility of the existing cartel's being undercut by new entrants to the petrol wholesaling industry. This, of course, amounts to a substantial degree of protection for the refinery via a mechanism of cross-subsidy: competing suppliers' petrol will carry a tax burden the revenue from which is then passed across to service the capital charges of their competitors.

The present price structure of premium petrol is shown in Table 5. It can be seen that of the total tax of 36.36 cents per litre, nearly half (16 cents) originated as the cost of servicing refinery debt, but was consolidated into the other taxes in 1987. The implications of this consolidation are of some interest and importance. In the 1986 Budget, the government announced that it would take over from

the New Zealand Refining Company the responsibility for servicing the company's debts, as part of moves to deregulate the oil industry. The government shortly thereafter borrowed in the vicinity of \$5.3 billion overseas for the purpose of taking over the outstanding debt, and introduced a 16 cents-per-litre levy on all petrol sold in New Zealand. At that point, however, the procedures halted. The borrowed money has since been held abroad, while the Government is still paying over to the Refining Company the proceeds of the 16 cents levy, even though this has now been converted to a general excise tax paid initially into the Consolidated Fund.

Once the oil industry is deregulated, therefore, the government will remain responsible for maintaining servicing payments on the refinery debt, leaving the Refining Company carrying only a small residual risk in the event that passing crude through the tolling operation at Marsden Point proves less profitable for the major oil companies than shipping-in refined product from overseas. This decision is of marginal significance relative to the really big wind-falls of the past. Any real profit on the Marsden Point refinery expansion was taken out of New Zealand in transfer payments for equipment and services during the first half of the decade, under the contractual agreements with government that loaded the cost of the resulting debt onto petrol consumers.

With the refinery levy now incorporated into the general excise taxes charged on all petrol sold (whether of local or overseas origin), the pricing structure required to sustain the refinery would render imported petrol competitive in the local market if it can be landed at less than 28 cents per litre CIF. In fact, the import statistics for the 1986-87 June year show (Item 334.11.43) imports of 374 million litres at an average CIF valuation of 27.6 cents per litre, and VFD valuation of 24.8 cents. This seems to indicate (if the import valuations are to be believed) that there are no large current rent flows accruing to the refinery, and that *with its capital costs met*, the refinery can more-or-less match import competition. Comparison with US retail prices shows them equivalent to roughly 40 cents/litre at an exchange rate of 65 cents United States/NZ\$1, which seems consistent with the above figures if allowance is made for markups and distribution costs.

An interesting question currently is whether the debt-servicing costs are actually as high as 16 cents per litre of petrol. World interest rates have fallen substantially—by at least a quarter to a



TABLE 5: Breakdown of the premium petrol price, March 1988

	Cents per litre
Retail price	92.0
Retailers' margin, including GST	(8.737)
Wholesale price including GST	3.263
GST component of wholesale price	(7.569)
Wholesale price net of GST	75.694
Bulk sales factor (average effect)	+0.450
Average recovery to oil companies	76.144
Oil companies' inland distribution and profit margin	(11.600)
Total taxes other than GST:	
<i>To Consolidated Fund:</i>	
Former Refinery levy	16.00
Other	9.80
Total	25.80
To National Roads Board	9.90
Total Excise taxes	35.70
Local Authorities Petroleum Tax	0.99
Total taxes	(36.36)
Available to meet landed cost of petrol at main ports	28.184

Source: Ministry of Energy

third—since the expansion finance was raised. The servicing costs on the debt could now be as low as 10-12 cents per litre, leaving government with a useful supplement to its general revenues, and hence to its goal of reducing the budget deficit. This additional tax is currently being collected under cover of the claim that the full amount is required for debt servicing; but in future it provides the government with an obvious opportunity to reap political advantage from significant reductions in petrol prices, undertaken at its discretion.

For the longer run, an equally interesting question is whether it will be profitable to keep the refinery operating in a de-regulated environment. Even with its capital charges covered, the refinery is only just able to match the import prices of refined products. The next round of bargaining between the major oil companies and the government may well involve a threat from the companies that the refinery will close down (with obvious implications for unemployment in Whangarei) unless subsidies on operating costs are provided to supplement the government's assumption of capital charges. There are, in sum, few if any rents now arising from the refinery *per se*,

## Conclusion

This paper has taken a brief look at some theory relating to economic rent, and the application of such theory to three case studies in the energy area. The central feature of energy economics is the enormous size of the rents which from time to time are encountered, and the consequent ability of the energy sector to support some of the New Zealand economy's largest and most profitable concerns.

The importance of rent is not simply as a flow of current income (which in simple theory could be taxed away without altering *current* resource allocation). It has a central role as an incentive to warrant the very large-scale investments characteristic of energy production; and as the central issue in negotiations between energy enterprises and government—for example, over the asset value for Electricorp, or the terms of construction of the refinery expansion. In the Electricorp case, the parties have just announced an agreed valuation of \$6.3 billion, which is very low relative to our calculations earlier in this paper, and must be presumed to incorporate a discount (about half-a-billion dollars) for the concealed subsidy to Comalco which will now have to be met by Electricorp, as well as reflecting pessimistic [low] price expectations and skilled bargaining by Electricorp management.

In the refinery case any rents were capitalised and taken out during construction, leaving a commercially-marginal operation, a heavy debt burden bequeathed to future taxpayers, and the likelihood of demands for further subsidies in the near future.

It is noteworthy that only in the case of quasi-rents, such as those identified in the CNG case study, can it be left to market forces to eliminate rents over time. In cases of differential rent (such as the electricity system) the rents exist in perpetuity, and only their distribution is open to be decided by the market or by other forces. In the past, Electricorp's rents have been partly dissipated to consumers via low prices, partly dissipated to the large dam-building labour force by means of over-investment in redundant generating capacity (especially Clyde), and partly appropriated by government. In future, the government's claim will be determined by tax laws and by the newly-agreed asset valuation and its associated "required rate of return", which will give the government a flow of dividend income from the Corporation. Because the valuation has turned out low, the Corporation is likely



to retain control of a substantial part of its rent income and will therefore have large resources available to finance diversification of its interests (and to attract buyers if the operation is eventually privatised).

In cases of legally-protected monopoly rent, finally, two points are relevant. First, there are incentives for those protected by politically-sustained shelters to capitalise their advantages at an early stage. Second, rent persists only so long as the policy regime does not change. The 1984 change of government has brought a radical change in the policy regime under which the oil industry operates in New Zealand, and the move towards de-regulation has forced the Labour Government to confront several rather special problems arising from bilateral-monopoly bargaining during the "Think Big" era at the beginning of the decade. The difficult conflict arises that one central objective of deregulation—cheaper petrol for New Zealand consumers—is inconsistent with the inherited arrangement to pay for the refinery expansion out of petrol prices. Only by shifting the debt burden from petrol consumers to taxpayers can the government clear the way for substantial reductions in petrol prices beyond relatively marginal opportunities for cut-price discounting by wholesalers and/or retailers.

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# The Environment

Christine Dann

## THE ENVIRONMENT

### 1 Introduction: A Fair, Just and

#### Sustainable Society

Christine Dann

The terms of reference of the Royal Commission on Social Policy require it to report to Government on what needs to be done to make New Zealand a more fair and just society. If fairness and justice are to be implemented within the biological and physical constraints we must all live within, it is essential to add a further concept to fairness and justice, namely—sustainability.

Globally, the natural resources on which humans depend for survival are being pushed to the limit. Some are being poisoned by pollution (the forests of Europe and North America dying of acid rain) and fall-out (the rainforest and vegetables of Scandinavia rendered inedible by the Chernobyl disaster, and the fish of the Pacific becoming contaminated by nuclear radiation. Some natural resources are being destroyed directly (an area of trees the size of Switzerland is destroyed every month, while every year 6 million hectares of productive dryland become desert); while still others suffer and fall from an interaction of interventions (the alteration in sea levels due to burning fossil fuels, and the depletion of the ozone layer due to the dispersal of chloro-fluoro-carbons (CFCs) and other noxious gases).

New Zealand is a willing or unwitting, winning or unwitting, participant in these problematic processes, and we must confront the issues of prevention and cure, for our own sakes as well as for the sake of a more fair and just life for other humans, now and in the future.

It is easily demonstrable that at many times, and in many places, humans have been so unfair and unjust to the environment that they have ended up being unfair and unjust to themselves. They have usually pushed the limits of sustainability in the interests of



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It is easily demonstrable that at many times, and in many places, humans have been so unfair and unjust to the environment that they have ended up being unfair and unjust to themselves. They have usually pushed the limits of sustainability in the interests of

economic gain. The economic growth of societies is always associated with the exploitation of natural resources, and time and time again, by pushing the environment beyond sustainable limits, humans have caused the collapse of the society dependent upon that environment.

Major examples in our own century include the Minimata disaster in Japan, where the water became so polluted that a fishing industry could not be sustained, and humans began to suffer and die from the pollutants; the collapse of the Egyptian sardine fishery which occurred when hydro-electric dams, designed to boost the Egyptian economy, prevented nutrients from reaching the sea; and the 'dustbowl' disaster of the 1930s in the mid-Western United States, where unsound agricultural practices led to the topsoil blowing away.

In all these cases, the displaced communities of the land and sea sought refuge in the swelling cities, and contributed to the already extensive problems of urban areas.

Closer to home, we can see the landscapes of Westland and Central Otago dotted with the remnants of once thriving mining communities, which came and went with the gold, leaving nothing but heaps of unproductive tailings, and idle, rusting machinery in their wake. All over New Zealand, within the last hundred years, farms have surrendered to weeds, and communities have died or are in danger, because the ecological and economic limits to sustainability on land have been pushed too far. The same story has been repeated at sea, with businesses collapsing and jobs being lost as the crayfish, scallop and snapper fisheries were pushed beyond their limits.

There is a fundamental lesson to be learned from all these case studies, which is this: an endangered environment means an endangered community. The reverse is also true, for since communities depend so totally on their environment, as they begin to recognise the extent of their jeopardy they may try and flog the environment even harder in a vain attempt to stay viable.

For further evidence that economics and ecology are but two sides of the same coin we need only look at their derivation from the same root word—*oikos*—which means the household (or one's immediate surroundings). Traditionally, there was no difference in time or space from the place where we engaged in economic production and the place where we lived. In modern societies, the separation of the two has led to an exacerbation of the problems of



sustainability, and it is essential that we rethink the ways of making the connections apparent to everyone.

Because of the indivisible links between humans and their environment, economics and ecology, the principles we adhere to in organising human societies will also be the principles we follow in organising our relationship with our environment. Or as the influential ecologist Barry Commoner puts it:

'The world of nature will be treated as it deserves to be treated only when mankind treats one another as we deserve to be treated in the ancient coin of social justice.'<sup>2</sup>

This statement works at several levels. In the course of drawing our attention to relations between human beings, and between human beings and their environment, it presupposes that we appreciate the interconnectedness of all things, both human and non-human. Since this is a first principle which does not seem to be clearly understood by many people (including some of those economic and social planners who advocate 'more market' systems for providing economic and social equity). Part 2 of this paper devotes some time to articulating the kinds of evidence available to support this view.

## 2 Environment — People

What is the relationship between humans and their environment? Is what is, also what ought to be?

Religion and science are often thought to be at loggerheads, yet when it comes to examining and understanding this problem, they are in remarkable agreement. The spiritual and scientific reasons for believing that humans and their environment are interconnected, and that we should be aware of these connections, are given below.

### *Spiritual Foundations*

Religious traditions as disparate as the Maori, the Christian and the Taoist have all pondered on the way in which organic life, or Nature, differs so markedly from what humans have so far been able to create, and what this means for our relationship with Nature. It is worth comparing the creation explanations of all three traditions, and noting that each one posits a force or being which brings Nature out of Nothingness.<sup>3</sup>



Having brought us and our environment into being, either simultaneously (Taoism) or sequentially (Maori and Christianity), the creative power(s) or principle(s) does not desert us, but dwells with us, and in every other created thing. On the basis of their knowledge of this interconnectedness with other forms of life, humans are exhorted by their religions (some more convincingly than others) to maintain the knowledge of connection, and to shoulder the responsibilities such knowledge brings, for their own sakes, for the sake of their god(s) and for the sake of life itself.

If such spiritual understandings of the first principle of the interconnectedness of humans and nature were the only guidelines we had to govern policy-making, many would say this was still sufficient for working towards fair and just outcomes for both people and the environment. Others, however, would say that they would require scientific support for such views before they would base policies on them. Modern physics and biology offer precisely this sort of support. The most basic and relevant ecological principles, which govern life on this planet, are given below.

### *Scientific Foundations*

The science of physics gives us the First and Second Laws of Thermodynamics. The first law tells us that matter and energy are *finite*. They can neither be created nor destroyed; merely transformed. 'New' things are merely 'old' things in another form. For example, coal can be burned to become heat. Once this has happened, of course, it is no longer available to us as coal, and this is the essence of the second law—that systems and their surroundings spontaneously tend towards increasing disorder. The scientific word for this is 'entropy'—but common parlance might use the term 'break down'.

If energy and matter are finite, and all systems tend spontaneously towards breakdown, it is obvious that in order to maintain life on this planet a great deal of 'organising' activity must be engaged in, both to make use of what is available, and to fight entropy. This is precisely what non-human species, from weeds to whales, are doing all the time, albeit unconsciously. They have evolved to be what they are and where they are on the basis of their ability to use what is available in their environment as efficiently as possible, not in the human or economic sense of conserving money, but in the thermodynamic sense of conserving energy.



Each species on this earth represents a wonderfully dynamic and delicate balance between existence and entropy.

We are now in the territory of ecology, and the essence of this ecological reality was expressed by Barry Commoner in 1971 as the four laws of ecology, which are as follows:

- 1 Everything is connected to everything else.
- 2 Everything must go somewhere.
- 3 Nature knows best.
- 4 There is no such thing as a free lunch.<sup>4</sup>

Human beings are not exempt from the laws of physics and ecology, although some are so unaware of or divorced from an understanding of these basic laws of life that they devise economic and social policies which are non-sustainable in that they flout these laws. (cf Part 4)

This leads to unfortunate consequences, both for the environment and for people. Every person or organisation which made submissions to the Royal Commission on Social Policy on the subject of the environment and social policy was aware of the dangers of ignoring the spiritual and scientific principles which confirm the interconnectedness of all things, and most went to the trouble of stating this philosophy explicitly at the beginning of their submission. Their views are given in detail in Appendix I.

For a final, 'official' endorsement of this view, it is worth quoting the definition of environment given in the Environment Act 1986, which takes a holistic view of what constitutes our environment, as follows:

- (a) Ecosystems and their constituent parts; and
- (b) All natural and physical resources; and
- (c) The social, economic, aesthetic and cultural conditions which affect the environment or are affected by changes to the environment.

If this is what the environment is, and what it means to human beings in general, what does it mean for New Zealanders in particular? Part 3 looks at the physical and biological constraints which are specific (and sometimes peculiar) to the New Zealand environment, and discusses the diversity of environmental perceptions on which New Zealanders base their policy recommendations.



### 3 People and Environment of New Zealand

#### *The Environment*

Human beings are a late addition to the New Zealand environment. It had been evolving for millions of years when humans arrived; and after 1,200 years of human occupation, indigenous species have been subjected to such great pressure that natural evolution has now ground to a halt. Hundreds of species have been lost already, and what we have now, in terms of indigenous plants and animals, is the last of what we will ever have. It is important to remember that there are natural limits to humanity's amazing capacity to change things, and sobering to reflect that while we can destroy species, we cannot create them.

The indigenous environment of New Zealand, its modification, and its current precarious situation are the subjects of the paper 'Science Land Management and Accountability' by M. R. Rudge, deputy director of the Ecology Division, Department of Scientific and Industrial Research (DSIR), published in the *New Zealand Journal of the Ecology*, Vol 9, 1986, p. 1-10. Further evidence on how little we have left to conserve, and how urgent the task is, is given by Geoff Kelly in Chapter 4 of *The Land Alone Endures*. Anyone who proposes policies which involve modifying the New Zealand environment still further should be fully cognisant of the facts given by Rudge and Kelly, and should be required to take account of them when making their modification proposals. To do otherwise would be to jeopardise the choice options of present and future New Zealanders seeking a fair, just and sustainable society. (See Part 5.)

Taking the facts given by Rudge and Kelly as read, there is one further lesson to be learnt from the work of New Zealand physical and biological scientists which must be taken as a major constraint on policy, and that is the *time* factor. Physical and biological changes take place on time scales which range from the unimaginably slow to the alarmingly fast. As the New Zealand extinction examples show, species and ecosystems which have taken millions of years to evolve may collapse within the space of one or two human generations. A human lifespan is short enough compared with the lifespans of many other species (and natural processes);



how much shorter then is the political lifespan of individuals and governments. And yet within such short spans of time it is possible to make decisions which will reverberate forever. The policy implications of the difference between human and non-human time-frames will be dealt with in detail in Part 5.

While it is necessary to state the scientific facts concerning the nature of the New Zealand environment, it is not a sufficient basis for developing policies in which ecology, economy and society are as harmoniously intertwined as they should be. Science can be described as merely a mode of perception, albeit a very powerful one. There are other modes of perception, and those derived from cultural experience (which after all arise from the environment as well as from humans alone) can be just as powerful. Science provides only half the picture; and there are as many pictures as there are people.

However, there are readily discernible patterns within cultures of ways of perceiving the environment, and it is on the basis of these patterns that individuals derive their understanding of their environment. In New Zealand there are two major cultural patterns, the Māori and the Pākehā. In the following discussion of the environmental perceptions of New Zealanders, first place will be given to the tuakana line of Aotearoa, the Māori people. After specifically Pākehā views have been given, views which it is felt all New Zealanders (and organisations which represent both Māori and Pākehā), subscribe to will be given.

### *Māori Perceptions*

Whatungarongaro he tangata. Toitū he whenua.

Te toto o te tangata, he kai. Te oranga o te tangata, te whenua.

Ko te marae me te whenua te tūrangawaewae o te iwi.

The whakataukī above demonstrate the essential connectedness between land and human beings. Land is eternal; while humans are transitory. Since food is essential to people, human well-being depends on land, the source of food. People gain their identity from land in particular (te marae) and land in general (te whenua).

Land (or the environment, because water is also vital to Māori well-being) is essential to being Māori. As Mānuka Henare expresses it; 'Without the natural environment, the people cease to exist as Māori',<sup>5</sup> and he supplements this statement with the view of the Waikato elder Dr Henare Tūwhangai, 'The Māori people



did not just own whenua or Te Ao Tūroa, but they . . . were also the possession, and the land and Te Ao Tūroa were the possessors.<sup>6</sup>

The extent to which Māori identity and mana are intimately connected with the land is rendered especially visible by tauparapara, which have no equivalent in Pākehā culture. Whereas Pākehā seek to establish a person's place in society by asking 'What do you do?' Māori ask 'where are you from?' They wish to know your descent, and your descent from land is as significant as your flesh and blood descent. Many tauparapara emphasise those links. For example:

Ko Aoraki te maunga  
Ko Waitaki te awa  
Ko Te Moana-nui-a-Kiwa te moana  
Ko Kai Tahu te iwi.

Expanded versions of tauparapara tell more, and are often appropriate. Arthur (Hiwi) Couch prefaces his book *Rāpaki Remembered* as he would preface his speeches on the marae with his tauparapara, and in so doing explains all his connections to his ancestral lands and the people of those lands.<sup>7</sup>

From this sense of connectedness, with physical survival and personal identity at stake, a distinctively Māori perception of environment and environmental management arose. Maintaining the sustainability, variety and purity of natural resources were the concerns on the physical survival side; while establishment and maintenance of connection with ancestral lands via the mechanisms of whenua raupatu, ahi kā and take tupuna were the concerns on the side of identity or mana. The two sides worked together to produce an understanding of and commitment to particular areas of land and their resources.

While Pākehā occupations and the subsequent national domination of Pākehā culture has in most places destroyed the traditional Māori methods of resource protection, the traditional connections with land as a source of identity and wisdom are still maintained by a substantial number of Māori people, and it is on the basis of such *connectedness* that Māori people are now raising claims to have a greater say in resource management in New Zealand. Where security of occupation and access to resources can be guaranteed, there is no reason why traditional Māori methods for protection and allocating resources could not be revived, if there is the political will to do so.



In Māori submissions to the Royal Commission on Social Policy the environmental concerns of Māori people and their desire to control their own resources were made very plain, and the statements given in Appendix II by children from Northland and elders from Hawkes Bay show that differences of time and space can be discounted in the search for 'the' Māori view.

The submissions identify very clearly which issues are focusing the tension between environmental and social policies for Māori people.

The issues of ownership of land (especially the coastline) and its resources are of course paramount. The waters of the land are also a primary interest, and the right to the food resources of unpolluted waters is a universal concern. The food resources of land, rivers and sea are the foundation of *tiakitanga*, which is a source of individual and collective *mana* to Māori people, and thus vital to their well-being. Legal restrictions on seafood gathering may be compounded by the pollution of the resource by waste disposal into the water, and both of these problems cause distress.

Māori environmental activism has hitherto gone largely unnoticed by governmental and media powers-that-be, which have concentrated on Pākehā preferences to protect mountains, wild rivers, and unproductive forests. Yet in Māori terms there has been a lot of concern for their environment, with their concerns regarding pure water and protected seafoods being pursued in every possible way, including long and expensive court cases. Māori people were and are primarily a coastal people, and it is on the coastline of New Zealand that they find food for body, soul and spirit.

There are signs that Pākehā are now turning their faces to the sea, after more than a century of exploring, exploiting and finally protecting inland places. Perhaps as Pākehā and Māori interests start to coincide on our coastlines the issues of *kai moana*, *wai ora* and *tiaki* will receive the national prominence they deserve with policies designed to reflect their significance and allowing for a fair, just and sustainable allocation of nature's coastal bounty.

### *Pākehā Perceptions*

There are no Pākehā proverbs which express the relationship between physical survival, spiritual identity and the environment in the manner of the *whakatauki* quoted in the 'Māori perceptions section'. English proverbs on land refer to it as a source of trouble



and/or income,<sup>8</sup> while proverbs on nature are almost all derived from Latin maxims concerning the 'nature of nature' rather than its relationship with people.<sup>9</sup>

These differences in perception which are based on cultural origins, have been compounded by the Pākehā people leaving their ancestral places (where industrialism and a rigid class system had alienated most of them from the land) and coming to a place where they have had to try and put down new roots. After one hundred years of Pākehā occupation of New Zealand, Allen Curnow's poem 'House and Land' was a poignant reminder that many Pākehā New Zealanders still suffered from divided loyalties and had not established New Zealand based identities:

But you can't attribute to either,

Awareness of what great gloom,

Stands in a land of settlers,

With never a soul at home.<sup>10</sup>

While Curnow prophesied that:

Not I, some child born in a marvellous year,

Will learn the trick of standing upright here.<sup>11</sup>

The marvellous year was perhaps about to dawn when Curnow wrote those words, for post World War Two generations of Pākehā have not had blood ties to 'the Old Country', and have been able to build on the works of cultural pioneers such as Curnow and the painter Colin McCahon ('... there was a landscape of splendour and order and peace. I saw something logical, beautiful and orderly belonging to the land and not yet to its people. Not even understood or communicated, not even really invented.<sup>12</sup>) to establish a sense of Pākehā New Zealand identity, first in the field of artistic perceptions, and increasingly in the world of nature perceptions. In the absence of a relevant British tradition of connectedness with land and nature, they have looked to European and American writers and also to Māori interpretations.<sup>13</sup> They have also had to re-examine the behaviour of their pioneering ancestors, and analyse the values they displayed. They can draw on a range of examples: at one extreme are the fellers of native forest, the introducers of noxious species and the suppressors of indigenous resource management techniques, such as the Rev. Cort Schnackenberg, who deliberately and systematically set about destroying the Māori resource management technique of tapu on the Mōkau River, on the grounds that it was 'heathen superstition'.<sup>14</sup> At the other extreme are those who developed an affinity



for indigenous species and pioneered new management techniques, such as Richard Henry,<sup>15</sup> and those who tried to work at the national level to achieve a balance between conservation and utilisation, such as the pioneer government botanist Thomas Kirk,<sup>16</sup> who tried to protect native forests while developing a school of forestry.

Pākehā have also had access to extensive foreign literatures on resources and resource management, environmental problems and solutions, landscape and urban design, and so on, not to mention the experience of belonging to and working for conservation organisations and environmental action groups, which have been a feature of New Zealand society since 1923,<sup>17</sup> and which expanded and intensified their efforts in the 1960s and 1970s.

From this plethora of inputs the output is at present confused. There is still no consistent Pākehā perception of the New Zealand environment, and but a small store of traditional wisdom. The ethos of the developer, the outsider who removes resources or imposes structures on a place for quick (but 'essential') financial gain, struggles with the ethos of the conservationist, who resists changes to the place where she/he works and plays in order to satisfy non-financial values. A new ethos or way between these extremes may or may not be in the process of being created; in the meantime there are deep divisions between those at one end of the spectrum who take an instrumental or purely economic approach to the environment and its management, and those at the other end who are trying to find valid Pākehā ways of expressing their deeply felt 'sense of place', and also trying to find management mechanisms which validate this sense of connection.

The philosophies are rarely articulated clearly and in practice, as submissions to the Royal Commission on Social Policy show, Pākehā New Zealanders are trying to find a *modus vivendi* between honouring and sustaining their home environments, and participating in the national and international economy. However, an analysis of the submissions shows a marked preference for the 'connected' rather than the 'instrumental' end of the spectrum, even though it is realised that this will impose costs, and there is therefore widespread concern that these costs be properly (fairly) distributed.

In Part 4 of this paper the basic reasons for the preference for 'connectedness' shown by both Māori and Pākehā, are explained,



while the full range of comments on this position are given in Appendix III.

## 4 Confirmations and Denials of First Principles—The Foundations of Policy

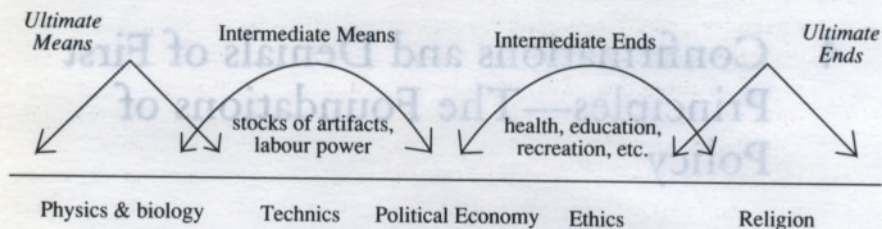
The first principles of natural and social existence, which are proposed and validated by religion, science and common sense, are the principles of human and environmental interconnectedness and interdependence. Translating these principles into policy, however, can be difficult, especially within an ideological climate which is disposed to ignore or deny these principles. This paper is being presented at a time in New Zealand history when our economic (and hence our social) policymaking is believed by many (including most of those making submissions on the environment to the Royal Commission on Social Policy to be in the hands of people for whom these principles are either unrecognised, irrelevant, or at best merely marginal to their development of policy. A fierce debate is raging around the value, or the role, of 'the market' in providing and distributing social goods, ranging from material possessions to intangibles such as equity, democracy, *waiora* and natural experiences. This debate is proving valuable, because it is advancing our thinking on what the foundations of a fair, just and sustainable society are, and requiring us to re-examine and/or discard many old shibboleths from both the Right and the Left of the political spectrum.

It is therefore necessary to focus on just where this debate has got to, because this is the context within which policy is being shaped at present, and it is essential to see whether or not it takes sufficient interest in, or displays an adequate understanding of, the connections between ecology and economics, the environment and people. The analysis presented here is supplemented by the quotations from submissions and interviews given in Appendix IV.

A helpful formulation for considering the connections between the physical world ('Nature') and the metaphysical world ('God') with all the intermediate stages of human endeavour, is that of Herman Daly.<sup>18</sup> (See fig. 1: The ends/means spectrum.)



FIGURE 1: The ends/means spectrum



By placing economic and social activity in the centre of the spectrum, and clarifying its relationship to ends and means, Daly's spectrum provides a 'ready reference' for policymakers concerned with formulating and achieving fair, just and sustainable means and ends. It also demonstrates, neatly and conclusively, why *Economic* policy must be considered as the baseline of *Social* policy, because it is economic activity and policy which is the point of interface between the environment (human means) and society (human ends). It becomes obvious that as most present-day economic activity focuses only on intermediate means and ends, and neglects the ultimate ends of the spectrum, it is possible for unfair, unjust and unsustainable policy decisions to be made. As a case in point, which is made by Daly and by every person and organisation making a submission on the environment and social policy to the Commission, it is possible to neglect or deny ultimate physical and metaphysical constraints on economic activity, and to believe that infinite growth economies are both possible and desirable.

The theory of growth economics is based on assumptions which may seem reasonable to people who are impressed (or blinded) by human technological capacities, but when referred to ultimate biophysical realities these assumptions can be easily proved wrong. (See Part 2.)

The most significant of these wrong assumptions are:

- 1 That humans are no longer dependent on their environment.
- 2 That humans can get along without natural resources.
- 3 That scientific breakthroughs have abolished scarcity forever.

4 That nature does not impose an inescapable general scarcity.<sup>19</sup>

The implications of these incorrect assumptions for modern economic theory are summarised by Daly as follows:

Orthodox growth economics, as we have seen, recognises that particular resources are limited but does not recognise any general scarcity of resources altogether. The orthodox dogma is that technology can always substitute new resources for old, without limit. Ultimate means are not considered scarce. Intermediate means are scarce, it is argued, only because our capacity to transform ultimate means has not yet evolved very far towards its unlimited potential. Growth economists also recognise that any single intermediate end or want can be satisfied by any given individual. But new wants keep emerging (and new people as well), so the aggregate of all intermediate ends is held to be insatiable or infinite in number if not in intensity. The growth economist's vision is one of continuous growth of intermediate means (unconstrained by any scarcity of ultimate means) in order to satisfy ever more intermediate ends (unconstrained by any impositions from the Ultimate End). Infinite means plus infinite ends means growth forever.<sup>20</sup>

Because they are trapped inside this erroneous formulation of reality, Daly argues that growth economists are simultaneously not materialist enough, because they ignore the ultimate realities of physics and biology; and too materialistic, because they also deny the ends expressed by religion. He concludes that:

Growth chestnuts have to be placed on the unyielding anvil of biophysical realities and then crushed with the hammer of moral arguments. The entropy law and ecology provide the biophysical anvil. Concern for future generations and subhuman(sic) life and inequities in current wealth distribution provide the moral hammer.<sup>21</sup>

Once the growth chestnuts have been pounded into flour, the work of producing usable policy guidelines from more promising seeds has passed to a number of thinkers and writers, including environmentalists who are concerned at the ultimate unreality of growth economics, and economists whose understanding of the environment leads them to the same concerns. One such person is David H. Smith, natural resource economist and senior planner for the Northland United Council, whose submission to the Royal Commission is worth quoting in detail because he raises the policy implications of these concerns within the current New Zealand context:

Conventional economic approaches implicitly accept the existing distribution of 'wealth, power and relative prices', which is a value judgement that this distribution is 'socially sanctioned' (Matulich). Many members of society disagree with the current distribution of wealth, power and



relative prices, so it is an inaccurate value judgement. This means that claims that efficiency and distribution can be kept separate are false. Society has multiple objectives and not all of them can be placed before the market.

An implicit assumption of current economic policy is that the *growth* [emphasis added] resulting from restructuring and increased efficiency will result in increased social welfare. I believe that this remains to be proved and may not occur. What if the benefits of restructuring accrue to a very restricted portion of society while a much wider range suffer a decline in their total social welfare? Or what if the benefits of restructuring are spread very thinly over a large number of people while the costs are borne by a narrow group of people? For example, if the corporatisation of the Forest Service results in the loss of 1,000 jobs and the benefits are spread over 3,000,000 the marginal contribution to the welfare of 3 million may be so small compared with the loss of welfare to the 1,000 that total societal welfare decreases. This is not put forward as an argument that restructuring should not occur, rather that there are distributional and ethical considerations that should be taken into account. They are also examples that the market based solutions are not as clear as they are promoted as being.

I do not believe that the theory of the firm is an appropriate basis for achieving economic efficiency and achieving social welfare. I believe the conceptual issues in natural resource economics (as discussed by Bromley) provide a fundamentally more sound and appropriate base for economic and social policy. Bromley sees 'some of the important conceptual issues which the economist must address' as:

- 1 How to assign ownership of the resource?
- 2 What vector of prices is optimal?
- 3 What is the optimal rate of utilisation?
- 4 Are there intentional or unintentional spillovers which attend their use?

1 Taking this first conceptual issue of how to assign ownership of resources, there is a disagreement in New Zealand over how this should occur. Therefore, apart from the other issues surrounding the use of property rights, a crucial first step has yet to be addressed—the implications of different ways of assigning ownership and the formation of a socially acceptable way of assigning them.

2 What vector of prices is optimal? Again this issue has not been addressed in New Zealand—no research has been carried out into the welfare impacts of different price vectors. The assumption is that those prices which will result in acceptable financial rates of return to the assets will be efficient. There are a number of problems with this. There is disagreement over the valuation of the corporation's resources, therefore there is no consensus as to what is a suitable vector of prices in accounting, let alone economic, terms. Also, the assumption that financial prices



reflect economic worth needs a perfect market to hold. This is patently not the case.

3 What is the optimal rate of utilisation? The assumption appears to be that the market and whatever discount rate it comes up with is the ultimate rate of utilisation. With the long time-frame involved, short term business outlook, imperfect markets and evidence that the market rate and social time preference rate are different, it is naive to assume that this will occur. Several scenarios should be compared and they should include the costs of changing to different energy forms at different times. For example, one of the costs of using gas to produce synthetic petrol is that the Maui field will run out sooner, necessitating a change to other fuels for households and businesses. Theoretically, the price of gas should be increasing steadily as the field is depleted and the estimated size of the field decreases. That this is not happening means that depletion rates are likely to be too high.

4 Are there intentional or unintentional spillovers which attend natural resource use? With the Environmental Protection and Enhancement Procedures in place spillovers are, to some extent, addressed. They are addressed on a project basis and the more general issues of, for example, property rights versus regulation are still very much a matter for debate. It appears to me a more realistic view is of the right mix of property rights and regulations, rather than one which is superior to the other. There are problems with both approaches, and neither has anywhere near universal applicability.

Bromley lists the special concepts employed by natural resource economics such as 'public goods, externalities, irreversibilities, risk, pure uncertainty, flows and stocks, sustainable yields, property, offsite damages, intertemporal efficiency and equity, shadow prices, social benefits and costs (as distinct from private benefits and costs), and assimilative capacity.' Reading the above and the attachment indicates that the current approach to economic issues in New Zealand fails to adequately address the issues raised by a number of these concepts.<sup>22</sup>

Smith's concern that we have embarked on a 'more market' approach to managing the economy, and hence society and the environment, without first addressing a host of basic questions such as those outlined above, and his feeling that policies have been put into place without adequate consultation and without sufficient concern for how fair, just and sustainable they may be, are shared by most of the individuals and organisations making submissions on the environment to the Royal Commission, and the quotations from submissions given in Appendix 4 show that many people are saying the same thing, though in different ways.

Those whose professional responsibilities include resource and environmental management policy, like Smith, have had access to the work of Dr Daniel Bromley, of the University of Wisconsin,



and the lecture he gave in New Zealand in August 1987 (soon to be published by the Ministry for the Environment under the title *Property Rights and the Environment: Natural Resource Policy in Transition*) offer valuable ways in which old problems can be reformulated so as to give policy guidelines which fulfil the first principle requirements of being fair, just and sustainable.

The theoretical and practical evidence to date demonstrates that there is no necessary connection between growth and 'more market' economics and a fair, just and sustainable society in theory; and very little evidence (necessary or contingent) in practice that treating these economic theories as the 'default position' from which sound social/environmental policies will arise leads to consistently fair, just and substantiable outcomes for both present and future generations. Therefore more sophisticated and all-encompassing models must be used for setting economic and social policy guidelines. There is no irreconcilable ideological contradiction between 'the market' (representing individual, selfish, economic choices) and 'the Government' (representing collective, altruistic, social choices) but rather as Dr Bromley indicates the choices for policy-makers are not between these two extremes but rather that there is a 'third way' of *'choosing alternative institutional arrangements to guide and sanction individual initiative in socially desirable directions'*.<sup>23</sup>

For example, very soon after industrial manufacturing became a dominant form of production in England, it became obvious that industrial processes were significantly polluting common air and water supplies. To apply pollution controls costs money, and individual businesses were not prepared to voluntarily reduce their profits to meet these costs. As pollution increased, and people began to become very ill and die, the need for controls exerted by the State was recognised, so that everyone, including those financially unable to move away from polluted areas, could have a right to the basic necessities of life. Industry was not banned because of its potential for pollution—it was merely reminded that it had to exist within a framework of social responsibilities, what those responsibilities were, and what the penalties were for not meeting them.

The extent to which policymakers in New Zealand have neglected to examine institutional arrangements (which include the assumptions which govern both market and non-market behaviour) will be analysed in Part 5, and suggestions for policy directions will both include and be based on making these arrangements



visible, and where necessary changing them so as to provide for a more fair, just and sustainable society.

## 5 The Formation of Policy

### *The Role of Government*

Environmental, economic and social policies can not be separated, since the costs and benefits of protecting or destroying the environment are borne or enjoyed by society as well as by the environment. Therefore whenever we satisfy the basic criterion of environmental justice (sustainability) we must also look at the distribution of social costs and benefits, and whether this is done fairly and justly or not.

Does Government have a role in this process, and if so, what is that role?

Those making submissions to the Royal Commission, on environmental and social policy, were unanimous that Government does have a role. (For their views on why, and what that role is or should be, see Appendix V.) Environmental and social policy can not be left to the market to decide on the basis of market place values, because the market can not answer questions of fairness, justice and sustainability except by default, and everyone making submissions on the environment and social policy was concerned that the default position leads to injustices. (Some of the types of injustices it may lead to are raised by David Smith and cited in Part 4.)

Even the most conservative (or 'pro-market') theorists concede that societies consisting only of individuals pursuing selfish economic ends would be extremely unpleasant places to live in, especially for those at the bottom of the heap, whose interests are likely to suffer severely. Therefore some form of collective mechanism is needed to formulate and guarantee the interests of the many, not just of the few. The collectivity, as expressed in modern societies by the state, is thus responsible for ensuring justice, and the political history of the past 200 years has been characterised by increased, intense and often violent efforts to ensure that the rest of society (anyone not belonging to the initial set of white, male, property owners who were responsible for setting up our modern systems of representative democracy and extremely loath to extend



them) could take part in the process of deciding what is justice and how it should be delivered.

Environmental policy must be seen within the context of this struggle for greater representation, and more representative standards of justice. Sound economic policies are sometimes depicted as a luxury which society can not afford because the costs are too high in terms of lost profits, jobs or other benefits. Since it has already been demonstrated that an endangered environment means an endangered community, representing the problem as a split between 'people' and 'the environment' must be seen as a false dichotomy, and the problem of ensuring *sustainability* must be reformulated as a problem of ensuring *equity*. If sustainable environmental practices are in place, it will always be possible for *some* people to have *some* profits from any given environment. The question then becomes not *whether* people, jobs, and profits are possible, but *how many* people and jobs, and *how much* profit.

These decisions can of course be left to market forces, and New Zealand history provides many instructive examples of what happens when this is the case. (cf the collapse of mining, farming and fishing concerns and communities cited in Part 1.) Settlement patterns in New Zealand are also an indication of how people have had to follow capital once investors engaged in the rapid exploitation of natural resources had made their mint and moved on.

A neo-classical economic theorist might see the above trends as perfectly acceptable, and a sign of the success of the system. However, as many people have been saying ever since this system came into general operation, a not insignificant by-product of the process of letting capital find its own level is that the environment and people suffer. During the nineteenth century attempts to alleviate such suffering were private and sporadic. New Zealand was one of the first countries in the world to assume systematic public responsibility for those who were unable to participate in the market economy who were seen as nevertheless entitled to exist without suffering severe deprivation.<sup>24</sup>

During the twentieth century, the idea that the state should take responsibility for those unable to participate in the market economy grew in popularity, especially after the disaster of the Depression.<sup>25</sup> Unfortunately, because the appropriate roles for the market and non-market spheres were never clearly articulated, the warm



and fuzzy but ultimately unsustainable idea that it was government's role to 'help' those who 'needed' it gained currency, without any proper discussion of what constituted genuine need. Across-the-board subsidies were given to economic actors, (including state-owned actors such as the New Zealand Electricity Department (NZED) and the Ministry of Works and Development (MWD) to farm, fish, log and build power schemes, thus reducing the sensitivity of those enterprises to market signals concerning their economic viability, while confusing genuine non-market concerns for the welfare of people employed in these sectors and regions with their immediate financial interests.

Disgusted with economic and social distortions (perhaps even the environmental distortions?) produced by such policies, Treasury economists in recent years have been advising government:

- 1 to withdraw from the market wherever it is engaged in or supporting productive activity; and
- 2 to require its previously non-commercial concerns e.g. the National Library, the DSIR to reconstitute themselves on a market footing.

This advice has been given without devising policies to:

- 1 take care of 'withdrawal' symptoms;
- 2 adequately safeguard and promote the non-market functions of national assets; and
- 3 set in place alternative arrangements for making social policy which meet the non-market criteria of fairness, justice and sustainability.

The Royal Commission on Social Policy has been given responsibility for considering these non-market criteria, and with regard to the role of government in the interface between environmental and social policy it has been advised by New Zealanders to advocate the following:

- 1 That government at all levels has an essential role to play in determining environmental policy, and that environmental decisions must not be left to market forces alone;
- 2 That in playing this role government must fulfil the following criteria:
  - (i) it must reconcile environmental justice (sustainability) with social justice (equity)



(ii) it must play the role of providing *continuity* in reconciling sustainability and equity over *time* (between present and future generations) and *space* (between different regions of New Zealand and between New Zealand and the rest of the world):

(iii) it must play a leading role in generating, distilling, integrating, disseminating and applying *knowledge and information* about environmental and social concerns.

If this is *what* government is expected to do, *how* is it expected to do it? Those making submissions to the Royal Commission had clear views on this. For ease of understanding they have been organised into the categories of 'voice, choice and safe prospect', the themes developed in one analysis of the submissions to the Royal Commission on Social Policy (see *Let the People Speak*, in Volume II). Since nobody felt that New Zealand citizens had too much say in determining environmental and social policy, and all wanted more opportunities for input, the sections are all headed *Increasing voice, choice and safe prospect*.

## *Increasing Voice*

There are a number of mechanisms by which New Zealand citizens can have a say in environmental and social policy. These include governmental committees and commissions, and legal mechanisms. The issues of whether these mechanisms are adequate in themselves, and whether there is adequate access to them, will be dealt with soon, but first it is necessary to examine not *how* we participate, but *what* we are participating in. That is, we must be aware of the rights of New Zealand citizens to a role in policy-making, both generally and in particular areas, such as the environment.

Our entitlements as citizens in a modern society seem to be never so basic nor so universal that no one questions or flouts them. Even the right to life must be sanctioned by laws against murder. Many other less obvious entitlements are also legislated for, and it is in the process of drafting, debating and altering legislation that we are able to focus our ideas on what people (and the environment) *should* be entitled to. This is an extremely important process, and if it is done properly (with due care and consideration, with full knowledge, and with public participation) then the outcome is



likely to be a good law which will serve us well and which we will obey willingly.

Many environmental and social conflicts are triggered by different interpretations of social entitlements, and resolved by establishing where the legal entitlement lies. Environmental examples illustrate this point very well. The current controversy over smoking in public places is a debate over whether the entitlement to pollute through the unqualified exercise of individual rights overrides the entitlement to clean air or vice versa. An assumption had been made by smokers that they have the prior right, and this caused no conflict so long as non-smokers acceded to this assumption. In recent years that assumption has been called into question, and before the issue of who has the prior entitlement is settled (via legislation, regulation or voluntary agreement) we will witness a debate in which 'rights', 'needs' and 'wants' are hotly disputed.

This is what happened in New Zealand when the increasing demand for and multiple competing uses of our finite water resource became apparent to society as conflicts over use began to erupt in the 1940s and 1950s. As demand and usage increased, the market could no longer be left to allocate the resource, since this led to unfair and non-sustainable outcomes. Therefore legislation which prescribed processes for gaining access was enacted.<sup>26</sup> This worked reasonably well in theory and practice in reconciling environmental and social interests until legislation (the National Development Act, subsequently repealed) was enacted precisely to thwart the successful application of the water legislation in the interests of environmental conservation.<sup>27</sup>

Such studies of the framework of public participation in operation in New Zealand show that the matter of entitlement raises several principles which must be adhered to if environmental and other policy-making is to be truly fair and just. They are as follows:

- 1 The public must be able to participate in the allocation of entitlements in New Zealand. Since a fair and just allocation of entitlements involves the consideration of non-market as well as market values, the market must not be allowed to set entitlements merely by default, but must be deliberately *allocated* entitlements only after democratic public consideration has decided that this is where they are best allocated.

- 2 The process of definition and allocation of entitlements must be fully democratic, with no one person or group being excluded



from influencing outcomes by reason of existing inequities (such as sex, race, income or disability).

3 Once entitlements are allocated by due democratic process they must not be altered except by further democratic processes of full public consultation and negotiation.<sup>28</sup>

Having established these principles as the baseline for increasing voice on environmental and other policies, what specific policy suggestions follows?

Those making submissions wished to see the following things happen:

1 The role of those who have been delegated to speak for us and our environment (public agencies such as the Ministry of the Environment and the Department of Conservation) should be strengthened. (See detailed suggestions as to how in Appendix V.)

2 Public liaison with and input into these agencies must be improved.

3 More logistical and financial support (from public resources) should be available for environmental groups, especially at the local level, because it is these groups which in practice carry the burden of representing environmental and human ('non-market') interests.

4 There should be more Māori participation in environmental policy-making and management, with a view to devolving management to Māori authorities where appropriate. While this is obviously in the interests of equity, and could also be in the interests of sustainability, both Māori and Pākehā are concerned that existing social inequities will make working this out in practice a complex process, which will require special care and support. (For one approach see the statement by Betty Williams in Appendix V.)

5 Planning procedures need to be overhauled with a view towards making them more democratic, both in terms of extending legal rights to standing for individuals and environmental organisations, and by improving the ability of such organisations and individuals to pay for legal and scientific aid.

6 The interests of future as well as present generations must be taken into account when making environmental policies.

7 Decisions must be made at *appropriate levels*. While supportive in principle of greater local and regional autonomy, those making submissions raised several practical difficulties which would have

to be addressed and solved before fair and just decisions can be made at every level. Firstly, there is the problem of local authorities not having the personnel, or the money to pay for the personnel, with expertise in environmental management. This problem is theoretically surmountable in the short-term, but two further problems may take longer to get round:

- 1 existing social inequities mean that elected representatives on local authorities tend to represent business and development interests, and may override environmental and social justice considerations even when constrained by law;<sup>29</sup> and it was felt that the avenues for expression of environmental and non-market values at local level are currently insufficient;<sup>30</sup>
  - 2 there must be some constraints on environmental modification (see 'Principles of Limitation' in Appendix V) which apply universally throughout New Zealand, partly because some natural resources are so rare and special that they can be said to be of value to all New Zealanders and not just to those who live near them (such as the geothermal fields), and partly because it would be an infringement of social equity considerations to expect (for example), people to leave an area which had become polluted, against their will merely because there were still some non-polluted, areas elsewhere in the country for them to move to; and
  - 3 there are currently difficulties in implementing environmental decisions at a local level when the decision-making body has only national jurisdiction. This is the case with the Waitangi Tribunal, and both Aila Taylor and Nganeko Minhinnick in their submissions pointed out that the Tribunal's findings on Motunui and the Manakau Harbour were of little use to Te Ati Awa and Tainui respectively so long as local authorities were not bound to implement them.
- 8 There must be improved access to *information* on environmental issues if 'ordinary' citizens are to make a significant contribution to policy-making. Information is the baseline for participation. Policy-making agencies (government departments, state owned enterprises and other corporate entities) must not deny the public information on issues affecting them, even if they propose to use it to contest decisions made by those agencies. Many dubious and



some bad environmental and economic decisions have been made over the heads of concerned public interest groups, which were thwarted in their legitimate role of trying to save our natural heritage, and reduce our national debt, because they were denied access to convincing information.<sup>31</sup>

Conversely, public interest groups have a responsibility to be well-informed, and their right to participate in policy-making may be challenged and even denied if they are not well-informed, *provided that*:

- 1 information was not denied them by other policy-making agencies; and
- 2 information is not defined narrowly as technical or financial facts but includes other matters relevant to environmental decision-making such as ancestral occupation, aesthetic considerations, ethical issues, and so on.

### *Increasing Choice*

There was universal agreement among those making submissions that increasing knowledge about and access to natural environments was a significant direction in social policy for New Zealanders. Because natural environments are believed to be part of our birthright (as Pākehā), and essential to our identity (as Māori), improving our appreciation of them is part of an empowering process which should be available to all, unconstrained by differences in social status, income, race, physical ability or gender. This process of extending and confirming our connections with nature was also seen as the first and most vital step on the road to ensuring sustainability, because we conserve resources only on the basis of knowledge and appreciation of their value.

There was also concern that since natural environments include the suburbs where we lived and the places where we work, and not just our national parks, greater attention must be paid to promoting encounters with nature in these environments as well as in the wilderness. The extent and nature of our entitlement to clean, healthy, beautiful, sustainable environments in our urban and rural areas as well as in our reserved or wild lands must be further investigated and articulated, and (even more) public funds and personnel should be available to assist in this process.

When environmental decisions are made, they must include input from those who are concerned with social as well as environmental equity considerations, those who have future as well as present generations' interests in mind, and those who have ideas on how to reconcile these seemingly conflicting interests. They must also be culturally sensitive, and aware that increasing choice for one group (such as the owners of natural gas plants) may dramatically decrease choice for others (such as Te Ati Awa).

It must also be recognised that natural laws impose constraints on choices, and that some choices taken now may preclude those same options being open in the future (for example if all the snapper are eaten today, there will be none to eat tomorrow).

Several of those making submissions had thought carefully about this conflict, and while in favour of increasing voice and choice for everyone, had come to the conclusion that there were some constraints of nature which people must recognise every time an environmental decision has to be made, and that these constraints should therefore be enshrined in legislation or regulation as a constant reminder to us to heed them or else suffer a decrease in choice both now and in the future. These constraints are listed under the title 'Principles of limitation' in Appendix 5, and should be a major reference point for policy-makers.

## *Increasing Safe Prospect*

The point of establishing the role of Government and increasing voice and choice in environmental policy-making is of course to maximise safe prospect, which in this context means maximising the goods we get both directly and indirectly from the environment.

To take a pertinent example: air and water are goods we get directly from the environment, whereas jobs (which depend on utilising natural resources) are an indirect benefit. Direct and indirect benefits often seem to be in conflict, because we want our environment to supply us with so much: clean air and water, food, shelter, jobs, recreation, energy, transport and son on. It can provide all these things, but we must remember Barry Commoner's fourth law of ecology: 'There is no such thing as a free lunch.' We can have all these benefits only if we are prepared to meet the true costs—and once we realise how high some of the costs are, some of the perceived benefits may not look so wonderful. To take but one



very timely example to illustrate this point: faced with a diminishing ozone layer in the atmosphere which will mean a rise in skin cancer, plus climate changes with dire economic consequences right round the world, the 'benefits' of aerosol cans, polystyrene containers and cheap but poorly insulated refrigerators suddenly seem less significant, and we remember that there are alternatives, which may cost the individual and society a little more in terms of money and short-term convenience, but which will benefit everyone a whole lot more in terms of safety, efficiency and equity.

The lesson is that safe prospect can only be guaranteed if costs as well as benefits are properly identified and accounted for. Once the costs of *sustainability* have been correctly identified, it is then up to society (the state) to decide how these costs can be borne (if they should be borne at all) *equitably*. The processes and mechanisms already raised in Part 5 suggest some ways in which this can be done. The submissions of John Hayward and Jan Wright, quoted in Appendix 5, contain further ideas on the process of ensuring a fair and just safe prospect.

## 6 Conclusion

The Royal Commission on Social Policy is not the only body currently considering the interface between environmental and social policy. The review of resource management statutes currently being undertaken, and the concurrent review of local government, are both engaged in the same process. The work of the Waitangi Tribunal also addresses these concerns.

The business of ensuring that the environment we all depend on is being managed in a sustainable manner, and that the costs and benefits of managing that environment are being distributed fairly and justly, is a complex one, and in need of far greater investigation and consideration. There are a number of issues of equity with regard to environmental management which do not seem to have been properly accounted for, before the present policies of resource exploitation and distribution were put in place. Unless these issues are explicitly addressed and decisions made in favour of environmental and social justice, certain unjust and unsustainable policies and practices will certainly continue, and will probably proliferate.

This being the case, this paper is merely a *beginning* in trying to establish the connections between environmental and social policies; the subject is one which warrants far greater attention.

## References

- 1 This information and much more about global economic and environmental problems, and how they interconnect, can be found in the most recent and significant report on the matter—*Our Common Future*, produced by the World Commission on Environment and Development (also known as 'The Brundtland Report' after its chairwomen Gro Harlem Brundtland).
- 2 A statement made by Commoner to a non-governmental organisation (NGO) forum at an environmental conference in Stockholm, and quoted to me by Kevin O'Connor because it is so relevant to the Royal Commission on Social Policy's brief.
- 3 See 'The sons of sky and earth', pp 15–16 in *Māori Myths and Tribal Legends* retold by Antony Alpers, Longman Paul, 1964; the *Bible*, Genesis Chapter 1 verses 2–3; the *Tao Te Ching*, Chapter 25.
- 4 From *The Closing Circle—Nature, Man and Technology* by Barry Commoner, Knopf, 1971.
- 5 In 'Ngā Tikanga me ngā Ritenga o te Ao Māori', p 23, Royal Commission on Social Policy draft, 20/12/87.
- 6 *Ibid*, p 24.
- 7 Kā piki ahau, ki kā tihi tapu o Te Poho o Tamatea, nā kā titiro ahau, ki kā Pākihi Whakatekateka o Te Waitaha. Tū mai te maunga teitei Aoraki. Nā ka huri ano ahau ki Te Moenga o Wheke, Te Ūpoko Kuri, Te heru o kahukura. Ōmawete, nā ka tū ahau ki runga Ahu Ptiki, nā ka titiro ahau, ki raro ki kā wai o Whāngaraupo. Tena koutou, kā pakihi, kā maunga me te moana a aku tīpuna o Waitaha, Kāti Mmoe me Kāi Tahu, koutou kua moe i te whenua o Te Pō. Moe mai, moe mai, moe mai.  
Arthur Hiwi Couch, *Rapaki Remembered*, Te Waihora Press and Canterbury Māori Studies Association, 1988.
- 8 'He that hath land; hath war at hand.' 'No land without war; he that hath land is seldom out of law.' 'Good land; evil way.' 'Words are but words, but money buys land.'

From the *Oxford Dictionary of English Proverbs*.



- 9 Nature does nothing in vain. Nature is content with a little. Nature hates all sudden changes. Nature abhors a vacuum. Nature is governed by obeying her. Nature will have her course.

From the *Oxford Dictionary of English Proverbs*.

- 10 'House and Land' by Allen Curnow, in *Anthology of Twentieth Century New Zealand Poetry*, ed Vincent O'Sullivan, Oxford University Press, 1976, p 115.
- 11 From 'The Skeleton of the Great Moa in the Canterbury Museum', Christchurch, by Allen Curnow, *ibid*, p 120.
- 12 Quoted in 'A most essential landscape to understand' by Geoff Park, in *E Rua Ngā Iwi kotahi Anō te Whenua*, New Zealand Institute of Landscape Architects Conference Proceedings 1987, p 80.
- 13 For relevant sources and how they are currently being integrated into New Zealand perceptions, see 'Perceiving, Conceiving, Protecting and Using New Zealand Landscape Systems' by S. R. Swaffield and K. F. O'Connor, Centre for Resource Management Information Paper No 6, 1986, and also 'Integrating Development and Conservation through Landscape during Organisation Change' by the same authors in *The Landscape*, Summer/Autumn 1987.
- 14 See Park, *ibid*, p 85.
- 15 Richard Henry was appointed wildlife curator of Resolution Island, Fiordland, in 1894, and pioneered the safe capture and transferral of kakapō, kiwi and other native birds.
- 16 Thomas Kirk was active from the 1860s to the 1880s, trying to conserve forests and establish a school of 'pomology' (fruit growing) and forestry, but although he received enthusiastic parliamentary support from Julius Vogel, insufficient funds were made available for the work, and it lapsed until the Forest Service was formed in 1920.
- 17 The Royal New Zealand Forest and Bird Society (originally the Bird Society) was formed by prominent citizens in 1923—New Zealand's first properly organised and enduring conservation organisation.
- 18 Daly, Herman E. (ed), *Economics, Ecology, Ethics. Essays towards a steady-state economy*, W. H. Freeman and Company, 1980.
- 19 Daly, pp 7–9.
- 20 Daly, p 10.
- 21 Daly, p 11.
- 22 David H. Smith, submission presented at a public hearing at forum North, Whangarei, 24/6/87, pp 5–7.
- 23 Daniel Bromley, 'Property rights and the environment: Natural resource policy in transition', Ministry for the Environment (in preparation), April 1988, p 22.

- 24 Cf the social welfare programme of the Liberal Government 1891–1911, which introduced old age and widows pensions and other social welfare measures.
- 25 Cf the social welfare programme of the first Labour Government.
- 26 The Water and Soil Conservation Act 1967 and subsequent amendments. But see also the comments by the National Water and Soil Conservation Authority and the Environmental Council in Appendix 5 re current inequities in water legislation.
- 27 After several long and costly court cases environmentalists and others affected by the building of the Clyde Dam won the point they were pursuing—the right to let the Clutha River follow its ancient natural course between Cromwell and Clyde. However, because the Government of the day disliked this legal outcome, it passed special legislation to allow this (and other ‘Think Big’ projects) to proceed without the usual environmental and social safeguards allowed for in existing legislation.
- 28 This discussion on the establishment of entitlements is indebted to the work of Daniel Bromley, *op. cit.* and his paper should be read in full for a proper development of these arguments.
- 29 An example given by Diane Lucas (interview, 7/4/88) was that of the Christchurch City Council, which is bound by its own law to maintain open space for public recreation in Victoria Square. This did not prevent it from giving a developer permission to plan a large tower for the area, which would have destroyed public open space. Only after considerable public pressure was the council prepared to consider proper hearings on the matter, and citizens favouring public access have been put to considerable trouble and expense to argue a point which they thought had already been legislated in their favour.
- 30 This problem is felt acutely in areas where the economy and the environment are both under pressure, as in Northland and Westland. Locals feel pressured and pushed around by outside interests, both business and governmental. One type of response to this pressure can be found in the recommendations made by the Values Party and quoted in Appendix 5.
- 31 It has been impossible for independent economic researchers to form a true assessment of the economic worth of the Bluff aluminium smelter to the New Zealand economy, and whether (a) there is a nett economic gain to New Zealand and (b) this gain is sufficient to balance the considerable environmental costs. This is because information on the price the Bluff company pays for its power and the taxes it pays to New Zealand is kept secret. Citizens are then forced to ask whether protecting the interests of a foreign-owned company and of certain politicians who made deals with that company outweigh the value of an open assessment of what that company costs New Zealand. (Personal communication—Christine Dann 14/4/88, based on research into the Bluff aluminium smelter conducted by G. Bertram, Economics Department, Victoria University and C. Dann in 1980.)



## Note on Methodology

In addition to reading, summarising and incorporating submissions on environment and social policy made to the Royal Commission by April 1 1988; to prepare this paper, a range of people with professional expertise in environmental and social policy were also consulted. They were asked what their advice to the Royal Commission would be if they were the ones preparing a paper on environment and social policy. Their expert views have been of considerable assistance in preparing this paper, and their responses have been treated as regular submissions and have been cited in the text and appendices.

## Appendix I

### Environment — People

1 'We are adamant that a fair society for human beings is necessarily based on the survival of plant and animal species whose survival is in turn dependent on clean air, clean water and clean food. Thus we see "environmental conservation and protection, reduction of consumption levels and recycling" as another foundation of a fair society, which therefore should be recognised alongside the list in the Terms of Reference.' (New Zealand Values Party, p 1)

2 *'Society and Environment—Interdependence* Some factors are inescapable. The physical environment we all share and our place in it, and responsibility towards it, is one of these. Ecology is a relatively modern concept, still not well understood by many people, though many pre-industrial and non-industrial societies understood their environment in a practical sense. By ignoring the environmental and spiritual knowledge of the indigenous people, and attempting to transfer the mores of industrial Europe into this country, New Zealand society created environmental as well as social problems for itself.

Ecology is the system of the interaction of all the elements of the natural world—plant, mineral, animal, human—and a healthy ecology is one in which all of these are in such harmony that none dominates or destroys the others.

All communities are part of an ecological system—they must live in an environment. For human communities, in addition to the physical (air, soil, water, plant and animal life), environment includes access to basic human needs such as food, shelter, health care and education. Society therefore cannot ignore its environment. It is both dependent on and has an impact on the physical as well as the social environment.' (Environmental Council, p 4)

3 'A major acknowledgement which must be made by Pākehā society if we are to find a common destiny with Māoridom is the interconnectedness of people with the earth that engendered us. Environmentalists and ecologists have already taken a lead in this. Science has no problem with this concept—atoms are continually being exchanged between living and non-living forms—matter is



continually rearranging itself. Habitats and organisms are inextricably interwoven.' (Environment and Conservation Organisations paper on Resource Statutes and Property Rights, p 1)

4 'Social policy and environmental policy need to be considered in an integrated manner in a framework of a sustainable and healthy environment.

New Zealand's social policy should consist of four basic elements:

1 peace

2 social justice

3 conservation and protection of the environment

4 Treaty of Waitangi.' (Friends of the Earth, p 1)

5 'The aim of all social policy should be a fair and just society for today and looking toward the future. As the current generation we are guardians of the environment for our children. We have a responsibility to care for and enhance the natural environment which surrounds us.

A fair and just social policy cannot operate in a waste land. Social policy and environmental problems can not be divorced. The two overlap each other and both are essential for a healthy population.' (Wellington Clean Water Campaign, p 1)

6 'Social policy should therefore take into account the fact that people and their surroundings are inextricably inter-related; wrong planning decisions now will negatively affect present and future generations. Social policy should then ensure that environmental resources be managed on a sustainable basis . . . '

(N.Z. Association for Environmental Education, p 1)

7 'The objective of this submission is simply to highlight the inextricable relationship between people and their actions/aspirations and the physical environment in which they live . . . The basic resources of life are air, water and soil, and the equitable management of those resources for economic, recreational and environmental purposes is, in my opinion, the basis on which social policies sit.'

(Nelson Catchment Board and Regional Water Board, p 1)

8 '... a prerequisite of a "healthy" society is a healthy environment through which opportunities are provided for a whole spectrum of constructive interactions between people and their natural and cultural surroundings. The social environment of New Zealand, shaped as it is by social policy, can not be considered in

isolation from the natural, cultural and historic environment. Social policy must recognise that the conservation of our natural and historic resource is a foundation for a fair and just society.'

(Department of Conservation, p 1)

9 'Humans alone set out to manage the environment, therefore we have to accept an obligation to manage it for the non-human part, for three reasons:

1 we depend on it ultimately;

2 we do not have sole tenure of the planet, now or in the future;

3 the environment diverts, amuses, uplifts, strengthens, intrigues . . (is essential to) . . the human spirit.'

(Mike Rudge, Ecology Division, DSIR, interview 6/4/88)

10 'There are indivisible links between natural, human and spiritual spheres. Only a minority of the world's people (the 'Western' or 'Atlantic' cultures) envisage the links as a hierarchy of domination, from God at the top through humans to nature at the bottom. For the majority of the world's people (including the Maori people) the connections are at equal levels. The RCSP must clarify which view it endorses, because policy proceeds from there.'

John Hayward, Centre for Resource Management, Canterbury (University, interview, 7/4/88)

11 'Māori people use whakapapa to link all things, both in the natural environment and the social world; the Māori person has the same origin as the elements in Te Ao Tūroa.'

Ngā Tikanga me ngā Ritenga o te Ao Māori, Mānuka Hēnare, (Royal Commission on Social Policy, Draft 20/12/87)

12 Ko tōku toto, ko Tangaroa

Ko tōku tinana, ko Tāne Mahuta

Ko tōku hau, ko tawhirimatea

I whānau mai au

He tamaiti nā ngā Atua.



## Appendix II

### Maori Perceptions of the Environment

The comments below are all from children at the Bay of Islands Intermediate School, Moerewa, 1987. (Class teacher: Phoebe David.)

1 'I wouldn't like lots of buildings in New Zealand. The tourist people come over to see our trees and our animals and our wildlife, not big buildings and shops and the pollution coming from the buildings. Our trees, animals and wildlife may be destroyed.'

(Johanna Williams, Whānau Apanui)

2 'The North Island is getting polluted really quickly. Paihia is having a marina and the boats [will] come into the harbour and chase all the fish away and pollute the shellfish and waters. All the fish that the Māori catch should be only for the Māori, because the Government said the Māori could have as much fish as they like, but all of a sudden the Government changed their minds. It is not fair. The Māori should take what they want from the sea because Tangaroa trusts the Māori and he is Devoted (sic) to the Māori not to the Pākehā.'

(Erana Kawiti, Ngā Puhi)

3 'In these days when we want seafood there is a limit of only having approx 50 kina per person. For Māri when they have a big unveiling they always provide their visitors with plenty of food. When the Treaty was signed it was understood that the Māori owned the fisheries and they were allowed to apprehend as much seafood as they want. Now things have changed and the law is that only approx 50 kina per person off seafood premises. This has developed into a small amount of seafood for an unveiling.'

(Debra Marsh, Ngā Puhi)

4 'I think that people should not pollute the sea, because the sea gets polluted and people get sick and mammals will die and it won't be worth living. Factories for instance that let waste go out of pipes and go into the city and that's another way of getting sick.'

(Richard Taa, Ngā Puhi)

5 'Pollution is one of the major problems in New Zealand. The sewer plant runs into Lake Taupo, but water isn't the only part be polluted]. The air we breathe is being eaten away by car fumes and industrial plants like the chimney at Moerewa. Did you know that

the Manukau Harbour is . . . one of the most polluted harbours in the world?' (Henry Smith, Ngā Puhī)

The following comments are from a hui at which Ngāti Kahungungu people expressed their views to the Royal Commission on Social Policy from an oral submission made at Otiria Marae in Northland.

1 'I have in my hand here a map of my tribal fishing ground of this area . . . and all the fishing grounds are marked there and the names of those fishing grounds and the type of fish there are in each of those fishing grounds and also the pipi beds, the kuku beds and the kina beds are there. We are very restricted by the system that exists now to do what we want to do in our fishing grounds. So we had it out at the Tangaroa meeting and we all unanimously recommend that the shores of New Zealand, shall be rahui for the Maori people for their food.' (Joe Otāne Reti, Ngāti Kahungungu)

2 'In our areas in Māhia we have the same problem of kai moana, kao roto, kai awa, so I go along with what he was saying about having local authority, they are the ones to know better than anyone else about their area and that's why I'm very strong on this point. Now take the Acclimatisation (Society). Rotorua—what do they know about our area? . . .

Secondly, the foreshores. They are taking control of these foreshores. That's our recreational ground. They've taken . . . a chain above the high water mark, and they also got their road above that which also claims a chain on either side of that . . . that's blocking our access to the kai moana.'

(Moana Whaanga, Ngāti Kahungungu)

3 'Now I been away from my home for many years but since returning in 1983 I took a survey of tribal fishing grounds around Māhia. (I did a survey every January from 1983 to 1987.) I noticed that the resources were depleting in 1984 and 1985, and in 1986 and 1987 the resources had disappeared altogether and this was from the depth of 3 metres to 9 metres. I did this by scuba at my own cost and just because I was concerned with the resources of my people.

Now the other thing that is happening around our areas is pollution by discharging raw material into our lagoons (where we gather pipis). Many a letter has been sent to the Council on this issue and we've had meetings with them. There is still no effect. They haven't righted this problem.



(There is also diesel being spilt and destroying kina beds and bach owners driving bulldozers through pipi beds.)'

(Rangi Hemapō, Ngāti Kahungunu)

4 'Protection of the natural environment is critical for cultural and social survival. Resources are limited and need to be cared for. This is particularly true for water but also for forests, rivers and land. Natural resources are closely linked to the mana of the people and if they are not adequately cared for then the standing of the people is also reduced.'

(Mange Tautari, Otiria Marae)

## Appendix III

# The Balance Between Development and Preservation

1 'A sense of place and connection with the natural environment is dependent on the cultural environment. It starts with your domestic and neighbourhood environment, and is extended and reinforced by what you see *daily*, both in the physical environment, and on T.V., in movies and magazines, etc. Turangawaewae or sense of place is achieved by *being there*. As you respect the land, so the land accords you respect.'

(Jeanette Fitzsimons, Planning Department, Auckland University, interview 11/4/88)

2 'The places where people *are* need more attention than they get at present. Urban design can't be left to the market, and the Protected Natural Areas programme is not enough to give New Zealanders a sense of place, which depends on the *indigenous* character of what they see. We have a birthright not just to wilderness, but to nature close to home. For most New Zealanders, their natural places are the coastline, and there is a need for improved access to nature for 'the little person with a diminished income.'

(Geoff Kelly, regional ecologist, DSIR, Wellington, interview 8/4/88)

3 'A sense of place doesn't mean stopping change, but allowing diversity over time, ie to show the passage of time. If change is too fast and radical, these connections are lost, with subsequent social dislocation.' (Diane Lucas, Landscape architect, Christchurch and Geraldine, interview 7/4/88)

4 'We are losing natural objects in our cities, and we need information so that places can be cherished and guarded at local levels. As far as species are concerned . . . humans tend to cherish 'nice' species, but while recognising that human feelings, in the final analysis, are what we base environmental decisions on, we must be aware of the dangers of anthropocentrism, and ensure that our feelings are *informed*.'

(Mike Rudge, Ecology Division, DSIR, interview, 6/4/88)

5 'We believe that free access to waterfronts, as guaranteed by legislation in this country, has a significant effect on the New



Zealand people, an effect that is New Zealand beneficial and worth preserving. Such benefits are gained from free access to other undeveloped areas, and we believe that legislation should protect and/or provide for such access.' (Wellington Civic Trust p 2)

6 'Conservation of our physical resource can be argued on a number of grounds: economic, medicinal, scientific and aesthetic values; potential to provide food or energy sources; tourism revenue; cultural and religious significance, and a contribution to understanding ourselves. All are fundamentally important to the maintenance of a good quality of life and thence to a fair and just society.' (Department of Conservation, p 3)

7 'We believe that recreation within the hills and forests of New Zealand plays an important role for many New Zealanders. It provides opportunities to appreciate our natural resources, learn of our heritage, experience outdoor living and also provides many aesthetic qualities. For these reasons the Federation believes that mountain recreation plays a large role in developing social policy to achieve a more just society.' (Federated Mountain Clubs, p 1)

8 'Urban landscapes, wherein most of us live, need as much protection as our forests and wetlands. We relinquish the Victorian attitude that cities are sinful and only the pastoral scene has virtue. The cityscape should be harmonious, visually and emotionally rewarding, and any major developments should be constrained by these limits.

There should be allowances for open spaces and recreational opportunities in and around where we live. We should value our historic sites and buildings as part of our cultural heritage; we should build up a sense of identity with our short past and with other ethnic communities.'

(New Zealand Association for Environmental Education, p 1)

9 'Our lakes, rivers and beaches are a precious heritage and they ought to be protected by strict laws that prevent the heavy industries from pouring effluent and waste products into them (so that we don't see sights such as signs saying "No swimming allowed" and "Warning—the shellfish in this area of beach are contaminated"). New Zealand has led the world in many areas of agricultural research, why shouldn't we be just as innovative where the subject of pollution is concerned?' (Anthony P. Warren,

Whāngarei, p 1)

10 'A fair and just social policy can not operate in a waste land. Social policy and environmental policies can not be divorced. The

two overlap each other and both are essential for a healthy population. Environmental problems impact differently on the many socio-economic groups which make up our country. Pollution of areas close to home will impact on those who are unable to travel to avoid the pollution. Not everyone can afford to go to Taupo to fish. Or to the Westland forest to tramp.

Environmental concerns may impact differently on each cultural group within the country. For example, the Maori and Polynesian peoples' access to sea food can be made hazardous or impossible because of pollution in the marine environment. Social policy must address this type of problem especially in the light of our responsibilities under the Treaty of Waitangi.

It is almost impossible to measure the value of our natural environment, our existing parks, reserves, lakes, rivers and seas and the value of the opportunities for recreation in these areas. Social policy must ensure that access to these areas is not only the right of the well-off in New Zealand. It means extending our existing parks and reserves, enhancing our environment by effective action to reduce pollution and requires the clean up of our coastal waters.'

(Wellington Clean Water Campaign, p 1)

11 'In addition to social survival and economic values, environment has intrinsic values. Many groups and individuals recognise these and have been instrumental in making sure that the right of natural bush or waterways to exist is taken into account in society's goals. The importance of leaving areas untouched by developers goes far beyond the individual's desire to enjoy recreation—it has more to do with a national psyche, particularly so for Maori people. Even for the most urbanised of individuals, it is important to know there are still 'wild' areas left . . . Environment is of basic importance in any discussion of social policy.'

(Environmental Council, p 6)

12 'Public access to protected lands, as well as to high country areas and coastline which may lie outside the protected area system, is considered to be a "birthright", in contrast to the situation in the United Kingdom and Europe, where public access is less free, and on occasions must be purchased. This freedom of access to a great variety of forms of recreation, some of it . . . in forms that are challenging, dangerous and demanding of survival skills, has been an important contributor to the characteristics of the New Zealander. Because the fundamental objective of protected lands is conservation of the essential characteristics of original indigenous



New Zealand, land protection establishes vital connections with the identity and culture of New Zealand people.'

(New Zealand National Parks and Reserves Authority, p 1)

13'. . . I consider the most pressing environmental issue confronting us to be the loss of heart and soul when New Zealanders see no meaning for them in the wild nature of their place. It is a kind of placelessness, common in societies such as ours where the exile, the immigrant and the mobile are the norm. Its fellow traveller is the ignorance, or cultural loss of knowledge, of the richness of the wild natural world of our surroundings.'

(Geoff Park, ecologist, interview, 6/4/88)

## Appendix IV

### The Foundations of Policy

1 'As Hugh Fletcher said in a recent interview: "The whole thing about competition is not that you are seeking to achieve perfect markets. You're in it for the excess profit . . . for an excess and unfair market share." When that is an excess and unfair share of access to the water, air or land that sustains all of us, then the law of the common prevails. The law of the commons relates to the availability of resources—as soon as someone puts more than their share of pressure on the "common" either someone else must lose, or, in the end, all must lose.

This is why capital demands a fast return and investors move on to new resources — they leave before the grazing runs out.

Future generations do not count for private business.'

(Environmental Council, p 21)

2 'In considering global sustainable economic development, Edward Barbier defined it as: ". . . directly concerned with increasing the material standard of living of the poor at 'grassroots' level, which can be quantitatively measured in terms of increased food, real income, educational services, health care, sanitation and water supply . . . and only indirectly concerned with economic growth at the aggregate, commonly national level. In general terms, the primary objective is reducing the absolute poverty of the world's poor through providing lasting and secure livelihoods that minimise resource depletion, environmental degradation, cultural disruption, and social instability." (*The Concept of Sustainable Economic Development* by E. B. Barbier, 'Environmental Conservation', Vol. 14, No. 2 Summer 1987.)'

(Friends of the Earth, p 2)

3 'Humanity's relationship with the biosphere . . . will continue to deteriorate until a new international economic order is achieved, a new environmental ethic is adopted, human populations stabilise, and sustainable modes of development become the rule rather than the exception. Among the prerequisites for sustainable development is the conservation of resources.'

(Department of

Conservation, Attachment 1, 'World Conservation Strategy.')

4 'The economic and social fabric of the country, towns and cities in New Zealand is still largely dependent on our climate, soils



and water supplies. It is not long ago that New Zealanders considered that water resources were so abundant that there was little need for allocation and management systems. Today water-rights are a valuable good, even to the extent of suggestions that they become tradeable commodities. Thus the wealth of the nation is very closely related to water and soil resource management, the same wealth which provides for the social and health services of the population . . . natural resources management, economic management and social policies are interdependent.'

(Nelson Catchment Board and Regional Water Board, p 2)

5 'The market has no value base beyond profit and loss, therefore it will not protect the environment more than (a) it has to for its own good, or (b) it is compelled to. A collective wisdom reaching beyond the balance sheet has to be imposed by society at large. In practice that means collective planning processes mediated by national and local government.

Money and resources can be harnessed very rapidly to gain a market return from the environment (eg wood, fish, sheep, hydro-power). That effort is driven by immediate gain, often before someone else gets in first. The caring, managing part of using resources has no immediate gain, and no entry on a balance sheet. Thus it lacks driving force even as a practical activity (eg erosion control, protection of ozone layer, exclusion of lead from air), let alone a cultural one (clean sea water, healthy forests).

Therefore the market, and market people, will only protect the environment if they are compelled to. Everyone who claims part of the natural world for a living or as a rubbish receptacle — farmers, local authorities, harbour boards, forestry companies . . . must be restrained at the very highest political level by clear declarations that a healthy environment comes first.

All rights to resources must be *conditional*, and the conditions must be set by those who are not market-driven. Above the market forces must be people who set the sustainable game plan — people who are responsible for gathering and imposing a higher, collective wisdom. They must also be able to enforce this higher knowledge, because market actors will not impose it on themselves, even though market losses are much easier to recoup than the loss of ecosystems. (Mike Rudge, Ecology Division, DSIR, interview

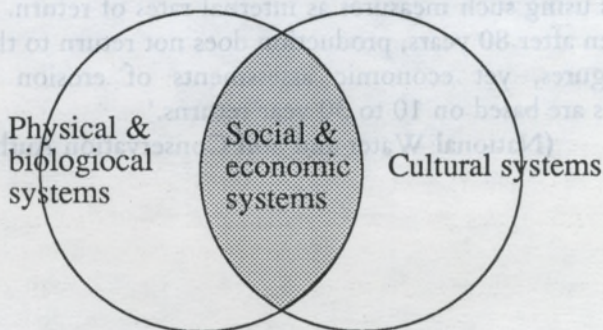
6/4/88)

6 'The current rate of change (in New Zealand society and the environment) is not due to social dissatisfactions, but is an exercise

in power. We don't pay enough attention to what is affecting the rate of change which makes all the current policy adjustments necessary, namely the growth model (of economic development). So long as we have this growth model we are going to be vulnerable on temporal grounds, living always outside the limits of acceptable change. Solutions to our basic problems are only realisable within a stable or slow growth system. We once had a Values Party advocating zero growth which failed to get elected. Now we have zero growth — and a party which is trying to create growth which we don't get! Thermodynamically, the theory of modern, growth-oriented economies is unsound. Also, within the western growth model there is no way to control change and improve equity.' (Kevin O'Connor, Centre for Resource Management, Lincoln College, interview, 7/4/88)

7 'Economic/social/environmental policy can not be separated. You can't tack social and environmental policy onto economic policy and hope for good results. Treasury denies interconnectedness — in contravention of both physical and social science. Separatedness is the most important concept to break down.' (Jeanette Fitzsimons, Town Planning Department, Auckland University, interview 11/4/88)

8 'Sound social policies begin with respect for natural resources which are the foundation of life. Any society that undervalues natural resources and the environment for short term gain passes problems on to tomorrow. There are fundamental physical constraints to economic activity. Economic and social systems are the interface between the environment (physical and biological systems) and human cultural systems, thus:



There are no ultimate divisions.

Market systems are characterised by a focus on gaining benefits here and now and passing on costs to other times and places. This



is good business within business's own very short-term time framework — but bad in the long run because the links between ecology and the economy are perverted — a case in point being the Clyde Dam, which was a mistake both economically and environmentally. (John Hayward, Centre for Resource

Management, Canterbury University, interview 7/4/88)

9 'There is now a "new wisdom" maxim — "The market only fails where the market has no place to be". The market is not and should not be seen as a default position, existing prior to other forms of social organisation. The market only grew up when producers ceased to be sellers and middlemen (merchants) created markets.' (Jan Wright, Centre for Resource Management,

University of Canterbury, interview 7/4/88)

10 'Humans are part of the physical environment — physical constraints are real, and will never be 'solved' by technology. Population constraints are real — our global "absorbing" resources such as air and water are running out of capacity.'

(Molly Melhuish, environmental activist, interview, 5/4/88)

11 'Market values don't work for future generations, unrepresented parties, and non-humans. Market mechanisms only work to solve environmental conflicts in small, equal situations, eg between two farmers who both have clear prior rights. But between one farmer and a large company, power and resources are so unequal that if the farmer seeks to defend environmental values s/he will go down.' (Cath Wallace, Economics Department, Victoria

University, interview, 6/4/88)

12 'Government funds for soil conservation is money spent in the future. Consequently it is difficult to assess short term economic benefits using such measures as internal rates of return. For example, even after 80 years, production does not return to the pre-erosion figures, yet economic assessments of erosion protection schemes are based on 10 to 30 year returns.'

(National Water and Soil Conservation Authority, p 4)

## Appendix V

### The Formation of Policy

#### *The Role of Government*

1 'There is no way out of the environmental crisis with an individual approach, because cause and effect are separated so much by time and space that individuals can't deal with it, only the collectivity can.' (Jan Wright, Centre for Resource Management,

Canterbury University, interview 7/4/88)

2 '(The Ministry for the Environment aims to . . .)' 'Ensure that in the management of natural and physical resources, full and balanced account is taken of —

(i) The intrinsic value of ecosystems; and

(ii) All values which are placed by individuals and groups on the quality of the environment; and

(iii) The principles of the Treaty of Waitangi; and

(iv) The sustainability of natural and physical resources; and

(v) The needs of future generations."'

(Long Title of the Environment Act, 1986)

3 'Conservation is a process — to be applied cross-sectorally — not an activity in its own right. In the case of sectors (such as agriculture, fisheries, forestry and wildlife) directly responsible for the management of living resources, conservation is that aspect of management which ensures that utilisation is sustainable and which safeguards the ecological processes and genetic diversity essential for the maintenance of the resources concerned.'

(Department of Conservation, Attachment 1, 'World Conservation Strategy')

4 'We believe that social policies and environmental policies are intertwined and social justice can not be had without government support for the preservation of the environment and for substantially reducing existing pollution of the environment. We believe that pollution impacts on some cultural and social groups more than others. This merits government intervention. A just and equitable social policy would provide monetary incentives, eg grants and subsidies for public works, to improve and enhance the natural



environment and through that the social environment.'

(Wellington Clean Water Campaign, p 2)

5 'The state has the role of formulating policy — the market only has the "atomistic" role of being effective at operational jobs within a clearly defined policy environment. The state must pay for policy formulation work and for the information base needed for policy formulation. In the environmental context, providing information is part of the exchange of rights given by the people to the state when they allow it to allocate environmental resources.'

(Molly Melhuish, environmental activist, interview, 5/4/88)

6 'The Ministry for the Environment should be given real teeth, so that it can truly represent currently unrepresented interests. It currently has a conflict of roles, between acting as a mediation service or as "shock troops" for Treasury, whereas it should act as an advocate for environmental standards. It needs more funding for this — and so do environmental groups which acts as advocates of the public good.' (Cath Wallace, Economics Department, Victoria

University, interview 6/4/88)

7 'The state has a paramount role because "people in the street" can't have all the knowledge needed (to make wise decisions). Society has to pay for the expression of "communal wisdom"; it has to have the mechanisms to generate/distil/apply knowledge. The state must set the benchmark or standard of environmental quality which present and future generations must maintain. This can not be done anew with each passing generation because they don't know what is or was the optimum standard.'

(Mike Rudge, Ecology Division, DSIR, interview, 6/4/88)

8 'Government policies tend to be packaged individually instead of being integrated. For example, the concepts of energy, environment, conservation and health are totally interdependent, yet they are administered without sufficient integration. People are still trained and organised in a packaged way. Even within departments eg the Department of Conservation, which is supposed to integrate the natural and the cultural, the message of interconnectedness is still not taken to heart.'

(Diane Lucas, landscape architect,  
interview, 7/4/88)

9 'Environmental management is for the community and should be orchestrated by community agencies. Statute should impose it on the market-driven part of society.'

(Mike Rudge, Ecology Division, DSIR, interview, 6/4/88)

## *Increasing Voice*

1 'We need a planning system which is responsible to the public. We have no planning body which can integrate land, water and air planning — these three features of our environment are artificially separated.

We need effective environmental impact assessment procedures which feed into the consent granting process. This evaluation should include social and cultural impact assessment.

Public participation should be open to all members of the community, and requirements for standing should be removed.

In changing the use of the environment the burden of proof should be placed on the developer. This would mean that the developer would have to prove that the project or product is safe.'

(Friends of the Earth, p 3)

2 'The other point which I believe is important is the role of the people in the regions having sufficient independence and autonomy to influence regional policies within a national policy and funding framework. From the Nelson point of view we would be concerned if the basic and vital aspects of water and soil management were buried in wider administrative processes because of (our) success to date, or (if we) lost the national input of funds on the basis that benefits are all regional, or (if we) lost the influence of regional representation.'

(Nelson Catchment Board and  
Regional Water Board, p 2)

3 'Local communities seldom have the resources (eg time and money) to effectively challenge large outside institutions. Some form of assistance should be available to help local communities prepare submissions and appeals when they feel their interests are being threatened by remote decision makers. Appeals and other hearings should also be heard in the communities affected, so that members of those communities can participate fully.

We submit therefore, that decentralisation of decision-making, with access to public funds, local autonomy and access to government departments would help create fairer social circumstances.'

(Values Party, p 4)

4 'There should be citizen input before any plans are drawn up to ensure that they have the right to help plan their own locality. There should be avenues for continuing input and objection so that activities which might reduce air quality are under community, as



well as local authority, surveillance.' (New Zealand Clean Air Society, p 1)

5 'The structures and processes for planning the physical environment are currently undergoing a reorganisation or review. I submit that there is a need for more social policy input into all the levels of the physical and environmental planning processes—into district scheme changes and reviews, environmental impact statements, and applications for development and use of resources such as mining and water rights. The input needs to be at several levels including:

- 1 Acknowledgement that social policy is an aspect of a corporate planning approach, be it at the level of national policy, as part of the national or regional sectional policy such as conservation, resource development, health, education or harbour planning, as a matter for regional and district planning, or private development decisions.
- 2 Acknowledgement of the importance of social policy and *consideration of social impacts* in physical resource planning in any new or *reviewed environmental or planning statutes* and associated regulations and procedures (and especially in the review of the Town and Country Planning Act 1977 and revised environmental assessment procedures under the Environment Act 1986). Consideration should also be given to whether planning at this level should do more that consider the social impacts of land and resource use and undertake social planning itself . . . My view is that this is more appropriate as an aspect of the corporate planning function, than as part of a statutory process.
- 3 More acknowledgement of *social policy matters* and the social impacts of land use and other resource planning in *district and regional scheme policy statements*.
- 4 Greater acknowledgement of the physical aspects of social policy (such as special housing, educational and spiritual institutions, clinics, day care centres, community halls and so on) in *district schemes* and provision for these facilities as predominant or possible controlled uses as much as practicable. At present, where social policy is indicated at scheme statement level, it frequently does not translate into enabling ordinances and many community groups and organisations must make time consuming and costly notified planning applications before they are able to locate in

local authority areas.' (Joy Grant, Planning Department, Auckland University, pp 4-5)

5 'Participation in environmental policy-making should not depend on income, race, gender, etc. These social equity considerations tell you that you can't make proper policy in a market system, because of its social biases towards those with wealth. But the problem of costs does have to be addressed, with ways of making people conscious of the costs of policy-making. However, at present there is an under-supply of solutions available to 'ordinary' people because of the difficulties and costs of participating.'

(Cath Wallace, Economics Department, Victoria University, interview 6/4/88)

6 'We need new processes for involving people, eg group discussions or enquiries in which people can say what they really think rather than what they feel they are supposed to think. They need to be given encouragement and a language in which to articulate their feelings. This can be done in lots of ways eg, the leaders of Federated Farmers, by 'covenanting' areas of forest on their own farms, have validated the activity for other farmers; the North Canterbury Catchment Board now asks people what they want first, rather than presenting them with a choice between preconceived plans. Consultation in planning without presumption by planners is essential.' (Diane Lucas, landscape architect, interview, 7/4/88)

7 'We are formulating proposals to implement Government's policies in respect of environmental legal aid. This may involve a combination of direct funding assistance and subsidised professional expertise to individuals and groups in the community to enable them to effectively participate in decision-making processes affecting the environment.' (Ministry for the Environment, p 4)

### *Increasing Choice*

1 'If human choices are to be made within sustainable limits we need some sort of 'Bill of Rights' for the environment, some set of principles which we all know we contravene at our peril. These principles should be at the forefront of our minds when we propose environmental modifications. What, in essence, are these *'Principles of Limitation'*?—the questions we must ask ourselves before we begin to make changes? Those making submissions identified 5 key questions, as follows:

1 Is it irreversible?



- 2 Does it have long term impacts?
- 3 Does it have large scale impacts?
- 4 Is it contaminating?
- 5 Do we have enough information about it?

If any of these principles are inherent in the proposed modification, then we must proceed with extreme caution. No one has the right to choose an option now which has such effects which will preclude sustainable societies in the future.

(Principles derived by C. Dann from points made by Jan Wright, John Peet and Mike Rudge)

2 'There are problems in giving people access to the environment, and they are not just the obvious ones of mobility and gates. People's skills, experience, information and perceptions may also block access. We need a provision of a wide range of opportunities to satisfy an equally wide range of needs to have experiences with nature.' (Pat Devlin, Parks, Recreation and Tourism Department, Lincoln College, interview 7/4/88)

3 'Clean water is not owned by the person or group requesting a water right: for the public in general (or in the case of the Manukau Harbour, the Tainui people) are the guardians of the water. Yet procedures do not ask whether the water right should even be on the market, which implies a willing "seller".

Some procedures, the need to prove interest for example, make it difficult for the public to have input into the debate. So the desires of industry (and often local bodies) come into conflict with environmental and social goals. Worse, not only the user (ie the beneficiary) pays, but the public must pay too.

Manukau Harbour has been the sink for much industrial development over the years. Water rights have been granted within the meaning of the Act—there are approximately 350 existing discharge rights into the Manukau Harbour and 30–35 new ones applied for each year. The cumulative result is massive pollution of the harbour by government agencies, local bodies and industry—and great stresses on the guardians of the harbour, the Tainui people, as well as a potentially harmful environment for the public in general.

As Nganeko Minhinnick, one of the Tainui involved in the hearings over the years, said, "We know that the situation will come out in favour of the developer. Legislation supports the developer. If ever a decision awards costs against us, we will not pay. Why should we pay for a law which is monocultural? Why

should we pay when the legislation makes no provision for us?"

(Environmental council, pp 14-15)

4 'User pays seems to imply an equality of ability to pay. In practice, the poor will always be at a disadvantage, the adoption of this philosophy will increase that disadvantage, unless there is care in investigating who is the real beneficiary.

(An example . . .) Ansell-Steritech is an Australian firm which proposed a plant using a radioactive process to be established in Māngere, a state housing area of people often with low incomes. People did not want to live near it. The response to the proposal was thousands of submissions done at great personal cost—time off work, travel, presentation of submissions, collecting of information by people not trained in such things versus professionals highly paid to promote the plant and attend hearings. There was enormous unpaid input from Friends of the Earth, who also researched much of the available information.

The "user" in this case was Ansell-Steritech; the payers were those who wanted to be involved in the discussion of their own future environment. Under the new rules, they would also have to pay for any environmental or health consequences brought about by the presence of the plant or its products.

Economic and social goals work at cross purposes in such situations . . . ' (Environmental Council, pp 15-16)

5 'Environmental education should have a major role in influencing how people see themselves within their environment. As the physical world can only support so much consumption the exponential drives of a consumer society must be modified to fit the world we live in. This problem of attitudes has scarcely been addressed but must be a fundamental consideration of any social policy.' (New Zealand Association for Environmental Education, p 1)

6 'There are in some government policy directions, a potential for adverse effects in recreational choice, particularly for the socio-economic groups that are already relatively disadvantaged.

1 Overseas tourism continues to climb steadily (imposing pressures) towards a preferential situation for the overseas tourist, ie high standards of accommodation and service the average New Zealander is unable to afford.

2 A drive towards cost recovery in areas (eg hut fees) where charges have formerly been notional. Inevitably, the rise



of charges beyond certain (unknown) thresholds will affect the choice of those on lower incomes.

- 3 Allocation of lands that have been traditionally available for public access to state owned enterprises has created a potential for restriction of access.'

(National Parks and Reserves Authority, p 2)

7 'Federated Mountain Clubs believe the Commission's terms of reference are very important in terms of environmental and recreational policy. To achieve these aims it is important that our natural resources are well managed and management has regard to the wider values of social policy, such as leisure and recreation. Furthermore, policy must not be determined solely by 'user pays' and market orientated philosophy but take account of the high value of recreation and leisure activities for the wellbeing of all who live in New Zealand.' (Federated Mountain clubs, p 3)

8 'I believe that there are profound spiritual benefits from natural environment for people . . . it is essential that everyone gets a chance for the experience of wilderness, and I feel that children have a particular need. It is in the interests of society that children whose circumstances presently prohibit such experience should be encouraged and funded to have quality nature experiences, regularly.' (Brenda Dorflager, p 1)

9 ' . . . consider the humble mistletoe of the forest—when did you last consider one? For the great majority of New Zealanders it is simply too late. In the North Island they are extinct, or as near as dammit. And this is sad, because as has been well said, extinction is forever. And I guess the hardbitten among us will say, not wasting words "So what?" And, broadly speaking, I would say the answer is quite simply "Because it reduces our options". (Consider only the economic uses of native species such as poroporo, silver pine, pink pine, and the seaweeds *Pterocladia* and *Gigartina* . . . ) From these facts we get a basic guideline for land use, as follows:

"Any land use policy for New Zealand should lay emphasis on the distinctive biological characteristics of the New Zealand landscape, and seek to maintain and enhance them, wherever they may be found." (Geoff Kelly, ecologist, DSIR, interview 11/4/88)

10 'Although the principle (of distributing water resources fairly among competing users as per the Water and Soil Conservation Act) works fairly in most cases there remain a few circumstances which require changes to the legislation for complete fairness. In the past water has been allocated on a "first come, first served"



basis with little thought to the future. This is particularly so where large users have "existing notified use" rights; being users of the water at the time the legislation was enacted and thus not required to hold a limited time water right. Proposed changes in water and soil legislation would remove this automatic and continued "right" and all users would be subject to limitations on water use.'

(National Water and Soil Conservation Authority, p 4)

11 'We have to take responsibility for ourselves and our environment. For example our whānau has a "Hauora" unit with a worker developing educational programmes in tikanga Māori. We have three wānanga a year, with 50-60 people at each one. We are educating ourselves on health, the environment, basic concepts eg what is mauri? how does it relate to the environment? We ask "experts" eg doctors, planners, teachers, police, to come and share their knowledge, and we place it within our Māori context of understanding. We want a self-supporting community, and we recognise that development means not just economic development, but development of all the aspects of life.'

(Betty Williams, environmental and political activist, Ngāti Maru and Ngāti Kahungunu, interview 12/4/88)

### *Increasing Safe Prospect*

1 'There is a perceived conflict between protecting the environment and having jobs, but there has been no research done in New Zealand on whether this is really the case, and plenty of logical and practical examples to show that it need not be. For example, solar energy creates jobs and does not endanger the environment. The conflict is perceived because we use a language of sacrifice, eg how much must we pay to save things for the future, but it must be recognised that benefits as well as costs can be experienced in the present. For example, organic farming is good for present as well as future generations because it reduces pollution, saves soil and creates jobs now as well as then. When looking at seeming conflicts of environmental and human interests it is essential to search for the "third way" that brings the two sides together. For example, one can look at things in terms of "solution multipliers" which are good for both sides, or "problem multipliers" which are bad for both sides. We can illustrate this in the field of energy with the examples of "solution multiplying" biogas, which simultaneously provides energy, disposes of waste and produces fertiliser, and



“problem multiplying” nuclear power, which produces such dangerous waste that its disposal creates a whole new set of environmental and equity problems.’ (Jan Wright, Centre for Resource Management, Canterbury University, interview 7/4/88)

2 ‘If New Zealand institutes conservation measures, and pays the true cost, but other nations do not, New Zealand is at a disadvantage on international markets, and this will have employment and income impacts on New Zealanders. So how do we respond nationally to the fact that other nations aren’t bearing the true costs? At this point social policy and environmental resource policy mesh, and it is first of all essential to identify the nature of the problem, which is that the costs and benefits of environmental conservation are not equally distributed. Those deriving the benefits don’t cover the full costs. For example, unless mining companies pay a proper rental or resource fee to the people who own the minerals (the people of the country where those minerals are found) and this fee is distributed equitably among those people, and unless they leave the land they are mining in a properly restored and/or productive state when they leave, they are not paying the true costs. The environment and future generations are bearing the brunt of the costs. Another problem is reconciling social and environmental justice at the regional level throughout New Zealand. For example, the local community of Westland is being asked to bear the national costs of maintaining rare and unique ecosystems. This sort of problem must be addressed explicitly, and ways found of reconciling local and national interests (for example, in the case of Westland, by providing locals with employment protecting and interpreting the rare resource.)’

(John Hayward, Centre for Resources Management, Canterbury University, interview 7/4/88)

3 ‘We believe that citizens should not only have the best features of their city conserved, but should also be able to enjoy easy access to them. This is a particular problem for those members of the community who are disabled or do not have their own transport, for elderly people and for families or parents with young children. We believe that these disadvantaged members of our society should be considered by planners and designers, and positive measures taken to ensure access to the resources of the community by all people, of whatever age, race, gender, social and economic position or ability.

These measures should include:

- 1 an efficient public transport system, designed to benefit all potential users;
- 2 provision and maintenance of roads and footpaths, without neglecting these factors during development of adjacent sites;
- 3 ready access to public spaces, town belts, waterfronts, parks, etc;
- 4 ease of access to all buildings, other than private dwellings, especially those containing a public activity;
- 5 ease of access to public amenities.'

(Wellington Civic Trust, p 3)





# TRANSPORT : ACCESS OR ISOLATION?

Raewyn Good



# Transport : Access or Isolation?

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## Section A: Executive Summary

### *Introduction*

1 In the booklet 'A Fair and Just Society', the Royal Commission on Social Policy (RCSP) identified transport as an important aspect of our quality of life.(1) Indeed, transport, as the mechanism of movement for people and freight, has played a fundamental role in human history and formed an integral part of migration, settlement, war, trade and access to services. This discussion paper concentrates on the movement of people by land, within the country, because for the majority of people, this aspect of transport is the determinant of our ability to participate in society. Air transport, while important for some sectors, has a less significant role for most people's daily lives. Sea, particularly the Cook Strait ferries, is also important for some activity.

2 The RCSP is required to assess existing policies and advise on any changes. We therefore considered it important to provide contextual information and a discussion of major current issues in transport policy. It was also considered important to distil themes from the submissions made to the RCSP and provide information from other relevant sources.

3 This paper therefore includes information from a range of sources including our own experience in transport, which has been utilised to develop major questions of relevance to transport policy. These questions were discussed by group process and a series of key issues were developed. A number of conclusions emerged.

4 In reality, available resources are usually insufficient to provide for all needs and expectations. Decision-makers therefore establish priorities and (usually) allocate resources so that a reasonable 'match' is achieved between what is perceived as being needed,

what is wanted and what is provided. The challenge for the transport sector, can be stated as being to consider whether the existing 'match' is reasonable, fair and just, and, where there is a 'mismatch', to consider desirable changes.

5 The major themes from the submissions are contained in Section C. Briefly, rural people expressed concern about access to services on cost and distance grounds; while urban dwellers made fewer references to transport, both urban and rural dwellers had difficulties with the present systems for reasons of disability and/or cost. A sense of powerlessness and lack of control over service levels and decision-making was evident and advocate groups made a number of suggestions for equity improvement. A conclusion to be drawn from the submissions and our discussions, is that the attention given to urban transport, particularly passenger transport, over the last decade, may have addressed a number of concerns evident before 1980 in urban areas. A similar level of attention seems to be justified, for rural transport and other aspects of access.

6 A fundamental issue which seemed to us to be implied in the submissions, and in much of the recent policy and research material, was that people expected the right to have a base level of access (service) throughout the country even if this involved subsidies from other communities. What is subsidised, from who, who to and with what costs and benefits, are matters which underpin all the issues canvassed in this paper. This discussion paper endeavours to take account of the vested interests which individuals and groups bring to their viewpoints and to clearly express the reasoning behind our conclusions.

7 The basic questions developed, together with our responses were:

(i) *What is transport?* What parts of the transport system are most relevant to New Zealanders?

Transport is seen as the means by which people and goods move from place to place. The most relevant parts of the transport system in relation to the RCSP Terms of Reference were considered to be the land-based people modes—that is road, passenger rail, passenger bus and private cars/vans/motorcycles. These are focussed on as the major modes of access for most people and aspects of advantage and disadvantage are examined for various groups and individuals with the present system. Likely changes resulting from policy



developments are also considered and discuss the potential impacts are discussed;

(ii) *Whose values dominate in transport decision-making? Can imbalances be addressed?* The Key Issues sections, 'Access Rights and Subsidy Provision', 'Processes and Biases' and 'Distortions and Influences' deal with these matters in some detail. There are significant sections of 'need' which are currently not being met and the transport system could be 'more flexible' in devising ways of meeting this need. This would be helped by the inclusion of differing perspectives than those currently offered by the current relatively homogeneous groups of decision-makers;

(iii) *What are the biases and distortions?* A number of factors are identified which affect the provision of transport. Some are structural, some attitudinal. Ways of addressing the biases are discussed in the relevant Key Issues sections;

(iv) *What is the appropriate role for the car?* In the section on modal mix, the usefulness of the car is outlined, together with some of the reasons for its dominance. Where the sum of individual choices to use the car, begin to cause problems such as congestion, measures which have been undertaken, were noted;

(v) *Where do costs fall?* The assessment of costs and benefits and how these are being dealt with are covered under the relevant Key Issues discussions, principally 'Costings' and 'Access Rights and Subsidy Provision'. Suggestions are made in favour of more accountability and a clearer identification of local, regional and national interests;

(vi) *What is the appropriate role of government—central, regional, local—and the market?* We considered that there was a role for each to some extent—in the specific Key Issues segment we concluded that the current system of decision-making for urban transport, could be extended to other areas, with certain proviso's. The 'Access Rights and Subsidy Provision' section material indicates a continued subsidy provision role for government. In the 'Background and Overview' section, we outlined recent occurrences and measures taken to redress problems, as background for future decisions;

(vii) *Why subsidise?* Substantial material, some of it very technical, already exists on this question. We have presented a summary of this data and draw some preliminary conclusions;

(viii) *What is the link between perception and behaviour in transport?* Values, attitudes, structures and aspirations are discussed both implicitly and explicitly in the Key Issues sections. Perception and misperception in transport have a very influential role in behaviour which influence provision, contribute to difficulties and act as constraints of innovation. Suggestions are made to redress these factors.

8 Key issues were then identified and discussed from our various viewpoints, together with relevant research material. A major point is the interrelationship between transport and other aspects of our lives, and between and within parts of the transport system. Our principle conclusions were that we:

(i) SEE 'accessibility' as a crucial aspect of transport decision-making and consider more attention should be given to it;

(ii) SUPPORT the development of mechanisms to ensure decision-making processes encourage wider participation, and consider that decision-making bodies should be constituted in a way which more closely reflects the diversity of the communities they are accountable to. They should consult with those affected by the decisions and act on the outcomes in a responsive manner;

(iii) SUPPORT the 'market segment' approach as a means of meeting the differing transport needs and redressing inherent distortions in the current system, and consider that 'fine tuning' the current system only will ignore substantial areas of current need;

(iv) SUPPORT a clearer identification of costs, benefits and subsidies so that communities can discuss and determine what is in their interests, and the regional and national interests, more clearly than at present. We noted that the commercial sensitivity of some service provider information could be a constraint;

(v) SUPPORT the utilisation of the urban transport planning, funding and administration model—national guidelines with regional and local flexibility—for those modes and areas not yet part of such a system. We consider that national guidelines containing minimum levels of access should be established and note that some level of taxpayer subsidy provision is likely to be required;

(vi) NOTED that the car is dominant in the transport system, and consider that substantial disadvantage occurs for those



unable to use cars. The other suggestions made in this paper are necessary for achieving equity, and improving access, in association with improved efficiency;

(vii) NOTED the perception and behaviour 'distortions' in the transport sector, the constraints on innovation and the limitations these factors imply for change;

(viii) CONSIDERED that there is an expectation that workers in the transport system will receive an equitable living standard and agreed that they should not be expected to bear an unfair proportion of the impacts of any changes;

(ix) NOTED the importance of safety in the transport sector as a reason for maintaining at least minimum quality licensing standards, and concluded that the costs of providing, and not providing, adequate safety are often misperceived.

9 While there are a number of further areas where suggestions could be made, we have been reluctant to do so. Partly, this is because many of the specifics are being addressed in the current research and 'demonstration project' activities of the decision-making and operating agencies. We feel that further information from these investigations and trials should be awaited before further substantive changes are implemented. The areas where we have come to broad conclusions could, however, begin to be actioned, particularly for rural areas.

10 In summary, our main conclusions were:

(i) That rural people seem to have greater access problems than urban dwellers. These difficulties seem to be threatening community viability and the 'quality of life' significantly;

(ii) That where reasonable levels of access are provided, there remain significant sections of the population unable, for a number of reasons, to utilise services;

(iii) That there are attitudinal and structural constraints limiting the responsiveness of the current system of transport, to community needs;

(iv) That resources are limited, but that measures can be taken to improve 'allocations' and processes so that greater effectiveness and efficiency can be achieved.

## Section B: Background and Overview

11 Prior to the 1930s, transport for most people consisted of the bicycle, feet, horses, carts/carriages, the occasional car and some trams, buses and trains. Our cities and larger towns had fewer people than now and were quite densely settled, with relatively shorter distance between destinations. Journey times were shorter with home and work in closer proximity. Smaller settlements were relatively self-contained focal points for the rural hinterlands with journey's between settlements and to the cities, being major events. The combined effects of economic depression in the 1930s, and shortages of materials, labour and capital during and after the Second World War, acted as constraints, both on development and on expectations. People 'made do' and passenger transport services received record patronage with the costs of service provision covered by fare revenue. Following the Second World War, a number of factors combined to create pressure on the transport system. Post-war industrialisation and population increase encouraged suburban development and urbanisation, in turn placing pressure on the extension of roading and passenger networks into the developing areas. Rural depopulation and reduced service centre viability increased demands for state highway and rural road development. Capital expenditure was also necessary to replace ageing passenger vehicles—trolley and diesel buses replaced the trams during the early 1960s and electric trains were provided in Wellington. Car ownership levels were rising as the affluence level rose and the usefulness of the car became increasingly apparent—a usefulness increased by our geography (long, narrow, hilly) and dispersed settlement patterns.

12 By the early 1960s, traffic congestion, particularly in 'downtown' areas, was a major concern. The National Roads Board commissioned a series of 'Master Transportation Plans' which primarily focused on roading and car access issues. Major urban motorway expenditure, particularly in Auckland, followed these studies. As more space for the car was provided, usage levels and pressure for further access routes and parking facilities increased. With the growth in car usage, rail and bus service patronage declined. Rather than adapt service levels accordingly, service providers concentrated on obtaining subsidies to maintain the service levels that had been appropriate during and after the war. The demands on policymakers, for funding, were therefore coming



from all sectors (road, rail, bus) both for operating subsidy and capital expenditure.<sup>2</sup>

13 By the late 1960s, institutional responses to the 'crisis' were beginning. While passenger transport in urban areas was the initial focus, this swiftly expanded to cover the transport and land use systems. The Committee of Inquiry into Urban Passenger Transport, (1968) later known as the Carter Committee, was a direct result of mounting public pressure for the government 'to do something about the transport problems in the cities especially. The committee was required to:

Enquire into and recommend to government what standard of public transport is necessary to meet the reasonable needs of balanced and efficient passenger transport systems by all forms of transport for urban communities in all New Zealand; and shall consider and report upon the financial and organisational arrangements necessary to achieve such standards . . .<sup>3</sup>

The committee's report contained a number of far-reaching recommendations regarding organisation, services, planning, research and finance. Several recommendations were implemented promptly—the local authority petroleum tax (to assist with funding passenger services but not 'tagged' or indexed for inflation) and the establishment of the Urban Public Passenger Transport Council (UPPTC). The UPPTC had a small budget for the provision of funding assistance to passenger transport. Applications exceeded funding throughout its existence (1972–1980) despite railways services not being included (Railways as a government department received funds through Vote: Railways) despite local authorities being excluded from 1978 when other Vote: Transport funds were provided for the four main centre fleets in particular.<sup>4</sup>

14 While commissioned under the National Government in 1971, the Wilbur Smith Report<sup>5</sup> was released during the term of the 1972–75 Labour Government. The consultants, Wilbur Smith and Associates were required to:

Determine the most effective means of co-ordinating the use and development of various modes of transport in the country so that resources devoted to transport can be used in the most efficient manner.

This study excluded urban, local and short distance movement and concentrated on quantitative documentation of pricing, entry, regulation, investment, subsidies and interrelationships. Policy resulting from the study recommendations has been implemented as road user charges and deregulation of rail and road competition.

15 The basic principles developed about transport by the mid-1970s were:

(i) The passenger transport industry is regulated on a relatively sound basis;

(ii) The public have as far as possible a choice . . . having regard to the traffic available;

(iii) Controlled competition exists between the various modal options;

(iv) Competition between the private car and urban public passenger operations, has meant mounting economic problems for the latter;

(v) Central government has provided some assistance and will continue to do so;

(vi) Urban passenger services of a local or regional nature because of their *peculiar* nature, require specialist consideration;

(vii) Evaluation of whether user charges reflect costs is needed and if local and central government wish to provide support. . . . subsidies should be clearly identified.<sup>6</sup>

16 Following the change of government in 1975, passenger transport, particularly urban, received further attention because:

(i) expenditure on roading and urban rail services had continued to grow, despite declining passenger numbers on New Zealand Railways (NZR) suburban services;

(ii) the age of many commuter buses made them uneconomic and a major input of capital was desirable;

(iii) the conclusions of the Carter Committee were still valid and it was desirable to extend its conclusions to cover all urban transport.<sup>7</sup>

17 These aspects were further developed in the 1977 White Paper<sup>8</sup> which contained three principles which have guided subsequent policy. These were:

(i) that biases in expenditure choices within urban transport which arise from the varying conditions under which finance is available should be minimised;

(ii) that the financial burden of the urban transport system should be shared more equitably both within the region where service is received, and between regional residents and taxpayers nationally;



(iii) that bias in the allocation of funds between urban transport and other sectors of local government activity should also be minimised . . .

18 Major subsidy increases were also announced in 1977:

(i) The Bus Replacement Programme whereby all main centre local authority buses over 15 years of age would be replaced—originally at 100 percent subsidy, later with an upper dollar value on the subsidy;

(ii) The passenger/kilometre subsidy—partly a compensation for buses having to pay road user charges, this scheme was based on making payments on the number of passengers carried and the distance they travelled.<sup>9</sup>

In the meantime, NZ Railways costs relative to passengers carried, continued to grow and the National Roads Board income and expenditure continued to increase. Railways management continued the process of consolidation with the closure of uneconomic freight branch lines and service reductions with reorientation of resources to heavier usage areas. Rural areas were most affected because, as 1979 NZR figures showed, over 60 percent of all stations accounted for 2 percent of freight revenue but more than 2 percent of the costs.<sup>10</sup> NZ Railways became a corporation under the Railways Corporation Act 1981—ministerial approval is still required for closing lines or withdrawing from or reducing 'any substantial service'.

19 The Urban Transport Act 1980 and the establishment of the Urban Transport Council (UTC) in 1981 has brought major changes to funding, policy, planning and administration systems particularly in the four main urban areas, and to a lesser extent in the provincial cities and the towns. The act is described in its title as being about 'the establishment and maintenance of appropriate and efficient urban transport systems'.<sup>11</sup> This act and the UTC are important to this discussion in several ways—mainly because 'urban' has been widely defined by the UTC (population centre of 3,000 people or more and services operating within a radius of 50 km of these centres) covering most of the country except for areas such as central Southland, East Cape and Northland. Its major impact is in the main centres—Auckland, Wellington, Christchurch and Dunedin—where the regional authorities plan, apply taxpayer subsidies and rates for urban (includes road, rail, bus, taxi, parking) transport. The UTC has become a focal point for policy development, research and funding for urban transport.

20 While roading has continued to be planned, administered and funded as a separate mode, the impacts and linkages of decisions and operations have often not been fully appreciated. It was argued that the main focus for roading is now rural roads and state highways and therefore of little relevance to other sectors.<sup>12</sup> Membership of roading bodies has reflected this position. The urban transport bodies have included members with roading interests. With the recently announced transfer of the Roothing Division of the Ministry of Works, to the Ministry of Transport (which has a policy role for air, sea and passenger transport) a more cohesive policy approach may develop in the future.<sup>13</sup>

21 A great deal of attention has been given to the transport sector over the last 20 years. A number of further changes have recently been signalled with the National Roads Board (NRB) transfer to the Ministry of Transport, the taxi licensing review (submissions currently being made to a discussion paper), the late February announcement of a drop in the subsidy ratio for urban rail (UTC budget released February 1988), a discussion paper on delicensing bus services expected shortly (early April 1988) and the Local/Regional Government Reform (Working party report currently subject of submissions). In addition, there are well developed professionally organised 'lobby groups' and 'occupation groups' involved in the policy process, and others with a lesser degree of influence:

- |   |   |
|---|---|
| (a) well organised,<br>articulate, well<br>resourced:             | Road Transport Association, major operators (NZR, ANZ),<br>Automobile Association, Bus and Coach Association (mostly private)<br>Taxi Proprietors Federation; |
| (b) organised, some<br>resources, not so<br>involved as group (a) | City Bus Association (public operators), school bus contractors;  |
| (c) segmented<br>organisations, low<br>level of participation:    | Unions, mainly drivers.   |

Those with almost no influence are the service users and those without a service. (These points are discussed more fully in the Key Issues section.)

22 There is considerable justification for the observation that the needs of people as users and potential users of services, have been subordinate to the needs of the providers—of services, funds and



information. Until very recently, the decision-makers have tended to concentrate on the broad issues—institutional and financial arrangement/rearrangement while the service providers have concentrated on obtaining subsidies, both to enable the continued provision of services (that were once suitable, but may now be less so), and, to aid the continuation of their own operations. In an effort to develop from this rather 'inward' focus, the 1985 Urban Transport Seminar was arranged by the UTC to provide a forum for debate on the many complex policy and technical issues needing to be addressed from a broad spectrum of viewpoints.<sup>14</sup> The seminar aimed to 'provide an opportunity to assess progress in the implementation of the Urban Transport Act, to debate the current issues, and to exchange ideas on how best to deal with the various facets of urban transport planning and funding'. The opening plenary session was on 'Marketing Urban Transport' with a consumer orientation—an attempt to encourage consideration and servicing of user needs and preferences rather than 'advertising' what the providers were offering, only. Innovative schemes such as 'total mobility' (maxi-taxis with wheelchair hoists) and the 'mini-bus scheme for the elderly' in Palmerston North were demonstrated and discussed along with the techniques of computer demand modelling, (simulating transport systems and options on computer) accounting methods and cost-effectiveness analysis. Policy issues debated included subsidy beneficiaries, (who benefits from subsidies) liaison with the roading sector, relevant legal decisions on the Urban Transport Act and the use of performance measurement criteria, (such as passengers carried per vehicle distance covered). Several major UTC commissioned reports, arising from issues discussed at this seminar are of relevance to the main issues discussed in the following section.

## Section C: Key Issues

23 Three main sources of information were utilised to define key issues for the transport sector (primarily the transport of people) in relation to the Terms of Reference of the RCSP. These were:

- (i) The submissions to the RCSP;
- (ii) Relevant research reports and policy papers;
- (iii) Collective transport experience within the group (included researchers, management, drivers, passengers,

policy-advisors, decision-makers and planners—at local, regional and central government level).

The outcome, therefore, draws from a wide spectrum—transport disadvantaged, service users, workers in the system, ‘expert advisors’ and ‘decision-makers’.

## *The Submissions*

24 The following emerged from the examination of the submissions to the RCSP in relation to transport:

(i) Concern was expressed, particularly among rural people, about access to services. Long distances were involved with the cost of travel, a problem for many. Both the costs and the distances were expected to increase further as services such as post offices and local shops closed. The concerns were both for their own individual and family situations and for the continued viability of local communities. The retention of school bus services was a vital consideration for many. (See Attachment 1 for selected extracts from the submissions);

(ii) Urban dwellers made fewer comments on transport than rural people did.<sup>15</sup> Both urban and rural people highlighted difficulties with the present transport system because of disability (including sickness and age) and cost (either because of lower income or the high relative cost of services). (Again, see Attachment 1);

(iii) A sense of frustration, of powerlessness and lack of control over the level of services and actual service loss was evident. There was a sense of not being listened to, of not having values heard. (Submissions generally);

(iv) Advocate groups represented the above concerns and in the case of several having a decision-making role in transport, outlined policy objectives and system alterations for improving equity. See, for example, submissions by the Auckland Regional Authority (page 26) and the Wellington Regional Council (Third Submission.)

25 The submissions, both in content and in summary theme, formed the background for the identification of a number of basic questions which were then developed, in discussion, into the key issues section which follows. Firstly, it was considered important to set out the concept of ‘transport’ as we have used it—it is the means by which people move from various places to other places,



so they can access services and facilities. The need for transport systems has grown as communities have become less self sufficient and specialised and as the distances between basic locations such as home and work, have increased.

(a) *Access Rights and Subsidy Provision*

26 *Subsidy issues* An implicit assumption within the submissions, and in much of the recent debate regarding service matters (contracting of school bus services, post office closures, continuation of 'full' funding for urban rail), has led us to identify a fundamental issue:

It would seem that people assume they can live where they like and have a basic level of service in that location—despite the inequities in 1 providing such a basic level of service that result from the unequal costs of providing the services. It would also seem that existing communities are believed to have the right to continue to exist even if that implies subsidies from other communities.

27 When costs are not well defined, when benefits are not fully debated, when unpopular decisions are avoided, when those who are able to pay become unwilling to do so, when expectations are unrealistic and when decision-makers are not readily accountable for their decisions—a sense of injustice is likely to ensue.

28 Work on these issues in relation to the transport sector, has been undertaken for several years. Roading has the longest history of participation and debate on the decisions since the early 1950s. District Roads Councils (DRC's) make initial priority rankings on projects and submit these to the National Roads Board. They draw their membership from the local authorities, the motorist and trucking lobbies and the Ministry of Transport. The National Roads Board has a similar membership. There has been a forum with established decision-making mechanisms for participation and a perceived 'fairness' in decision-making. The recent government decision to transfer responsibility for roading and the servicing of the DRC's and NRB from the Ministry of Works and Development, to the Ministry of Transport, will no doubt reorder the 'balance' that has existed in the roading sector. (Just how, is not yet known and the empowering bill is before Parliament at present).

29 For passenger transport, the Urban Transport Council (UTC) and Urban Transport Act 1980, have become the forum and mechanism for policy discussions and debates previously conducted almost wholly within the Ministry of Transport, Treasury and Cabinet. The UTC has been raising the matter of service levels and

subsidy ratios for some time while supporting one of the rationales for the act—that local and regional authorities should determine service levels for their communities and, if they are willing to pay part of the cost of these services, some level of subsidy will be provided from central government thus recognising the various levels of benefit and interest in service provision. The assumption has been that public authorities have a responsibility to provide facilities (or assist others to provide them) not as ends in themselves, but as a means of assisting people to participate in personal, social and economic activities. A further assumption lies behind this policy action—that there is a measure of public benefit to be derived from provision of services and cross-subsidisation (using ‘profits’ in one part of the system to cover ‘income shortfalls’ in another) and that adverse effects would result for too many, at too great an overall cost, if people were not assisted through subsidy.

30 Major work on subsidisation of passenger transport is currently being undertaken for the UTC by Travers Morgan Pty Ltd.<sup>16</sup> In view of the importance of their work, their conclusions from Stage 1 are appended as Attachment 3. Briefly, in the New Zealand context, they consider that there are three areas which require further quantification work so that the UTC and the Government have adequate guidance on the level and distribution on subsidies. These areas are:

- (i) The development and operation of a second-best pricing model to calculate subsidies due to user economies of scale and road congestion benefits.<sup>17</sup>
- (ii) The identification of transport disadvantaged groups and determination of subsidy levels to meet income redistribution aims and improved mobility to these groups.
- (iii) The development of pricing guidelines for public transport operators who receive subsidy funds from the UTC, so as to ensure that the subsidies do achieve the objectives for which they are paid.

31 It is important to note that Travers Morgan Pty Ltd. have used an evaluative framework that ‘is rational and objective’. It is directed to reasons for public transport subsidy which can be objectively assessed. An alternative framework would have been directed at the *perception* of benefit . . .<sup>18</sup> Decision-makers in transport, have to date, largely concentrated on the ‘rational and objective’ arguments about subsidy, from the perspective of the service providers and the funding agencies. The viewpoints of the user and the



potential user have received much less attention. Political input at local, central and regional level, and union input has acted as a proxy for these views, but the values within the 'experts' quantitative methodologies have predominated over more qualitative values. People's need for transport as a means of accessing facilities and locations has received less attention in the transport literature and in policy formation.

### *Accessibility*

32 The concept of 'accessibility' is an analytical tool which can assist in redressing this imbalance. It is a concept which can be of considerable assistance in considerations as to the base level of 'access' to services which will ensure 'justice and fairness'. It is particularly crucial in countries such as ours, where the pattern of settlement and service locations necessitate the frequent use of transport for most functions, in the lives of most people. The level of accessibility a person/family has is a crucial determinant of their quality of life. For example, there is no point in gaining a job at location X if you live at location Y and cannot travel from Y to X and back relatively readily, and at reasonable cost.

33 The following explanations about the concept of accessibility are contained in a study from West Yorkshire in 1977.<sup>19</sup>

Personal Accessibility may be defined as the ease of travel to destinations where facilities exist to enable specified activities to be undertaken . . .

The selection of personal accessibility as an issue for analysis is based on the premise that public authorities have a responsibility to provide transport facilities, not as ends in themselves, but as a means of facilitating personal, economic and social activities . . . Because facilities are available at only a limited number of locations people have to travel from their homes in order to undertake a large number of (non-domestic) activities common to everyday life . . . The number of activity-choices available and in the opportunity costs (time and money) incurred in travel, . . . can be regarded as a major factor in determining the quality of life.

People's experience of accessibility will depend on the performance of the land use/transport system as it serves the particular facilities they require (in proportion to their use of them) by the particular modes of travel they are capable of using.

34 By utilising the concept of accessibility (access to services, facilities, locations) peoples' needs can be established and minimum standards of service (or access to services) developed—by area, for particular groups, or for the entire country if desired. When accessibility is used as an analytical tool, *need* and *perception* of benefit can be 'objectified' and 'rationalised' into the current decision-making



system quite readily. Such a development, may help the transport decision-makers to focus on what people actually need—access to services and facilities—rather than on which vehicles should provide the service (buses or cars), who owns them (private and public operators, or railways), and who pays what proportions of the costs (fares, rates, taxes).

35 We considered whether people do have a right to access necessary services and facilities and concluded that in general, they do. If their circumstances (income, age, disability) make it difficult for them to provide for their own needs and/or utilise existing services (if there are any) then there is a duty on public authorities to assist. It is not the duty itself which is most frequently debated but rather the financial implications of the duty and the type and frequency of the means of access to services and facilities. For example, when the Total Mobility Scheme for the Disabled<sup>20</sup> was being developed in the early 1980s, many people argued that central government should provide the subsidies through Vote: Social Welfare rather than Vote: Transport, or through local or regional rates. The rights of the disabled for an accessible service were eventually accepted and subsidies have come from Vote: Transport and rates, since then. The development of specific services, for the needs of a specific group of users, with a specifically tagged subsidy would seem to be a concept of transport service worthy of further consideration. It is important to note however, that 'total mobility' has developed at the discretionary support of taxi companies and regional and local authorities. In some areas such as Christchurch, the service is more available and reliable than in other areas such as Wellington. Some major population centres do not yet have 'total mobility'. The need for a base-level of service guideline and subsidy support is indicated, if the disabled are to have accessibility.

36 Other research and demonstration projects have identified particular groups unable to readily utilise existing services. For example, a study in Hamilton by Monique Roberts<sup>21</sup> surveyed the needs of the elderly and the problems they had using the regular scheduled bus service (walking to/from stops, steepness of stairs, cost, routes, timetables). Palmerston North for several years, has subsidised two maxi-vans in their bus fleet, for elderly passengers, in an attempt to meet the needs of their elderly citizens, for access to shops and other services.<sup>22</sup> Unfortunately, as identified in section (g), innovation with specialist services for particular groups has



been limited. Because this approach has not been widely undertaken, the services which are provided are not meeting their full potential and the subsidies are not being fully effective in ensuring that optimum services, meeting people's needs, are being provided.

37 The Market Targeting Study<sup>23</sup> undertaken for the UTC in 1987, identified a number of particular markets—'youth', 'young families', 'working mothers', and 'retirees'—whereby different service provision approaches could be taken to 'better meet' needs. Substantial qualitative information was obtained from a random sample of households as well as a series of interviews with service providers. The 'commercial' needs of operators were considered to be in conflict with the 'welfare' objectives of service provision in some cases and the researchers advocated 'deregulation' and more 'flexibility' both in vehicles, routes and controls for operators and in 'awards' for drivers so that 'welfare' needs could be better met.

38 We conclude that further work is necessary before these recommendations to improve 'marketing' are implemented, because of the 'wider' impacts from such actions.

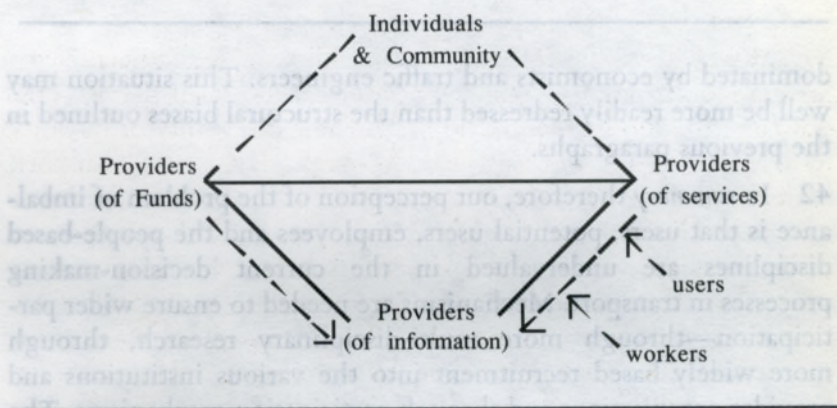
39 We consider the concept of accessibility to be a crucial factor for transport decision-making. It is not transport itself that is a crucial factor in our 'quality of life', rather it is our ability or inability to access facilities and locations, through the use of transport, which is crucial. If people lack access, they are disadvantaged. For some, this disadvantage can occur through a lack of transport, an inability to use what is available (due to disability or income constraints) or the inability to shift locations to a place with more access. In accessibility terms, appropriate transport services and/or appropriately mobile services, is the ideal outcome. How this can be achieved within resource constraints is the challenge.

### (b) *Processes and Biases*

40 Consideration of the 'rights' of people and communities led to a discussion on the predominant values in transport decision-making. Like the society of which it is a part, decision-making in transport is largely the preserve of the educated and articulate—middle class, pakeha and male. This group's values dominate the processes of decision-making and when decisions are made on the relative merits of other viewpoints, it is the latter which generally lose out. For example, even when consumer and worker views have been obtained, the homogeneity of the decision-makers and the nature of the decision-making system, has usually led to their views being

undervalued and 'edited out'. Consultation has not been sufficient to ensure all voices are heard and valued—and more importantly—acted upon. People have therefore, been forced to become activists and be somewhat aggressive, to achieve participation in any meaningful way. Inputs to the decision-making process are 'out of balance' and change is considered desirable. In particular relation to transport, the producers of the services need the users—it is in their interests to ensure they meet people's needs. Provider management has seemed overly occupied in achieving subsidy support for the continuation of services that some users (able to exercise choice) have progressively withdrawn from. This has been to the detriment of attention being given to meeting users and potential user need. The imbalance is presented in Figure 1.

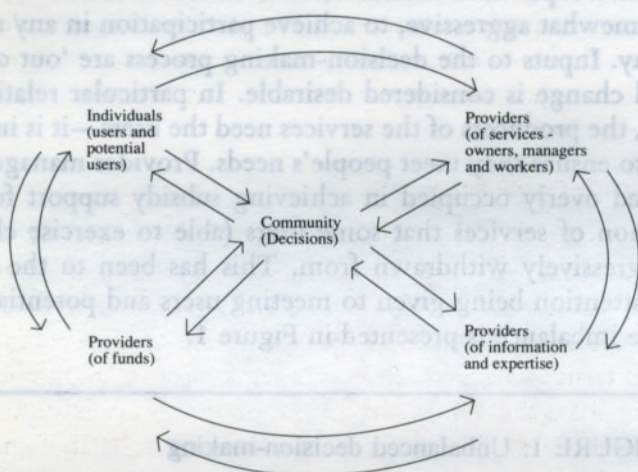
FIGURE 1: Unbalanced decision-making



41 Another contributor to bias is the type of knowledge that has value in the transport decision-making system. More 'weight' is given to quantifiable information—numbers and dollar values<sup>24</sup> than to the more qualitative—values, needs, perceptions. As well as being influenced by the homogeneity of decision-makers, the valuing of some types of knowledge over others is influenced by the professions which dominate the transport sector. Engineering has been dominant until the last decade when economists and planners have gained status. The more people-based disciplines, such as the social and behavioural sciences, have only recently become involved and then usually only as part of multi-disciplinary teams



FIGURE 2: More balanced decision-making



dominated by economists and traffic engineers. This situation may well be more readily redressed than the structural biases outlined in the previous paragraphs.

42 In *summary* therefore, our perception of the problem of imbalance is that users, potential users, employees and the people-based disciplines are undervalued in the current decision-making processes in transport. Mechanisms are needed to ensure wider participation—through more multi-disciplinary research, through more widely based recruitment into the various institutions and provider organisations and through participation mechanisms. The participation mechanisms would require care to ensure the process of ‘capture’ (monopolising by already represented views) did not occur. Individual user appointments to bodies is likely to simply perpetuate the current imbalances. The use of existing community networks, (groups, marae, etc) for consultation which involved more accessible information on policy and funding constraints, and the actioning of outcomes from such consultation, could avoid the continued ‘closed shop’ biases in transport decision-making. Such action would be necessary at local, regional and central levels of decision-making. We support the development of mechanisms for ensuring that the decision-making processes encourage wider participation. We consider that decision-making bodies should either

be constituted in a way which more closely reflects the diversity of the communities they are accountable to, and/or that they consult with those affected by their decisions and act on the consultation outcomes in a responsive manner. The operators of particular services would then undertake the services, with clear subsidies provided where needed and supported by the communities.

### (c) *Distortions and Influences*

43 *Urban/rural* Because of the nature of the transport system and the historical and institutional influences operating, there are identifiable distortions within the system. One major distortion has been towards urban services to the detriment of services in rural areas (both farm and town). As passenger services have retrenched, particularly since the 1960s and 1970s, rural services have become almost non-existent. Where rural towns have been located on main roads, they have continued to have some access to through services—Wairoa has been able to use the Gisborne-Napier services; Hawera, the Wanganui-New Plymouth services. Rural towns such as Opunake have had to become more reliant on the private car. Subsidy attention has focused on the problems in the larger cities where a willingness to subsidise a social level of service has been more evident than in the provincial and rural areas. Tauranga is an example of a major provincial centre where there was not a willingness by the local authority to subsidise a social level of service. While a dollar-for-dollar subsidy from central government was available, the local authority would not pay a share of costs, so the private operator had no choice other than to cease all but one route, in October 1986. The UTC conducted a 'before and after' survey on the passengers and found that many had altered their activity pattern considerably after the bus service ceased. Sixty-four percent (46 people) had stopped activities, of these half restricted their shopping radius, 39 percent stopped visiting friends and relatives, 15 percent changed jobs or work hours and 24 percent had fewer visits to medical facilities. Over half reported an inability to access services and facilities, most now relied on taxis and the majority spend more money on transport.<sup>25</sup> In rural areas, and in the smaller centres, the option of using taxis or of changing jobs or hours of work, or shopping locally, do not exist. The licensing and control mechanisms have made it difficult for remnant services to adapt. School buses for example, which penetrate into most rural

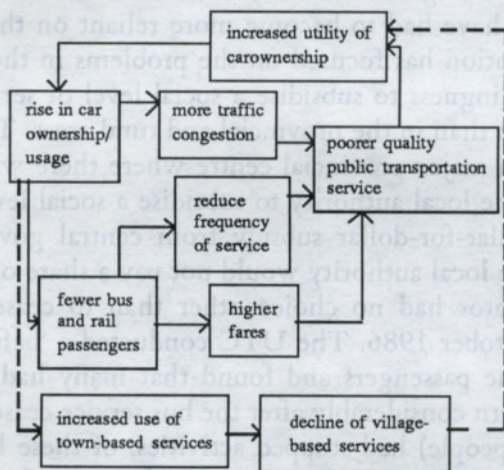


areas are not meant to carry adults and carless adults are often left with no options for transport.

44 As the rural downturn has accelerated in the 1980s, rural access and mobility has suffered further.<sup>26</sup> Rural isolation, particularly in areas away from main roads (through routes) has the effect of increasing car ownership—(for those who can afford it, and not just one car per household but closer to one vehicle for each person over 15 years of age)—so that the distances to services can be covered. This trend in turn lessens the viability of remnant passenger services and increases the disadvantages for those without cars. Community viability usually becomes threatened as those with cars travel to the larger centres for services not available locally (that is, hospitals, secondary schools) and undertake other activities at these larger centres at the same time.

45 The diagram below illustrates the relationship between transport services, car ownership and usage levels and service decline.

FIGURE 3: Downturn cycle (27)



Source: Moseley, 1979, p21

It is possible that the urban/rural distortions may be addressed with the National Roads Board and the Urban Transport Council becoming closer through the transfer of the NRB to the Ministry of Transport. The UTC has begun to address public transport provision trends and potential policy developments outside the four main centres.<sup>28</sup> As yet, rural transport does not appear to be very highly placed on the institutional or research agenda.

46 *Vehicle design* A further aspect which distorts service provision and use, comes from vehicle design. While newer buses have wider, less-steep stairwells and hand rails, many older vehicles are difficult to use if the person is frail, laden with parcels and/or with children. Particularly in peak times, many passengers have to stand, balancing being somewhat of an 'art form' in city traffic stop/start conditions. Particularly in areas with bus routes on steep hills (parts of Wellington and Dunedin in particular) the operational requirements are such that the bus chassis requires higher kerb clearance which makes for an uncomfortable step into the bus for many users, particularly the elderly. The economics of fleet composition at present, apparently do not encourage mixed fleets for a range of vehicles to be provided. The Palmerston North maxi-van/mini-bus scheme for the elderly is an exception but there seems no valid reason why designated pensioner runs, or suitable vehicles, could not be at least trialled, particularly within the larger public operations. Regional authorities could reexamine their priorities in regard to such innovations.

47 *Service focus* The current passenger transport systems are focused on the central business districts and peak commuter times. Workers with full-time day jobs over a five day week, in 'downtown' locations, have the best choice of services. The further people live from the centre however, and the less usual the work hours or the destination, the lower the level of service. The inner city, 'white collar' worker in full-time employment, therefore, has a choice advantage over others. For example, outside peak (7-9 am and 4-6 pm) hours, the outer areas of Christchurch may have less than one bus an hour while the inner suburbs can receive a 20 minute service throughout the day and an evening service. Outer areas usually do not have a weekend service either. Those with lower incomes and hence fewer options, tend to live in the outer areas, particularly as 'urban renewal' and 'gentrification' have developed.

48 There tends to be a subsidy distortion because passenger train services generally receive a higher level of subsidy than passenger bus services. While the operating costs per passenger carried are higher for trains per unit, trains carry more people per trip. The fare per kilometre travelled has been somewhat lower for NZR services historically. Train users tend to have higher incomes than many bus users and travel longer distance.<sup>29</sup> As these higher



income users are the most able to divert from train to car commuting, the subsidy could be said to be relieving potential traffic congestion and roading/parking costs. Is this indirect subsidy actually being effective and making the best use of the subsidy dollar? Are the consequences of not retaining these higher income users more costly, or less than the costs of losing them as passengers and having to accommodate their cars?

49 Some efforts have been made to address these distortions. For example, in the Wellington-Johnsonville Railway Line—a Cost-Effectiveness Study<sup>30</sup> carried out for the Wellington Regional Council, the costs of replacing the rail service with a bus service were evaluated from these viewpoints:

- the national economic viewpoint
- the regional economic viewpoint
- the regional funding viewpoint.

Results indicated that substantial additional costs would occur for public and private transport users if the replacement took place. The rail service has continued to be subsidised.

50 *Cars and the carless* The ultimate bias in the transport system is between those who have access to a car, and those who do not. Cars increase the level of accessibility—through flexibility in time and destination and perhaps even more importantly control *over* rather than control *by*. Those without cars have a decreased level of accessibility. Much of social and economic life in both the urban and rural community assumes a certain level of accessibility. The pattern of settlement—dispersed rather than concentrated into the high-rise apartments of other countries—in our cities and towns assumes car usage. The long, narrow land forms, with steep hills and mountains, increases our dependency on the car, for inter-town travel, for rural travel and for goods cartage.

51 It may be that the outcome of the Ministry of Transport's Taxi Licencing Review and the imminent review of passenger transport licensing will permit more flexibility so that service providers can adapt services to meet the changing needs, and the unmet needs more closely. It is important however, that in making changes, adequate research and consultation is undertaken so that the viability of service providers and the quality of service provided are considered along with the needs of users and the desire of the policy makers for efficiency. Effectiveness is crucial.

52 In *summary* therefore distortions and bias exist in the transport system towards the urban, able-bodied people who can afford cars.

Rural, less able-bodied, outer suburban, less affluent, people are relatively disadvantaged. Yet, presumably, the reason for subsidised service provision and public provision is to redress some level of disadvantage! For reasons of equity, it is desirable through public policy and subsidy, to redress transport disadvantage. The concept of market segmentation identified in the accessibility literature and the Market Targeting Study<sup>31</sup> provide a mechanism whereby users' needs can be identified, grouped and serviced according to need rather than the continued mass provision of a general-service only. Qualitative and Quantitative data are needed in this redesign process as well as consideration for the economic viability of current service providers as these people are dependent on the present system for their livelihood. We consider the 'market segment' approach to be a means of considering and meeting the differing transport needs of particular groups and redressing inherent distortions in the current system. 'Fine tuning', a system which ignores some current need, is not considered to be sufficient on its own.

#### (d) *Costings*

53 How services are costed and what factors are taken into account in the cost/benefit assessment is considered crucial. What factors should be included or given more weight to minimise disadvantage is a fundamental matter in considering the effectiveness and efficiency of current policy and operations, and possible changes. There are value judgements involved in deciding what are the costs and what are the benefits and some of these values have been outlined in the preceding sections.

54 The 1977 White Paper on Urban Transport<sup>32</sup> identified one of the major structural problems as being the 'sector specific' decision-making and the subsidy arrangements which, in differing between transport modes, affected transport decisions because of costing/subsidy bias. An example of 'sector specific' or 'single mode' bias quoted in transport circles among those advocating change at this time, occurred in Hamilton. The proposal by the local authority to ease traffic congestion on the cross-river bridges during peak hours, was to build more bridges—the roading subsidy would have been 100 percent if the bridge could be declared a 'State Highway'. However, if the private bus operator was subsidised to extend the operating hours on most bus routes from the city centre beyond 5.45 pm, thus relieving some car users from the



necessity to use their cars, the subsidy would have been 100 per cent from the ratepayers. The Urban Transport Act 1980, encouraged a co-ordinated multi-mode approach to transport problems by legislation, and by subsidy conditions in the four main centres, and by encouragement and more latterly by subsidy conditions in other urban areas.

55 While there are numerous examples of 'single mode' decision-making prior to 1980, much of the capital development required in the roading sector to achieve a reasonable level of access, has already occurred. It is also unlikely that many major rail developments will occur in the near future. There are sufficient lead times involved in the major potential developments such as the Auckland Harbour crossing, for the options of harbour bridge extensions, ferry and express bus services, and tunnels to be included in the access planning and policy decision-making.

56 As an aid to the consideration of costs, benefits, efficiency and effectiveness evaluations, the UTC has partly and fully-funded the development of a number of 'aids'. The Wellington-Johnsonville Cost-Effectiveness Study<sup>33</sup> has already been mentioned. To assist the bus sector in particular, the UTC commissioned Kendon Cox & Co. to produce an 'Accounting and Management Information Manual'<sup>34</sup> and the 'Comprehensive Service Agreements'<sup>35</sup> to aid the identification of costs, service levels, return on capital ratios, and fare levels when contracts between funders and operators were undertaken. A computer based, accounting package was also developed. Kendon's have a continued advice role with funding authorities, as operators enter into contracts using these costing systems, to provide services and receive subsidies. The Urban Rail Study<sup>36</sup> reviewed the costing system for rail and recommended improvements.

57 Major development and costing issues remain however. For example the north-west corridor options for the Wellington Region (known as GATS). This development is being planned with 'multi-modal' considerations and qualitative as well as quantitative values from the outset. While the interface decisions have begun to be addressed within the transport and land use planning system, the interface with other sectors does not readily as yet, include transport considerations. For example, the closure of post offices causes travel time and transport cost increases for certain individuals.<sup>37</sup> If public involvement through consultation, had occurred, it might have been ascertained whether people wanted to



retain the fixed location services or whether people would have been prepared to pay more for the facility or not. Rural transport services pose similar considerations but people are rarely asked if they are prepared to pay a more 'realistic' share of the costs of service in order to retain their own access and maintain the viability of their usually rural communities, or, what reallocations of existing resources could occur. Perhaps it is only at critical points, when costings are explicit, that communities are forced into considering these issues and begin to consider 'self help' actions. Their 'rights' expectations then begin to assume aspects of 'responsibilities' also.<sup>38</sup>

58 Non-financial costings are also important. Major questions occur in decision-making on the value to be placed on the less readily quantifiable factors—the value of travel time, use of indigenous fuels such as electricity for trolley buses and CNG/LPG, the quality of downtown air (lead-free petrol). The value of travel time has received some recent attention through work undertaken for the UTC by Beca Carter Hollings & Ferner.<sup>39</sup> The value of time is usually used as an evaluation concept in the roading sector as one of the measures by which the benefits of improvements can be quantified. Because it could be given a dollar value for roading, the roading solution to a transport problem tended to have an advantage over other mode solutions. Time saved for future users is calculated—with differing dollar values assigned to the categories of user—that is, leisure travel, employed driver on work business, highly paid commuter, shopping trips etc. These values of time could not be simply transferred from the roading sector to the passenger services for calculation evaluations, or for inter-modal comparison however, for a number of reasons:

- (i) Passenger services involved different time values such as waiting time and different travel time values;
- (ii) Roading sector values used were largely based on 1960s demographic values assuming a higher time value for those in full-time work, and those using the road while working etc. Some revision was desirable, particularly given different user groups on passenger services;
- (iii) The weighting within the values, which then became proxies for other factors such as mode preference, needed attention before inter-modal use for the concept could be considered. Environmental economics, based on the field of welfare economics, includes concepts and evaluative techniques



which could assist the transport sector in including qualitative aspects more fully, into its costing decisions.

59 If the costs, benefits and subsidy levels are clearly identified, with the interconnections considered and all sectors and segments viewpoints given value, then decisions are more likely to be seen to be fair and the reasons accepted. Decisions which achieve optimal effectiveness with efficiency can therefore be anticipated. It may be the 'pace' and 'secrecy' of current change that is the main difficulty. While the system of local, regional and central levels of decision-making and cross-sector considerations, under the Urban Transport Act 1980, is not perfect, it has encouraged the development of local responsibility, accountability, equity, and 'common sense', at least for the urban transport sector. It may well be, that these developments are partly why urban dwellers have generally not mentioned transport in their submissions to the commission, while for rural dwellers, transport rated more frequent mention.

60 The commercial sensitivity involved in service provision will act as a constraint on the achievement of a more consultative approach in service and access matters at the operational level. This factor is already apparent with regional authorities in the four main centres contracting with both public and private transport operators for service provision because accounts from the operators, are a necessary part of the subsidy level decision for the regional authority.

61 The principle of devolving relevant aspects of decision-making closer to the impacts on those for whom decisions are made is supported. Time for people to adjust, to learn the skills necessary and adapt, at all points of decision-making are also required, otherwise 'capture' (monopolisation) of the process can be expected to rapidly occur, with resulting imbalances again. Provided there is an understanding of the constraints regarding commercially sensitive information, the principle of providing for informed consultation regarding costs and benefits is supported. Communities would then be better able to determine *what is in their interests and in the regional and national interests*.

### (e) *The Role of Government and Market*

62 Consideration of the relative roles of local, regional and central government and that of the marketplace in transport, is closely related to the other issues discussed in Section C. What is best for a particular local area, is not necessarily best for the region or the



nation. The question for decision-makers is often one of finding the balance point, (often resulting in the 'second-best' option rather than the ideal). Depending on the interests being represented, the answer on what is best, differs, and central government under our present system, has the overriding power to determine what is best in most instances.

63 While central government has a major role in urban transport because it is the major funder of roads and rail, and a significant funder for bus, it has a major determining influence. Some decision-making power, particularly over what is 'appropriate' lies at the regional and local level where, if service priorities differ, rates and fares make up any subsidy shortfall. An example of the differences in viewpoints can be found in the Wellington-Johnsonville Railway Line Study for the UTC in 1984<sup>40</sup> where costings and benefits were calculated from the 'National Economic Viewpoint', the 'Regional Economic Viewpoint' and the 'Regional Funding Viewpoint' with differing results. Wellington city commissioned a study which came up with a 'local viewpoint'. If the policy of 'full-funding' for urban passenger rail services had not been deferred by the 1984-87 Government, changes in service would probably have resulted. 'Willingness to pay' and 'ability to pay' can influence service level decisions and services which are desirable if someone else is paying, may become less so, if costs are shared more!

64 The urban transport system in the four main centres, links planning, funding and policy decision-making closely through the Operational Plan and Implementation Programme. The regional bodies formulate, through public consultation, submissions and appeal, an operational plan.<sup>41</sup> The UTC then has an appeal function similar to the Planning Tribunal, and the Minister of Transport has final approval. The subsidy-funding follows a similar trail. Requests are made for subsidy by the regional authorities<sup>42</sup> and by local territorial authorities not in regional areas. The UTC prioritises these, and seeks funds from central government. The result is passed back through the UTC (the implementation)—often adapted due to government changes and the regions and local areas then determine the level of rates and fares needed above the subsidy to meet the service levels desired in their areas. The subsidy level from central government can affect the regional and local service level substantially. This system does seem to be a reasonable blend of local autonomy and of the power of the subsidy provider.



Although much debate and legal costs from court actions (particularly in the early years) has occurred, subsidies are explicit and there is considerably more autonomy and participation in service level setting than prior to the Urban Transport Act 1980.

65 The decision-making system operating, is quite different from a purely 'market model' whereby regulations and licensing would not apply. The 'market model' for the present, operates in the transport system more at the level of the individual. For example, the urban dweller may 'choose' whether to take the car or the bus/train, or a taxi; an elderly, partly disabled beneficiary may have the 'choice' between not travelling or waiting on a friend/relative; a rural person with no car may 'choose' between not travelling, a friend/relative or the bread/milk/postal van breaking its licence conditions. Up to the present, market choice has operated more between modes than within modes. The rationale has been that quantity (the amount) and quality (the standard) licensing has been necessary to ensure service levels and reasonable standards in the interests of users, providers, funders and overall allocative efficiency. The mood is changing however and the recently announced taxi licensing review<sup>43</sup> may well be the forerunner of future changes in favour of 'market' approaches such as less route licensing and open-entry to the taxi industry.

66 The introduction of 'the market' element may give some greater ability to meet transport needs which are not currently met. Those who seem most likely to be able to pay 'market' rates however, would seem to be those who are already advantaged by the present structure of the transport system. In order to ensure that existing disadvantage is not carried over into changed systems, the 'ability to pay' as well as the 'ability to charge' must be part of the equity considerations. It may be that rural areas will benefit more from 'market' in transport than urban areas, certainly the problems seem to show differences. Some advantages could be gained if local and regional government had a role in facilitating service provision planning, within centrally established guidelines so some innovation can occur, allowing adaption of services and adoption of new methods for meeting differing needs.

67 We consider there is merit in utilising the *urban transport planning, funding and administration model*—national guidelines with regional and local flexibility—for those parts of the transport system and areas not yet part of any such co-ordinated system. The national guidelines should contain minimum levels of access.

Mechanisms for the provision of necessary taxpayer subsidy would also need to be addressed.

*(f) Modal Mix*

68 Many sectors of the transport industry argue that the private car holds an over-dominant role in transport—its growth/use and access is not adequately constrained and its true costs are hidden from its users. On the other hand, the car lobby (principally the Automobile Association) argues that there should be no restrictions on car access to city streets, that more parking should be supplied, and, that car owners are unfairly taxed now. The car has been blamed for urban sprawl, for urban congestion and pollution, for the decline in bus and train patronage, the growth of motorways and the decay of central city areas. There is a great deal of truth in these assertions.

69 The car gives flexibility and choice—over use of time and destination. It provides individuals with substantial benefits and access advantages which are valued by car users. The main debate in transport circles concerns the point at which the sum of individual benefits begin to cause adverse effects for others. While disincentives to car use are used in most downtown areas where congestion and parking cause problems, this country has not yet felt the need to adopt sterner measures used in more densely populated cities overseas. As a society, we have largely catered to the car—by improving streets, highways and motorways. We presumably value the flexibility it offers for those who have a car, and ignore the disadvantages except when the 'nuisance' is too intolerable in downtown areas, or the 'poor' become too large a group. Our car ownership level per head of population is lower only than the USA and Canada, and is higher than Australia. Settlement patterns, historically dispersed, together with geography and relative affluence are contributory factors.

70 Over the last 25 years in particular, the car has increased its share of total journeys made. Even in the journey-to-work area when passenger services are most common, it dominates. As it has risen in popular usage, the role of other modes has declined, though compared to European countries, arguably, systems of public passenger transport were never fully developed. (See Figures 4 and 5). The consensus in current transport planning, seems to be that the car has a role in aiding accessibility—for some it is a vital necessity—particularly crucial in rural areas and even in provincial



FIGURE 4: 1986 Census—provisional results means of journey to work—full-time labour force by place of usual residence (%)

	Public bus	Train	Drive private car/van	Drive company car in car/van	Passenger car in car/van	Bicycle	Walk	Other means	Total
Auckland	4.2	1.1	50.0	15.7	7.7	2.4	6.1	2.8	100.0
Wellington	14.7	11.0	38.5	12.7	9.4	2.1	8.8	2.8	100.0
Christchurch	9.8	—	51.0	11.3	5.1	11.0	5.2	6.6	100.0
Dunedin	10.7	—	52.3	10.3	8.5	3.1	11.3	3.8	100.0
Total NZ	8.2	1.8	48.6	12.8	8.2	5.6	9.8	5.0	100.0

Source: Department of Statistics, 1986 Census—Provisional results

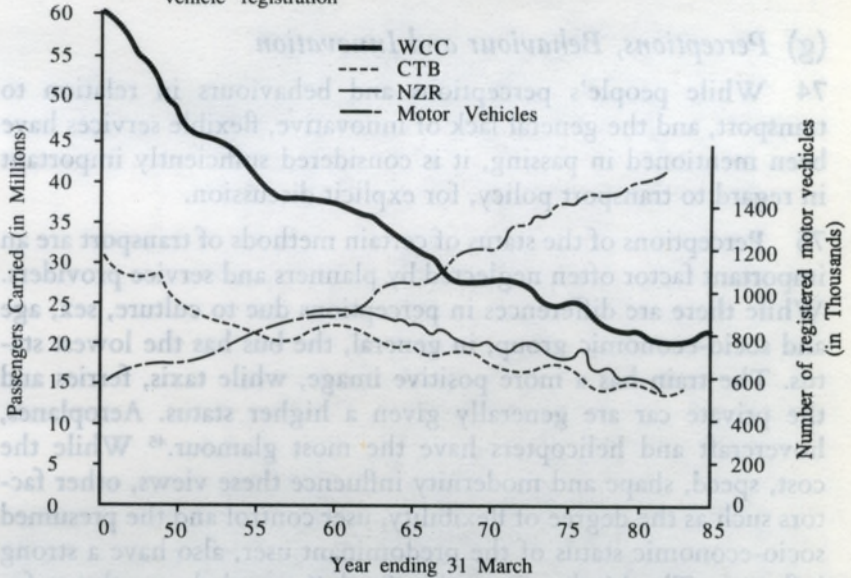
centres. A base level of public passenger services is however equally necessary, for the efficient functioning of cities, and for ensuring a means of access for those who are unable for whatever reasons (price, disability, age) to use a car. The underlying assumption does however seem to be that everyone wants to have their own/family vehicle (or the access it offers) and everyone wants to use it as much as possible once they have one! Vehicles are also used by companies as a 'perk', a status symbol, for favoured employees as well as being provided for some employees who need a vehicle for their work duties.

71 In the interests of ensuring maximum equity and accessibility, public transport advocates have suggested that more 'positive' actions be taken against the car in certain areas. Such actions are already part of the techniques of traffic management for downtown areas. They concentrate on the symptoms with 'band aid' solutions, rather than addressing the underlying reasons for car usage however. As the 'carless day' planners found in the 1970s many people have no choice but to travel by car—if there is public transport, it is often unsuitable to their needs or lack information. Others simply want to be in control rather than rely on other drivers, wait at bus stops, get wet when it rains etc.<sup>44</sup> For those with a choice, policy has concentrated on 'negatives' such as parking fines and high charges, traffic delays, no entry areas such as malls, etc. Only recently have some of the positive innovations tried overseas begun here. For example—the Auckland Bus Only lanes, the recent advertising for trains in Wellington, and the Christchurch Transport Board's mystery prize promotion. Nobody has yet tried rates or tax rebates for used commuter tickets, a city outskirts secure park and free rapid transfer to town, a road metering system for

cars in congested areas. Such schemes may emerge as part of the next series of operational plans.

72 In the meantime, those who currently suffer disadvantage, remain disadvantaged. The main hope for equity of access may

FIGURE 5: Comparison of passengers carried by Wellington City Council, Christchurch Transport Board, New Zealand Railways, with growth of private motor vehicle registration



Source: Good, 1984 (using figures from operators Annual reports and the NA Yearbook)

well be in recommendations made in preceding sections which if implemented will help ensure needs are not overlooked. In rural areas particularly, more flexibility in the use of existing resources is considered desirable. For example, if there is space on the school bus, adults should be able to use it. It would also seem logical for the school bus vehicles to be utilised for adult travel while schools are 'in session'. Perhaps delivery vehicles could be eligible to carry passengers in rural areas, provided safety is monitored. Perhaps more services can be considered for mobility (and incentives provided) rather than the existing predominant expectation that all people are mobile! The transport costs (and travelling time costs) which are transferred to people by service closures (post offices and other public facilities such as courts and hospitals) should form part of the cost assessments made in relation to these decisions. The



agencies involved should be encouraged to make alternative arrangements, if necessary, involving the affected community.

73 Because of the dominance of the car in the transport system, and, because of the disadvantages for those unable to use cars, we consider the changes advocated in other parts of this paper to be necessary both in the interests of equity, access, and overall efficiency and to enable some current disadvantage to be addressed.

### *(g) Perceptions, Behaviour and Innovation*

74 While people's perceptions and behaviours in relation to transport, and the general lack of innovative, flexible services have been mentioned in passing, it is considered sufficiently important in regard to transport policy, for explicit discussion.

75 Perceptions of the status of certain methods of transport are an important factor often neglected by planners and service providers. While there are differences in perceptions due to culture, sex, age and socio-economic group, in general, the bus has the lowest status. The train has a more positive image, while taxis, ferries and the private car are generally given a higher status. Aeroplanes, hovercraft and helicopters have the most glamour.<sup>45</sup> While the cost, speed, shape and modernity influence these views, other factors such as the degree of flexibility, user control and the presumed socio-economic status of the predominant user, also have a strong influence. The Market Targeting Study<sup>46</sup> revealed a tendency for people to use the highest status method of transport that was affordable, with some budget sacrifices being made to retain the car in particular. The use of time, and the flexibility and individual control elements were given as the explicit reasons, status is more an implicit reason found through behavioural research, and equally powerful. Different modes have different predominant users and membership of a different grouping can also influence transport choice. Taxis, while used by the 'businessman' also have a steady patronage among groups with a lower level of car ownership—Pacific Islanders and women in particular. Women tend to perceive less status differences between the bus and the car than men. These differences in perception and their influence on the choice of transport mode (where choice exists) have not been fully explored. The market segment (grouping sectors) approach to consumer need outlined earlier, could be expected to explore these differences further.

76 Until recently, the homogeneity of decision-makers, researchers, planners and service providers has worked to obscure differences in perceptions, behaviour and need on such basic indices as age, sex, culture and life cycle stage. Some impetus for change has come from increasing diversity within transport, interacting/reflecting the stimulus for change occurring in the wider social and economic environment. For passenger services, there is no longer a guaranteed market and there is no longer a guaranteed subsidy. The present regulated environment is also in the process of change as service providers have been overly slow to respond to change and expressions of dissatisfaction with the current transport system have come from many quarters.

77 A great deal of attention has been applied to the achievement of performance in terms of cost and efficiency, largely in the context of existing transport services and change at the margin. The second series of operational plans, over the next two-three years, can be expected to contain more innovative responses to urban needs in the four main centres. This is expected to be stimulated by the imminent policy changes regarding the licensing of buses and taxis, the need for cost-effectiveness, less homogeneity in the groups of people involved, and more experience in preparing and administering these plans. The reform of local and regional government is likely to aid similar innovation in service provision in other parts of the country.

78 If the links between perceptions and behaviour are realistically addressed and the procedures recommended in other sections occur, then innovation and access improvements should occur with equity. If the approach is taken (as has been advocated), that services do not meet needs because of a lack of market forces in the transport sector, then there are further factors which should be taken into account. The general environment for transport providers, has in general been unable to attract innovative managers—most have been promoted from within their organisations with a background of 'line' experience such as engineering or accountancy. Public and privately owned services have experienced this lack of innovative management, so it is not the nature of the ownership of the transport services which can be said to be 'the problem'. Apart from the municipal operations, and the railway trains and buses, private ownership predominates.<sup>47</sup> Taxis are privately owned also.



79 The conflicting objectives faced by service providers have also limited innovation and performance ability. While the taxpayer and ratepayer have expected minimal demands for funds (partly due to the memory of the 1940s and 1950s when services did not 'require' subsidy), farepayers have also expected minimal fares, and service levels 'on demand'. The commercial, social and operational requirements have necessitated substantial 'balancing' as they are often in conflict. Users expect comparable fares whatever the cost of services and differing levels of subsidy. The cost of bus and train fares is noted by the user as payment is required (or the ticket clipped) on each journey. The car user does not buy petrol on each trip, or tyres, batteries, panelbeating, registration or insurance. The car user tends to drastically underestimate the actual cost of each journey. Not only is the passenger service provider thus competing on costs (rather unfairly), they are also competing with the flexibility of the car, in the range of destinations and ability for multi-purpose journeys, and in the range of arrival and departure times. The flexibility of the car and its misperceived operating costs tend to form the basis of performance standards expected for other modes to varying degrees, by users, potential users and non-users. Any use of 'market forces' will need to take into account the nature of the passenger service 'market' if services are expected to continue to be provided in any but the most favourable operating locations.

80 We consider that the perception and behaviour 'distortions' in the transport sector act as constraints on innovation and flexibility and that these factors imply limitations for change.

#### (h) *Employment*

81 The transport sector plays a major role in the economy (about 35 percent of gross domestic product and about 40 percent of 'invisibles'). It is also a major employer with between 25 to 33 percent of the workforce reliant on aspects of the system for their livelihood. The range of occupations are not only those more usually thought of and listed in the Census Statistics such as drivers of buses and trucks. There are the mechanics, the petrol station pump attendants, the road marker painters, the battery suppliers, the roading gangs, the railway signals staff, the ticket kiosk operators, the timetable printers, the planners and clerks, typists and managers, the traffic officers, etc. Change, therefore, will affect many people's working lives as well as the lives of those who use the system for work journeys and for other activities.

82 Because labour costs are the major proportion of operating costs, and passenger services are labour intensive, the cost of labour receives considerable attention from cost-controllers. Advocates of 'lower labour costs' seek more 'flexibility' in the 'award' system and in the hours and conditions of work, including pay rates. They argue that services would improve if labour costs were reduced. There is a significant group who advocate change and point to the reasons regulations and awards were introduced in the first place—to moderate excesses in the 'open market' system. They therefore seek quality licencing, and regulations which are flexible but also include 'protections' for the service providers, users and workers. Others deny the need for major change, arguing for minor reforms and improvements at the margin.<sup>48</sup> 'Award' conditions can mean that there is a marginal cost in providing some services, particularly between the am and pm 'peaks' as drivers are already 'on duty'.

83 It is our perception that change is not usually 'well managed' and that unnecessary fear of change is sometimes generated. There are also occasions when change will be opposed by groups and individuals because they will lose 'relative' position. With current high levels of unemployment, and the fact that recent changes both here and overseas usually result in redundancies in traditional sectors such as transport, it is natural for changes to be resisted. In rural areas particularly, greater flexibility in transport is likely to lead to decreases in the working conditions of groups such as the dependant contractors, as has begun to occur in the school bus contracting sector.

84 The concepts of 'fairness' and 'justice' apply to those who depend for their livelihood on the transport sector as workers, as they apply to users of the system. Employees have expectations for a reasonable living standard. Users however have expectations for reasonable fares (usually seen as 'too high' already, due to perceptions discussed in earlier section) and funding suppliers (owners of companies, ratepayers and taxpayers) expect reasonable levels of 'demand' for funds. Conflicting objectives are present for decision-makers. The recommendations outlined for ensuring user needs are more represented in decision-making, should also assist in continued consideration of employee need. (Other segments of the 'service provider' group—managers, owners, funding suppliers—are well represented already). Those who seek less passenger service licensing usually claim that competition will create extra service jobs and existing workers will be able to retrain, relocate, or



simply transfer employment. Others, particularly current employees, see these arguments as a means of 'casualising' their employment conditions and reducing their current wage levels. With the differences in living standards between those with full-time jobs and the growing number of those on benefits, the desire to maintain reasonable living standards is understandable. The size of the transport sector in terms of employment is extremely significant and adverse changes will have significant effects. For different areas, there are likely to be different answers for improvement, for example, the use of part-time workers could benefit rural areas but result in major problems for the central city services.

85 We acknowledge the needs and expectations of employees in the transport sector and consider that they should not be expected to bear an unfair proportion of the impacts of any changes. The level of 'unfairness' and 'fairness' should be determined through consideration of all interests not just one part of the system.

### (i) *Safety*

86 Safety in the transport sector, is both necessary and costly. Usually however, the costs of safety, rather than the costs of not providing safe services are counted. Our society tolerates a certain level of 'accident' and even death for private vehicle travellers on the road where safety is largely the responsibility of the individual. We are far less tolerant regarding bus, train and bridge safety and assign high safety expectations on public passenger services. Any accident or system failure such as a bridge collapse or train accident is major news. Car, motorcycle, pedestrian and bicycle accidents receive less media attention.

87 The costs of safe systems do not fall evenly within the transport modes. Road safety costs are spread between the National Roads Board (road and bridge provision and maintenance), the Automobile Association (traffic signs), the Ministry of Transport (standards of driving, traffic officers) and the user (vehicle maintenance, insurance, defensive driving). Costs are therefore spread between the public purse (in various pockets) and between a vast number of companies and individuals. Bus safety costs principally fall on the provider of the service and to a lesser extent on the providers of roads and bridges. The Railway's Corporation however provides all railway safety costs which then have to be spread between freight and passenger services. Rail passenger services include a direct cost for safety which is sometimes misperceived by funding bodies. The costs of a train accident usually exceed those

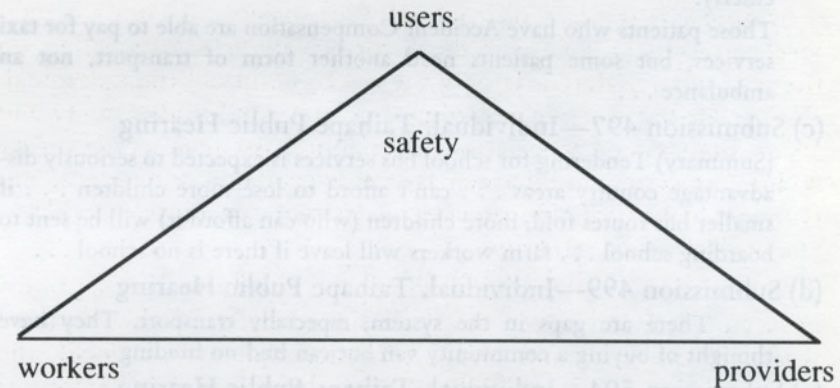
of a bus accident and both have greater impact than car safety neglect—a factor also usually misperceived.

88 Historically, the licensing of operators (of taxis, buses, trains—both owner rights to operate and driver standards) has a safety role through the setting of quality standards, and a rationing function—ensuring through quantity controls and area restrictions, that oversupply of service was avoided. Cross-subsidisation from the profitable service segments (such as charter work) could be transferred to social services within the same operation without the need for ‘outside’ (taxes, rates) subsidy for the social services, through other licencing regulations. These latter reasons have been progressively dismantled in recent years. Safety, however, is crucial and even if the current taxi licencing review and the imminent bus licencing review result in further licensing reductions, we consider safety to be so fundamental that it is a major reason for the maintenance of quality licencing protections for users and providers alike.

89 The following illustration represents the central relationship we see for safety, particularly for passenger services;

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FIGURE 6: The safety triangle




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Given the importance of safety in the transport sector, we consider safety to be a reason for maintaining at least minimum quality licensing standards. The costs of providing and not providing adequate safety are often misperceived.

### *Conclusions*

90 The conclusions are presented in the Executive Summary at the beginning of this paper. (page 1, *et al*).



## Appendix I

### *Selected Excerpts from Submissions*

#### (a) Submission 979—Wellington Civic Trust

Citizens should not only have the best features of their city conserved, but should also be able to enjoy easy access to them. This is a particular problem for those members of the community who are disabled or do not have their own transport, for elderly people, and for families or parents with young children . . . these disadvantaged members of our society should be considered by planners and designers, and positive measures taken to ensure access to the resources of the community for all people, of whatever age, race, gender, social and economic position or ability.

These measures should include:

- (a) an efficient public transport system, designed to benefit all potential users; . . .

#### (b) Submission 783—(Confidential)

. . . The group's concern was with the lack of transport for members of the public needing to travel to hospital for Out-Patients appointments, physiotherapy and other medical care. Public transport is not always convenient or suitable for some patients whether young or old, disabled or elderly.

Those patients who have Accident Compensation are able to pay for taxi services, but some patients need another form of transport, not an ambulance . . .

#### (c) Submission 497—Individual, Taihape Public Hearing

(Summary) Tendering for school bus services is expected to seriously disadvantage country areas . . . can't afford to lose more children . . . if smaller bus routes fold, more children (who can afford it) will be sent to boarding school . . . farm workers will leave if there is no school . . .

#### (d) Submission 499—Individual, Taihape Public Hearing

. . . There are gaps in the system, especially transport. They have thought of buying a community van but can find no funding . . .

#### (e) Submission 504—Individual, Taihape Public Hearing

. . . That services and/or access to services be available to rural people, eg school bus services, x-ray facilities, rail transport, bus transport . . . That conditions of rural people be taken into account when new policies are being formulated to avoid hindering achievement of a fair society for example, travel costs to reach services, toll calls, etc . . . That 'the numbers game' should not be used to determine the need for services due to the sparseness of the rural population and distances for example, . . . arbitrary school bus kilometre boundaries etc, . . .

#### (f) Submission 2247—Women's Division Federated Farmers. (Sth Canterbury)

... In all matters of Health, Welfare, Education and Social Justice there must be availability, accessibility, affordability, acceptability and accountability ...

semi-physically disabled citizens should be better catered for with easy access on to buses, planes ...

Rural school bus services must be provided free to pupils ...

**(g) Submission 606—Whangaroa Community Health Committee—Public Hearing Kaitaia**

There is a disparity between rural and city areas ... Transport tends to be poor, communications are backward (a manual telephone exchange); the quality of roading is poor ...

**(h) Submission 3861—Central Hawkes Bay Branch, NZ Nurses Association**

... We feel this (loss of school bus services) will lead to further isolation and depopulation of these areas ...

Post Office closures; these will cause further inaccessibility to an important service ... The closures mean transport is absolutely necessary for these people to have, and many have none of their own ...

... Hospital closure (alternative would be having) to travel 1½ hours to and from the other major Hawkes Bay Hospitals ... The cost in extra petrol, time and stress etc is too great! ...

By reducing accessibility to many of these (basic needs) we believe the quality of life in the rural community will decrease and this must be avoided if at all possible ...

**(i) Submission 4144—Individual, Gisborne**

I feel that every New Zealander should have a good access to education meaning that transport to and from schools should be Government funded ...

**(j) Submission 3506—NZ Country Women's Institute's—Far North—Kaitaia**

... We are especially concerned (re Post Office closures) for the elderly people who have no transport to get to Kaitaia for some of its over 200 km travelling ... Also the high cost of getting to the nearest Post Office as there is no public transport in these areas ...

**(k) Submission 3482—The Waikato Branch Kindergarten Teachers Association**

Reclosure of suburban post offices—... We in Hamilton are concerned for the young and the elderly families and those on benefits who have no transport and rely on their local shopping complex for Post Office and basic requirements ... In Hamilton we have a poor and expensive bus service and large tracts of the city will be even further disadvantaged ...

**(l) Submission 594—Royal NZ Foundation for the Blind**

Transport. Visually impaired persons are by definition dependent on public transport as they cannot drive themselves. This dependency is



compounded for those who live in rural areas. Adequate public transport services of all kinds (bus, rail, air, including taxi) are required.

Having access to public transport is one element, the other is meeting the costs, when recognising the income status of the visually impaired. We would commend the total mobility scheme to be made available on a nationwide basis, and widely acknowledge travel concessions provided by N.Z. Railways and other carriers . . .

Blindness severely restricts mobility. The inability to drive a motor vehicle enforces increased dependency upon public transport. Taxis, an expensive means of transportation are often used by blind persons as they avoid the necessary high degree of skill, concentration and—courage, required in walking or using other modes of public transport. Reliance upon relatives and friends can seriously affect a blind person's involvement in his or her community . . .

#### (m) Submission 394—Northern Distribution Union

. . . We support a major role for the State in the provision of public transport. While there are some progressive initiatives in the area of user requirements, there is still a tendency towards a 'user-pays' basis for public transport. We oppose this tendency. The level of service is also of great significance. For instance rural workers are disadvantaged even in the provision for adequate ambulance service. School buses should be free also and we reject any move towards user-pays in that area . . .

## Appendix II

TABLE 1: Passenger journeys municipal buses

Year ended 31 March	Auckland	Wellington	Christchurch	Dunedin	Eastbourne	Palm. North	New Plymouth	Timaru	Gisborne	Invercargill	Total Passengers
1959	53,473,000	37,563,000	20,862,000	18,792,000	1,275,000	1,511,000	3,313,000	1,272,000	817,000	2,364,000	141,242,000
1960	53,374,000	37,101,000	21,125,000	18,556,000	1,240,000	1,490,000	3,415,000	1,347,000	784,000	2,490,000	140,922,000
1961	51,775,000	36,095,000	21,615,000	17,432,000	1,209,000	1,501,000	3,333,000	1,325,000	787,000	2,481,000	137,553,000
1962	51,006,000	35,505,000	22,062,000	15,894,000	1,220,000	1,506,000	3,230,000	1,287,000	781,000	2,226,000	134,717,000
1963	49,531,000	35,008,000	21,945,000	14,184,000	1,214,000	1,501,000	3,228,000	1,252,000	767,000	2,359,000	130,989,000
1964	48,861,000	34,895,000	20,263,000	12,854,000	1,216,000	1,502,000	3,018,000	1,176,000	770,000	2,404,000	126,959,000
1965	47,239,000	33,092,000	19,709,000	12,210,000	1,185,000	1,493,000	2,896,000	1,200,000	707,000	2,330,000	122,061,000
1966	45,600,000	30,668,000	19,432,000	11,448,000	1,132,000	1,476,000	2,784,000	1,151,000	735,000	2,219,000	116,645,000
1967	43,979,000	29,417,000	19,243,000	10,506,000	1,113,000	1,474,000	2,559,000	1,125,000	616,000	2,097,000	112,129,000
1968	41,657,000	28,227,000	17,699,000	10,191,000	1,093,000	1,293,000	2,332,000	1,024,000	591,000	2,034,000	106,141,000
1969	-	-	-	-	-	-	-	-	-	-	-
1970	39,658,000	26,584,000	17,571,000	9,511,000	1,083,000	982,000	2,305,000	1,051,000	555,000	1,834,000	101,134,000
1971	39,386,000	26,639,000	17,095,000	8,635,000	1,095,000	1,092,000	2,285,000	1,169,000	578,000	1,748,000	99,722,000
1972	50,289,000	26,506,000	16,147,000	8,461,000	1,076,000	1,089,000	2,216,000	1,089,000	542,000	1,404,000	108,819,000
1973	49,000,000	25,466,000	15,603,000	7,406,000	1,062,000	1,023,000	2,109,000	1,092,000	511,000	1,363,000	104,635,000
1974	48,500,000	23,941,000	16,099,000	7,167,000	1,054,000	957,000	2,070,000	972,000	508,000	1,392,000	102,660,000
1975	47,949,000	23,275,000	16,067,000	7,029,000	1,017,000	776,000	2,046,000	980,000	491,000	1,401,000	101,031,000
1976	48,334,000	23,521,000	16,040,000	6,828,000	960,000	853,000	2,022,000	951,000	483,000	1,159,000	101,151,000
1977	50,064,000	21,956,000	15,188,000	6,586,000	986,000	891,000	1,935,000	816,000	478,000	1,143,000	100,043,000
1978	47,996,000	20,443,000	13,706,000	6,123,000	903,000	1,019,000	1,799,000	777,000	473,000	1,053,000	94,292,000
1979	48,221,000	20,219,000	13,860,000	5,640,000	899,000	1,301,000	1,765,000	748,000	445,000	996,000	94,094,000
1980	45,880,000	20,801,000	14,162,000	5,333,000	-	1,024,000	1,845,000	777,000	415,000	941,000	91,178,000
1981	-	-	-	-	-	-	-	-	-	-	-
1982	44,097,436	18,837,436	13,024,524	4,440,237	537,338	780,238	1,583,964	553,439	255,388	817,140	84,927,140
1983	43,247,042	18,132,130	13,319,320	4,348,553	497,167	884,086	1,592,658	537,485	322,343	804,700	83,685,484
1984	47,305,000	17,930,848	14,689,200	4,339,363	494,100	816,123	1,531,720	536,429	336,300	772,223	88,751,306
1985	48,501,200	18,606,430	15,419,335	4,361,200	406,600	866,100	1,581,161	527,900	316,200	950,800	91,536,926
1986	48,258,794	17,919,056	14,130,392	4,025,468	-	901,733	1,464,873	522,085	335,233	1,037,140	88,594,774

Source: UTC statistics



TABLE 2: Passenger journey NZRC suburban rail and bus

<i>Year ended March</i>	<i>Rail</i>	<i>Bus</i>
1970	19,183,000	15,175,000
1971	18,557,000	15,544,000
1972	17,871,000	14,649,000
1973	16,930,000	13,592,000
1974	17,212,000	12,210,000
1975	17,004,000	12,704,000
1976	18,148,000	13,071,000
1977	-	12,511,000
1978	15,396,000	11,880,000
1979	15,742,000	12,106,000
1980	15,012,000	12,226,000
1981	13,948,000	11,136,000
1982	13,440,000	10,886,000
1983	12,818,000	10,628,000
1984	13,594,000	10,107,000
1985	15,526,000	-
1986	15,695,168	-

Source: UTC Statistics

TABLE 3: Number of motor vehicles licensed in relation to population

<i>Year ended June</i>	<i>Cars licensed (000)</i>	<i>Percent increase per annum</i>	<i>Persons in population per car</i>
1959	484	3.8	4.8
1960	506	4.5	4.7
1961	531	4.9	4.6
1962	563	6.0	4.4
1963	597	6.0	4.3
1964	649	8.7	4
1965	696	7.2	3.8
1966	740	6.3	3.6
1967	786	6.2	3.5
1968	812	3.3	3.4
1969	-	-	-
1970	866	-	3.3
1971	-	-	-
1972	-	-	-
1973	-	-	-
1974	-	-	-
1975	1134	-	2.7
1976	1176	3.7	2.7
1977	1204	2.4	2.6
1978	1220	1.3	2.6
1979	1248	2.3	2.5
1980	1288	3.2	2.5
1981	1324	2.8	2.4
1982	1365	3.1	2.3
1983	1399	2.5	2.3
1984	1437	2.7	2.3
1985	1511	5.1	2.2

Source: UTC Statistics

# Appendix III

Urban passenger grant statistics 1981/82–1986/87

Operator	1981/82	1982/83	1983/84	1984/85	% change	
					1981/82– 1985/86	1985/86
		(a) Passenger kilometres				
Adams Motors, Whangarei	214,717	175,477	164,388	165,925	198,333	–7.6
Airport Transport, Hamilton	–	–	87,870	95,895	82,650	–
Airways Transport, Rotorua	–	–	18,099	–	–	–
Allan Motors, Shannon	912,150	810,144	702,002	709,779	476,886	–47.7
Barriball Motors, New Plymouth	709,277	739,086	803,630	858,380	752,076	6.0
Bay Coachlines, Whakatane	1,942,387	1,787,411	1,656,575	1,362,647	1,247,753	–35.8
Bayline Group, Tauranga	5,611,832	4,740,607	3,427,172	2,073,563	1,804,356	–67.8
Bayline Launches, Tauranga	–	245,408	281,040	284,007	250,919	–
Blenheim Transport	–	54,389	36,590	40,182	–	–
Bowan Coaches, Kaitaia	174,390	172,726	173,790	189,136	203,487	16.7
Buses Ltd, Hamilton	23,403,311	23,672,350	24,547,626	26,201,400	25,068,353	7.1
Cooper Motors, Wanganui	–	–	–	–	–	–
Deluxe Motors, Blenheim	–	806,745	818,196	756,076	785,379	–
Greyhound Buses, Wanganui	4,263,32	4,224,860	4,155,921	3,846,960	3,662,840	–14.1
H & H Travel, Invercargill	2,166,832	2,790,876	2,764,941	2,879,143	2,082,207	–3.9
Hokitika Tour & Charter	–	482,359	450,664	361,816	175,270	–
Kinleith Cartage, Christchurch	–	680,742	787,733	555,121	–	–
Leopard Coachlines, Christchurch	–	888,430	889,111	965,492	687,983	–
Lewis Hodgson, Te Awamutu	2,062,700	2,006,020	1,992,424	1,809,068	2,209,795	7.1
Madge Motors, Palmerston North	–	2,955,208	2,688,659	2,558,572	2,435,048	–
Mangamahu Motors, Wanganui	62,120	60,982	51,906	31,775	34,314	–44.8
Marton Motors, Marton	68,303	71,818	86,494	49,214	41,975	–38.5
Maxwells, Masterton	599,471	514,002	–	–	–	–
McDermotts, Invercargill	–	295,952	578,000	823,312	928,560	–
Mid-Canterbury Coaches, Ashburton	–	138,345	150,293	142,664	120,682	–
Midland Coachlines	–	–	–	–	–	–

—Continued



Urban passenger grant statistics 1981/82–1986/87—*continued*

Operator	1981/82	1982/83	1983/84	1984/85	1985/86 % change 1981/82– 1985/86	
(a) Passenger kilometres						
Mount Cook, Napier/Hastings	–	5,432,754	5,433,041	5,516,884	–	–
I & N Murphy, Kerepehi	825,421	677,108	493,282	379,224	313,790	–62.0
Nimons, Hastings	–	3,061,671	3,251,254	3,544,802	3,367,711	–
Nelson Suburban	–	3,313,497	3,392,702	3,549,390	3,339,276	–
Nelson Tourist	–	704,435	1,030,060	1,242,630	1,315,230	–
Newmans, Kaikohe	507,680	488,465	445,883	589,581	540,015	6.4
Newmans, Levin	380,755	377,247	412,158	392,530	483,796	27.1
Newmans, Nelson	–	–	–	–	–	–
Newmans, Whangarei	658,842	726,368	690,200	668,293	619,342	–6.0
Pahiatua Services, Pahiatua	–	353,317	331,536	257,872	384,221,	–
Pavlovich, Frankton	1,306,541	1,377,909	1,341,236	1,218,519	1,256,219	–3.9
Red Bus, Gisborne	–	1,363,04	1,590,762	1,586,647	1,454,084	–
E C Reesby, Rotorua	110,416	106,704	103,918	206,388	168,830	52.9
Richies, Oamaru	262,187	254,340	216,859	202,060	221,243	–15.6
Rutherfords, Palmerston North	–	899,774	836,424	744,580	97,340	–
Simpsons, Huntly	541,660	495,558	408,777	353,770	292,777	–45.9
Thompsons, Otaki	346,253	347,773	318,945	330,500	327,057	–5.5
Tranzit, Masterton	3,435,429	3,357,591	3,125,317	3,324,694	3,494,741	1.7
Tui Motors, Te Puke	473,580	409,764	459,713	373,891	478,447	1.0
Tokoroa Buses	–	128,366	163,000	128,287	145,626	–
Weld Motors, Palmerston North	–	1,134,718	1,139,974	971,454	874,155	–
Whangarei Buses	6,592,153	6,069,366	6,211,128	5,385,472	4,948,507	–24.9
Waller Motors, Pukekohe	–	–	73,442	78,893	65,829	–
Warmans, Te Kopuru	–	57,755	69,449	63,734	48,918	–
White Buses, Dannevirke	–	63,654	56,447	44,648	41,713	–
Wylde's Motors, Runanga	–	263,911	250,949	347,081	308,169	–
Total	57,417,032	79,603,559	78,889,223	78,000,131	67,554,919	17.7

—Continued

## Urban passenger grant statistics 1981/82-1986/87—Continued

Operator	1981/82	1982/83	1983/84	1984/85	1985/86	% change 1981/82- 1985/86
(b) Bus kilometres run						
Adams Motors, Whangarei	25,235	25,239	25,196	25,116		-
Airport Transport, Hamilton	-	-	26,235	43,420	49,170	
Airways Minibus, Rotorua	-	-	58,689	-	-	-
Allan Motors, Shannon	67,754	67,480	61,237	75,033	65,107	-3.9
Barriball Motors, New Plymouth	42,180	41,496	40,672	41,092	40,836	-3.2
Bay Coachlines, Whakatane	205,862	188,492	191,231	140,150	120,044	-41.7
Bayline Group, Tauranga	532,349	439,624	284,655	160,213	165,721	-68.9
Bayline Launches, Tauranga	-	24,186	21,760	20,549	21,271	-
Blenheim Transport	-	13,077	13,504	12,637	-	-
Bowman Coaches, Kaitia	11,624	10,140	9,646	9,464	10,998	-5.4
Buses Ltd, Hamilton	1,779,607	1,843,527	1,872,706	1,972,328	1,959,334	10.1
Cooper Motors, Wanganui	-	-	-	-	-	-
Deluxe Motors, Blenheim	-	97,067	103,644	103,060	100,750	-
Greyhound Buses, Wanganui	475,856	471,194	404,801	396,509	368,763	-22.5
H & H Travel, Invercargill	340,920	340,920	340,920	317,384	305,616	-10.4
Hokitika Tour & Charter	-	100,492	78,954	67,796	49,504	-
Kinloch Cartage, Christchurch	-	99,444	62,066	53,277	-	-
Leopard Coachlines, Christchurch	-	24,381	22,646	23,712	21,981	-
Lewis Hodgson, Te Awamutu	138,811	135,068	-	87,490	68,130	-50.9
Madge Motors, Palmerston North	-	209,404	160,516	155,252	154,675	-
Mangamahu Motors, Wanganui	32,890	33,150	31,630	32,630	32,370	-1.6
Marton Motors, Marton	15,445	15,538	15,438	15,339	15,214	-1.5
Maxwells, Masterton	94,328	76,156	-	-	-	-
McDermotts, Invercargill	-	27,008	32,128	32,000	31,744	-
Mid-Canterbury Coaches, Ashburton	-	13,127	13,222	13,029	12,951	-
Midland Coachlines	-	-	-	-	-	-

—Continued



## Urban passenger grant statistics 1981/82-1986/87—Continued

Operator						% change 1981/82-
	1981/82	1982/83	1983/84	1984/85	1985/86	1985/86
<i>(b) Bus kilometres run</i>						
Mount Cook, Napier/Hastings	—	377,790	377,084	370,987	—	—
I & N Murphy, Kerepehi	41,548	39,949	27,065	24,439	22,172	-46.6
Nimons, Hastings	—	188,063	193,607	201,699	194,976	—
Nelson Suburban	—	200,798	200,798	197,048	198,504	—
Nelson Tourist	—	90,300	84,100	87,350	83,200	—
Newmans, Kaikohe	68,376	67,101	67,131	67,131	66,870	-2.2
Newmans, Levin	37,563	25,300	25,100	25,000	25,000	-33.4
Newmans, Nelson	—	—	—	91,520	91,520	—
Newmans Whangarei	95,821	95,873	103,980	103,840	97,493	1.7
Pahiatua Services, Pahiatua	—	21,307	22,576	17,472	20,478	—
Pavlovich, Frankton	69,741	66,053	67,039	70,986	71,274	2.2
Red Bus, Gisborne	—	164,380	163,368	154,491	149,423	—
E C Reesby, Rotorua	4,214	4,234	4,501	4,792	6,084	44.4
Richies, Oamaru	43,318	41,496	40,488	40,656	39,494	-8.8
Rutherford, Palmerston North	—	57,051	50,168	52,103	41,040	—
Simpsons, Huntly	36,016	36,394	35,850	34,510	31,124	-13.6
Thompsons, Otaki	43,893	33,505	28,935	31,005	28,741	-34.5
Tranzit, Masterton	133,808	133,808	178,736	200,340	200,340	49.7
Tui Motors, Te Puke	47,043	45,800	47,802	45,061	47,047	.0
Tokoroa Buses	—	28,711	29,504	29,781	29,472	—
Weld Motors, Palmerston North	—	88,992	75,726	62,460	58,013	—
Whangarei Buses	501,047	445,614	434,930	385,485	384,770	-23.2
Waller Motors, Pukekohe	—	—	4,264	4,264	4,624	—
Warmans, Te Kopuru	—	13,810	13,809	13,835	13,883	—
White Buses, Dannevirke	—	16,380	16,510	16,445	16,250	—
Wylde's Motors, Runanga	—	37,217	36,753	36,918	35,768	—
Total	4,860,014	6,590,897	6,091,200	6,098,562	5,502,209	13.2

—Continued

## Urban passenger grant statistics 1981/82-1986/87—Continued

Operator	1981/82	1982/83	1983/84	1984/85	1985/86	% change 1981/82- 1985/86
		(c) Passengers carried				
Adams Motors, Whangarei	4,585	6,592	16,725	13,451	13,984	205.0
Airport Transport, Hamilton	-	-	5,858	6,393	5,510	-
Airways Minibus, Rotorua	-	-	2,011	-	-	-
Allan Motors, Shannon	43,422	42,317	37,138	35,828	21,746	-49.9
Barriball Motors, New Plymouth	34,697	35,970	39,570	41,724	36,631	5.6
Bay Coachlines, Whakatane	107,675	101,707	98,383	73,421	61,104	-43.3
Bayline Group, Tauranga	637,349	556,891	425,888	261,907	243,203	-61.8
Bayline Launches, Tauranga	-	41,593	48,726	51,076	49,491	-
Blenheim Transport	-	4,074	2,741	3,010	-	-
Bowman Coaches, Kaitia	-	2,058	2,084	2,280	2,889	-
Buses Ltd, Hamilton	2,717,273	2,700,450	2,801,581	2,995,529	2,883,899	6.1
Cooper Motors, Wanganui	-	-	-	-	-	-
Deluxe Motors, Blenheim	-	28,266	29,109	26,951	25,929	-
Greyhound Buses, Wanganui	748,413	734,221	706,881	652,848	619,791	-17.2
H & H Travel, Invercargill	169,026	154,133	145,038	143,680	125,187	-25.9
Hokitika Tour & Charter	-	21,072	18,415	14,007	-	-
Kinloch Cartage, Christchurch	-	22,270	24,728	18,137	-	-
Leopard Coachlines, Christchurch	-	19,383	19,741	21,575	15,574	-
Lewis Hodgson, Te Awamutu	104,253	103,055	94,635	75,365	79,803	-23.5
Madge Motors, Palmerston North	-	125,775	107,884	105,524	292,948	-
Mangamahu Motors, Wanganui	4,268	4,337	3,780	2,686	2,315	-45.8
Marton Motors, Marton	19,512	22,826	27,518	15,553	13,315	-31.8
Maxwells, Masterton	135,991	115,467	-	-	-	-
McDermotts, Invercargill	-	10,887	18,387	26,164	29,391	-
Mid-Canterbury Coaches, Ashburton	-	26,691	28,641	27,230	22,891	-
Midland Coachlines	-	-	-	-	-	-

—Continued



## Urban passenger grant statistics 1981/82–1986/87—Continued

Operator	1981/82	1982/83	1983/84	1984/85	1985/86% change 1981/82– 1985/86	
(c) Passengers carried						
Mount Cook, Napier/Hastings	–	592,560	577,228	566,189	–	–
I & N Murphy, Kerepehi	26,859	22,038	14,925	13,148	10,010	–62.7
Nimons, Hastings	–	344,205	362,697	380,691	340,578	–
Nelson Suburbs	–	326,004	335,526	350,385	337,775	–
Nelson Tourist	–	18,659	27,806	34,227	35,291	–
Newmans, Kaikohe	24,515	23,628	21,422	27,803	23,629	–3.6
Newmans, Levin	25,131	11,530	12,881	13,202	15,685	–37.6
Newmans, Nelson	–	–	–	21,644	22,493	–
Newmans, Whangarei	83,694	88,810	84,815	79,572	63,006	–24.7
Pahiatua Services, Pahiatua	–	11,958	11,575	9,597	14,797	–
Pavlovich, Frankton	33,017	35,260	34,108	31,016	30,371	–8.0
Red Bus, Gisborne	–	55,625	54,703	52,127	46,772	–
E C Reesby, Rotorua	17,050	16,282	16,196	30,390	22,853	34.0
Richies, Oamaru	63,147	60,945	51,462	48,276	51,802	–18.0
Rutherfords, Palmerston North	–	42,643	40,203	35,496	6,683	–
Simpsons, Huntly	44,823	39,730	38,649	37,075	31,458	–29.8
Thompsons, Otaki	18,916	18,642	16,692	18,611	21,411	13.2
Tranzit, Masterton	165,011	134,632	154,027	164,048	167,274	1.4
Tui Motors, Te Puke	43,460	40,190	41,875	39,104	44,326	2.0
Tokoroa Buses	–	22,061	27,717	21,656	23,881	–
Weld Motors, Palmerston North	–	38,472	37,975	35,430	27,499	–
Whangarei Buses	1,008,471	878,566	867,999	733,397	670,528	–33.5
Waller Motors, Pukekohe	–	–	2,618	2,772	2,308	–
Warmans, Te Kopuru	–	6,397	7,463	6,684	5,625	–
White Buses, Dannevirke	–	26,906	24,488	19,030	17,326	–
Wylde's Motors, Runanga	–	42,151	43,494	63,919	53,211	–
Total	6,275,973	7,771,337	7,589,412	7,429,984	6,612,699	5.4

Source: UTC Statistics

## Appendix IV

Extract from *The Subsidisation of Urban Transport Services* prepared for the Urban Transport Council by Travers Morgan Pty Ltd, July 1987.

### Chapter 5

#### *Conclusions and Future Research*

##### 5.1 Introduction

The terms of reference for this study required that arguments for public transport subsidies be identified, that the validity of the arguments themselves be evaluated and an assessment of their applicability to New Zealand be undertaken. The final task identified in the terms of reference was that future research tasks be identified to determine:

- the optimal level of subsidies;
- the proportions that should be contributed by central and local government; and
- the appropriate means of subsidy delivery.

It is worth restating that the determination of an optimal public transport subsidy levels is a different task to that of determining who benefits from subsidies. The identification of the beneficiaries of subsidies may be of use in identifying methods of financing subsidies but it does not necessarily say anything about what is the correct level of subsidisation.

The arguments for subsidy have been explained and evaluated in earlier chapters of this report. We have also listed some arguments against subsidy. Those that appear to have some validity in either theory or practice have been taken into account in the evaluation of the arguments for subsidy and recommendations for future research. Others have been discarded, generally as they are not arguments against public transport subsidy per se, but against any government intervention in markets.

The evaluative framework we have adopted is rational and objective. It is directed to reasons for public transport subsidy which can be objectively assessed. An alternative framework would have been directed at the perception of benefit, an evaluation approach often used when objective measurement is not feasible or when rational justification cannot explain existing policies. Although measurement difficulties are likely to occur in the evaluative framework chosen, we believe that rational analysis can improve consistency and practice in government expenditure decisions.

This chapter lists our conclusions on the efficacy of the arguments for public transport subsidy. The arguments have been discussed in a number of contexts:



- the theoretical soundness of the arguments;
- the evidential support for the arguments presented in the literature;
- the objects of public transport subsidies;
- the level of government responsibility; and
- the applicability to New Zealand.

The final section of the chapter discusses future research tasks to enable the quantification of the optimal level of subsidies.

## 5.2 Conclusions on Arguments

The evaluation process adopted had several stages. The literature review identified several arguments for and against subsidy (see Chapter 2). Three of the arguments for subsidy were eliminated at an early stage. The remainder of the arguments were analysed in more detail and two were rejected due to their weak theoretical basis and the lack of supporting evidence (Chapter 3). The remainder of the arguments were then subject to evaluation in terms of objectives, subsidy responsibility and applicability to New Zealand conditions (Chapter 4).

Our conclusions on individual arguments are discussed below.

### *Infant Industry*

The argument that public transport is an infant industry that requires subsidy to enable it to be placed on a sound financial footing has no validity as the public transport industry has existed for many years, and until recently, without subsidy.

### *Common Law Rationale*

The so-called common law rationale argues that subsidies are justified as they ensure continuity of service to meet transport needs on which employment, business and locational decisions have been previously made. The argument has, in practice, no basis in law. Its main thrust is simply an argument for the status quo. Many government services and programmes change over time and cause adverse distributional effects. These adverse effects are not an argument in themselves for not making change, if the total benefits exceed the costs.

### *Misperception of Costs*

This argument states that private motorists causes distortions in the relative demand for private and public transport as that incorrectly perceive the costs of private travel. We consider that this argument is implicitly allowed for in other arguments for public transport subsidy. The basis of the road congestion argument is that motorists do not experience the full costs of their travel, and the externality arguments (land use, environmental) are also based on such incomplete experience of costs.

### *Producer Economies of Scale*

This argument claims that economies of scale in the production of public transport justify the payment of subsidies. The theoretical basis for the argument is strong, although practical evidence does not support the existence of

economies of scale in bus services, and no evidence could be found for urban rail services. Economies of scale do however exist in railways in general and we see no reason why they would not in urban railways.

Subsidies on the basis on this argument would meet economic efficiency objectives, and equity objectives to a lesser extent. We consider the responsibility for such subsidies to be with the central government.

### *User Economies*

The argument that there are economies of scale to users resulting from the frequency benefits associated with scheduled public transport services has a reasonable theoretical basis. The literature review did not reveal any attempts at direct measurement of these benefits.

Subsidies on the basis of this argument would meet economic efficiency objectives, and equity objectives to a lesser extent. The responsibility for such subsidies appears to lie with the central government.

### *Road Congestion*

This argument states, that as roads are underpriced, competing public transport should also be underpriced to maintain the marginal conditions. This argument has a strong basis in economic theory, but direct measurement of the required levels of subsidy is not common in the literature.

Subsidies paid on the basis of this argument would meet economic efficiency objectives, and to a lesser extent, equity objectives. The responsibility or such subsidies appears to lie with the central government.

### *Land Use Effects*

This argument claims that as public transport services improve accessibility and thereby land use patterns subsidies can be used to achieve desirable land use patterns. The patterns generally sought are the maintenance of strong central areas and the preservation of existing urban form. The theoretical basis for this argument is moderate but the supporting evidence is weak.

The most likely objectives to be met by subsidies based on this argument are planning and environmental, although the effects are likely to be weak. The responsibility for such subsidies lies with regional or local governments.

### *Environmental Effects*

This argument claims that improved or cheaper public transport results in lower total environmental costs due to the diversion of some people from car to public transport travel, and on this basis subsidies are justified. The environmental effects considered are traffic safety, air quality, noise levels and fuel usage. The theoretical basis for the argument is moderate, and limited evidence to support it was found in the literature.

Subsidies paid on the basis of this argument would have most success in meeting economic efficiency and planning/environmental objectives, although the effects are likely to be weak. The question of level of government responsibility for such subsidies is not clear cut, with the result depending on public finance considerations.



### *Income Redistribution*

This argument claims that public transport subsidies redistribute income to the less well off. The theoretical basis for the argument is moderate, as is the supporting evidence. General subsidies appear to rely almost entirely on the redistributive effects of taxes used to finance subsidies to achieve income distribution effects, but subsidies targetted to those on low incomes are more successful in redistributing incomes.

Subsidies paid to redistribute income meet equity objectives, and economic efficiency objects to a lesser extent. The prime responsibility for such subsidies appears to lie with central government.

### *Mobility for the Transport Disadvantage*

This argument claims that public transport subsidies enable the provision of services which assist transport disadvantaged groups. Without such subsidies the mobility of these groups would be restricted as they do not generally have access to private vehicles. The argument has its basis in equity and is moderately sound. However, there is little supporting evidence for the argument. Targetted subsidies are likely to be a more successful means of assisting the transport disadvantaged than are general subsidies.

Subsidies paid to improve the mobility of transport disadvantaged groups meet equity objectives, and, to a lesser extent, efficiency objectives. The prime responsibility for such subsidies appears to lie with central government.

### *Option Value*

The argument is that public transport subsidies enable the provision of services that are a back-up transport service to those who normally use cars. This back-up characteristic has a value to the community, referred to as an option value in the economics literature. The theoretical basis for the argument is weak, and no attempts at measurement were found in the literature. On the basis of these findings the argument was not considered further.

### *Merit Good*

Public transport service is a merit good, and therefore deserves subsidy. A merit good is one that has some qualities that are inherently "good", and if its price was not subsidised it would be under-consumed. The argument does not have a sound basis in theory, and no attempts at measurement were found in the literature. On the basis of these findings the argument was not considered further.

### *Summary*

The above assessment leaves seven arguments for public transport subsidy which we conclude are worthy of some further consideration in New Zealand. The economic and social arguments would have most success in meeting economic efficiency and equity objectives, and appear to be more worthy of consideration than the land use/environmental arguments. The seven arguments are:

#### *Economic Arguments*

- There are economies of scale in the production of public transport, i.e. unit costs decrease as output increases.

- There are user economies of scale resulting from the frequency benefits associated with scheduled public transport services.
- That roads are underpriced (resulting in road congestion benefits) so competing public transport modes should also be underpriced.

#### *Land Use/Environmental Arguments*

- Public transport subsidies contribute to the achievement of land use policies.
- Public transport subsidies result in lower overall environmental costs, including traffic safety, air quality, noise and fuel usage.

#### *Social Arguments*

- Public transport subsidies redistribute income to the less well off.
- Public transport subsidies improve the mobility of transport disadvantaged groups.

### 5.3 Applicability to New Zealand

The applicability of the arguments to New Zealand was assessed based on a limited review of available evidence and an assessment of whether the results of the literature can be transferred to New Zealand. The latter task necessarily involved some judgement.

The literature review indicated no conclusive evidence on the existence of *economies of scale* in bus operations. We see no reason why economies of scale would exist in bus operations in New Zealand. No literature dealt with economies of scale in urban rails operations. Investigations of railways in general indicate economies of scale and we would expect them to exist in urban rail operations.

The extent of *user economies of scale* has not been directly measured in the literature. Their level would be dependent on frequency and network density so it is not clear whether any evidence, if it existed, could be transferred directly to New Zealand. There is every reason to expect that user economies of scale would exist where scheduled public transport services are provided.

The literature reviewed revealed two attempts to measure directly the level of subsidy that should apply as a result of the *road congestion*. The subsidy was higher in the larger city (London) reflecting the higher level of congestion compared to the smaller city (Adelaide). The results for large New Zealand cities could be expected to be closer to those in Adelaide than London. The results would also be affected by topography and development patterns of the cities. For example, Wellington may experience similar levels of congestion to Auckland even though its population is significantly lower.

*Land use* effects of public transport subsidies can be expected to be minimal in New Zealand, in accordance with overseas research. Major accessibility changes may create local benefits, and existing land owners gain benefit via increased land values from public transport subsidies, but these are distributional effects. Measurement of land value changes due to accessibility changes



is difficult and in any event will give no indication of whether subsidies are justified; they simply measure the distribution of benefits.

We have not cited any attempts to measure the *environmental effects* of public transport subsidies in New Zealand. We do not expect the conclusion in the literature on the relatively small size of these effects to be any different in New Zealand.

The limited evidence from New Zealand accords with overseas evidence that public transport subsidies are unlikely to be an efficient redistributive tool. Subsidies could be designed in such a way that *income redistribution and mobility* objectives are met, by targetted subsidy programmes. As targetted subsidies are currently not common and not well designed it is unlikely that subsidies currently meet these objectives.

## 5.4 Future Research

### 5.4.1 Introduction

This section describes each research task and provides brief comments on how it may be addressed. The research tasks are summarised in Table 5.3 and more complete details are contained in Working Paper 7. The tasks are related to the justifications for urban public transport subsidy. A further research task, *Subsidy Design and Administration*, is related to the payment of subsidies in general.

### 5.4.2 Research Tasks

#### *Fixed Costs of Rail Operations*

The existence of economies of scale in urban rail operations justifies a subsidy for the fixed costs of operations. The Urban Rail Review provides a methodology for calculating the fixed costs of rail operation. The costs would require review and updating to determine appropriate subsidy levels.

#### *Fixed Costs of Trolley Bus Operations*

No literature was found that identified economies of scale in trolley bus operation. Fixed costs are likely to occur in the overhead structures required for operation. We would expect such costs to be fairly minor.

#### *Second-best Pricing Model*

We suggest that the Glaister and Lewis (1978) specification provides the best framework for a second-best pricing model to determine the subsidy level required following from road congestion benefits. The model should be expanded to include the public transport frequency benefits and the effect of public transport vehicles on congestion. We regard the development of this model as a high priority. The road and public transport user time benefits of public transport subsidy are likely to be significant.

#### *Elasticities*

There exist many estimates of the various elasticities required to determine subsidy levels. As noted in the research already undertaken by the UTC, elasticity estimates tend to be quite consistent in different countries and cities. Some differences and deficiencies do occur however, and it may therefore be

appropriate to undertake further work in this area related to conditions in New Zealand.

Important elasticities required to determine subsidy levels are own price and level of service elasticities for public transport demand, and the cross elasticity of demand for car travel with respect to the price of public transport

TABLE 5.3: Justifications for subsidy and research tasks required to measure subsidy levels

Justification	Research Tasks	Priority
<i>Producer Economies of Scale</i>	Fixed costs of rail operations	Low
	Fixed costs of trolley bus operations	Low
<i>User Economies of Scale</i>	Public transport level of service elasticities	Medium
	Values of time	Medium
<i>Road Congestion</i>	Second-best pricing model	High
	Public transport level of services elasticities	Medium (as above)
	Values of time	Medium (as above)
	Public transport price elasticities	Medium
	Cross elasticity of demand for car travel with respect to public transport price	Medium
	Public transport costs by time and mode	Medium
	Land values	Low
<i>Land Use Effects</i>	Land values	Low
<i>Environmental Effects</i>	Accident costs by mode and time of day	Low
	Noise costs by mode and time of day	Low
	Air pollution costs by mode and time of day	Low
	Fuel usage rates	Low
<i>Income Distribution/Improved Mobility</i>	Identification of transport disadvantaged groups	High
<i>Subsidy Design and Administration</i>	Pricing guidelines	High
	Investment guidelines	Medium
	Performance indicators	Medium

travel. The latter elasticity value is also of importance in assessing environmental effects. The final type of elasticity values required for the second-best pricing model are time switching elasticities, e.g., the elasticity of demand for off-peak public transport travel with respect to the peak fare. These are the most difficult to estimate, and also likely to be very small. It would therefore not be appropriate to devote resources to their estimation ahead of other elasticity values.



### *Values of Time*

Values of time are required to measure the benefits to public transport users and road users of time savings due to public transport subsidy. The values of time required include:

- in-vehicle time for car users;
- in-vehicle time for public transport users; and
- out-of-vehicle time for public transport users.

The UTC is currently undertaking research in this area. The results of the research should be of assistance in determining subsidy levels.

### *Public Transport Costs*

Public transport costs by mode and time period are required as input to the second-best pricing model. The costs are input per passenger km, requiring estimates of the costs themselves and passenger kms by mode and time period.

Rail costs by time period are available from the Urban Rail Review. Bus costs may be available in the appropriate form from bus operators or from the bus efficiency work planned by the UTC. In the interim bus costs for New Zealand operators could be estimated from the analysis done to date in New Zealand and overseas.

Passenger kilometre data is available from public transport operators, but not by time period. Another possible source of this type of data is transport planning studies where trips by origin and destination are loaded to networks and resulting passenger kms calculated for all modes. Surveys could be used to obtain the data, although such a procedure may not prove to be cost effective.

### *Land Values*

A measure of the distribution of public transport subsidies may be obtained by analysing changes in accessibility and how they relate to land value changes. Such an exercise may be useful in providing an indication of appropriate levels of taxation on property owners to finance subsidies. It will not determine what is the optimum level of subsidies, given the land use effects.

### *Environmental Effects*

Traffic safety, noise, air quality and fuel conservation effects of public transport are discussed together. The research tasks could however be undertaken separately. The literature review indicated that the effects will vary by time of day and mode of transport. Comparisons between modes to determine the differential benefit will therefore require detailed data on physical effects and appropriate unit cost rates.

The results of the above research would be costs for the various environmental effects by mode and time of day. These could then be input to the second-best pricing model to determine optimum subsidy levels. By using the second-best pricing model, the effect of the cross elasticity of demand would also be taken into account.

### *Identification of Transport Disadvantaged Groups*

A major justification claimed for public transport subsidy is to provide income and mobility assistance to the less well off and other transport disadvantaged groups. For subsidy to be an efficient means of assisting these groups it must be specifically targetted to them and not simply used as a means of reducing fares to users in general. The literature identified a broad range of transport disadvantaged groups who may or may not be considered disadvantaged in the New Zealand context.

This research will require identification of transport disadvantaged groups and an assessment of whether a low fare is a good means of assisting the transport disadvantaged.

Other considerations for such subsidy programmes include:

- the identification of the people who meet the criteria for transport disadvantage;
- the identification of the trips made by disadvantaged groups;
- the level of fare to be charged to such groups;
- whether the concession should be the same for all groups; and
- whether the concession fares should be available at all times on all services.

### *Subsidy Design and Administration*

The main objectives of central government subsidies to urban public transport are economic efficiency and equity. They payment of subsidies will not automatically help to meet these objectives. It is necessary that they are used by public transport operators in such a way that the objectives are met.

The economic efficiency objective will be met if prices are set equal to marginal social costs, which implies that prices for public transport use should vary with the costs of provision. The UTC may therefore need to develop *pricing guidelines* for public transport operators who accept subsidy payments. Output from the second-best pricing model includes fare levels based on marginal social costs. These could be used as a basis for anypricing guidelines. Similarly, the subsidies to meet equity objectives will require guidelines on the fares to be charged to disadvantaged groups.

The fare structure to meet efficiency and equity objectives could require a larger range of fares than currently exists on many systems. A balance will have to be struck between the level of variability in the fare system, operational limitations and user/marketing considerations. Such considerations would best be resolved in consultation with public transport operators and regional authorities.

*Investment guidelines* may also be required to ensure that the appropriate level of service is provided by modes best suited to the task. While full funding for rail remains there could be some bias in investments undertaken. Some bias could also occur if subsidies are provided to modes of transport exhibiting producer economies of scale, as suggested by this study. Investment guidelines could be in the form of an economic evaluation manual for investment in



public transport facilities. Investment guidelines should ensure that all possible alternatives are examined for their economic worth, with the option having the most favourable economic outcome being selected. This will minimise potential bias in investment caused by subsidy policies.

The investment guidelines could be extended to cover facilities for cyclists. Cycling is an attractive and highly used mode of transport in some urban areas. Its importance in the urban transport system would be assisted by evaluation benefits and costs of investment in facilities for cyclists.

The UTC is currently investigating the development of *performance indicators* for urban bus services, although not specifically related to the efficient and effective use of subsidy funds. It is suggested that this research should be developed further, to focus on indicators appropriate to assess the efficiency and effectiveness of subsidy programs. The indicators should be directed to ensuring that the availability of subsidy does not lead to increased costs, and that subsidies are used for the purposes for which they are intended. In light of the conclusions in this report, the development of performance indicators should have regard to the requirement to meet the efficiency and equity objectives of the central government.

Subsidy programs should also be designed so that claimed adverse effects of subsidies do not materialise, and then reduce the level of service to users. These adverse effects could include reduced incentive to innovate and concentration on price at the expense of service quality.

#### 5.4.3 *Priority of Research Tasks*

Table 5.3 also lists the priority of the research tasks required to measure public transport subsidy levels. Priority is assigned based on a number of factors:

- the evaluation of the arguments for public transport subsidy;
- the availability of existing data;
- the potential extent of effect on public transport subsidy levels; and
- possible difficulties in measurements.

*High priority* is assigned to three research tasks:

- the development and operation of a second-best pricing model to calculate subsidies due to user economies of scale and road congestion benefits;
- the identification of transport disadvantaged groups and determination of subsidy levels to meet income redistribution aims and provide improved mobility to these groups; and
- the development of pricing guidelines for public transport operators who receive subsidy funds from the UTC, so as to ensure that the subsidies do achieve the objectives for which they are paid.

The completion of these tasks should provide adequate guidance on the level and distribution of subsidies to be provided by the UTC. The data required as input to the second-best pricing model already exists or can be obtained from overseas estimates as an interim measure.

*Low priority* is assigned to seven research tasks. The Urban Rail Review provides a good estimate of the fixed costs of rail operations. In the case of the trolley buses, the amount is likely to be relatively minor.

The land use effects are likely to be small and difficult to measure. Measurement of land value changes may be of interest to regional and local governments to determine financing mechanisms for subsidies. They will not assist in determining optimum subsidy levels.

The environmental effects of public transport subsidies are likely to be small, and involve significant research resources. On this basis they are given a low priority.

The remaining five tasks are assigned *medium priority*. In the case of values of time and performance indicators the UTC currently has research underway. As noted above the performance indicators research would require re-direction to develop indicators aimed at improving subsidy administration by concentrating on indicators that measure the efficiency and effectiveness of subsidy programs.

Public transport operating costs are likely to be estimated in the bus efficiency studies soon to commence, and in the interim costs could be synthesized from operator and other data.

Elasticities are difficult to estimate, and the consistency of estimates from overseas indicates that values in New Zealand are likely to be generally similar. These conclusions are supported by elasticity research undertaken to date by the UTC.

The development of investment guidelines is given medium priority. The guidelines will be an important long term measure to ensure appropriate funding levels for public transport, but are not central to the immediate question of the optimum level and structure of subsidies.



## Appendix V

### Rural Roads in Northland

Transport in Northland was initially based around its waterways. For the first century of Northland's settlement by Europeans, goods and people moved by sailing ship and coastal steamer to and from the many small harbours in the region. Road development was very difficult and with no part of the region more than 40 km from the sea, the coastline provided a sound alternative. It has only been in the past 40 years that a viable roading system has been developed.

Northland is an area of low rolling hill country, which is broken by numerous rivers, inlets and harbours. With the exception of the Northern Wairoa River on the West Coast, rivers are generally short and there is no extensive valley system to provide a basis for roading. The region has a warm, moist climate and was originally covered with dense, subtropical broadleaf-podocarp forest. The resulting soils tend to be, in the main, leached heavy clays which provide very difficult conditions for road building. Roads are expensive to both construct and maintain.

The first commercial activity in Northland involved the extraction of timber, kauri gum and flax. These were exported from the region through the many coastal ports. Once the easily exploited wealth of the region had been exhausted however, a change to an agricultural economy was inevitable. However, the poor inland communication system, together with the poor soils, discouraged progress. Northland was therefore hindered in its development of an economic base, from which other growth could be stimulated. While roading development eventually in the 1950s, brought reasonable farming roads in some parts of the region and a sealed road to Auckland, the region is still suffering from its poor beginnings.

Parts of the region, such as the Hokianga and Whangaroa Counties, have still got a 1930s roading system. The local County Councils are doing their best to maintain and upgrade the roading system, but are limited in the amount that they can expend, because of the poverty of the rural area upon which their rate take is based. The poor roads in turn are inhibiting development of the land and alternative economic activities, which again ensures that the land values in the area will remain low. Such areas require assistance to develop their infrastructure to a standard which will enable them to overcome their isolation and put them in a position where they will be better able to help themselves.

There is a great deal of vision and drive in the rural communities of Northland, and numerous proposals for a wide variety of economic activities other than pastoral farming and forestry, to provide new sources of income and employment. These include angora rabbit farming, prawn farming, market

gardening, a variety of horticultural proposals, fruit drying, mohair weaving, clothing manufacture, Maori and other crafts, furniture making and a vast number of other proposals. There are also a variety of tourist proposals throughout the rural areas of Northland. These include farm stays, farm parks, marae visits, wilderness treks, sailing scows, and a vast variety of other proposals. However, many of these proposals will fail without a good roading system to enable raw materials, goods and people to be transported readily to and from these remote areas.

It is important that existing activity be sustained and new development be encouraged in the more remote areas, particularly because they are usually areas of very high Maori population, such as the Hokianga and the Far North, where many Maori people are returning to their whanau from the cities, and looking to develop their land and other sources of income. Such areas are traditionally areas of extremely high unemployment, and this has been somewhat amplified in recent years by the loss of jobs in the public sector due to corporatisation, the cessation of the PEP Scheme, the centralisation of processing for the dairy industry, and other such factors.

Tourism provides one of the greatest prospects for the development of employment in the region. However, it is recognised that Northland must compete with the rest of New Zealand for the domestic and international tourist dollar. The condition of all roads in Northland is tending to limit this development.

State Highway 1, north of Auckland, is an inferior road, with a lack of passing lanes and passenger vehicles must compete with large numbers of heavy commercial vehicles. Because of the proximity to Auckland, the rail system is not used as much as it might be, and the roads are therefore often dangerous and discouraging to Northland visitors.

State Highway 12, through the Waipoua Forest, has been on the Tourist and Publicity Department list of priority roads for a number of years, but while progress is being made slowly, it will still be some years before this road is fully sealed. Until this time, the tourist circuit from the Bay of Islands, through the Waipoua Forest and Dargaville and back to Auckland, cannot be fully developed, and local enterprise will suffer accordingly.

The Far North road to Cape Reinga is another tourist road which has not been fully developed. It has been sealed to Waitiki Landing by the Mangonui County Council. Unfortunately, however, the portion of the road through the Te Paki Farm Park to the Cape is not legalised with some dispute over Maori land ownership. The County have therefore decided to cease maintenance in this area. This in turn could affect future tourist development and there are some exciting possibilities for the area. The road to Cape Karikari is another area of tourist development being hindered by appalling roading.

Northland will continue to be hampered by the state of its roads for as long as the existing systems of distribution of roading funds remain in force. Roads in Northland are very much more costly to build and maintain than they are in other parts of the country and the ratepayers who provide the basic funding are in the main poorer than those in the rest of New Zealand. The region is



lowly populated and must try to maintain a very large kilometrage of roading per head of population. While the region has received additional funding over recent years, this has not been enough to raise roading standards to those of the rest of the country.

The cost benefit analyses used to evaluate new roading proposals will always favour roading in the major centres, where large numbers of people will be affected. Virtually by definition, this will tend to preclude roading development in more remote areas, which will in turn tend to inhibit the growth of economic activity and associated employment. And so, the present system encourages further growth of the urban areas and depopulation of the rural areas. There is a major social cost in this.

Until around 3 years ago, there was apparently a special vote for development roading, which provided substantial subsidy rates and was administered by the Minister. This vote apparently provided the basis for the development of much of the rural roading of areas such as the Hokianga. Perhaps similar assistance could be considered again in the future, in order to assist regional development.

Roading must be considered as an essential part of an economic growth cycle. Until a reasonable roading infrastructure is in place, the development of farming, tourism and other economic activities will be hindered, employment growth will be extremely limited, the provision of related services, such as road carriers, contractors and other business services will be limited, and the population will be restricted. This in turn will limit the provision of social services such as schools and health services. All of these factors will tend to combine to create a situation of economic decline.

In conclusion, it is important to look at more than the economic returns on individual roading developments if social justice is to be brought to roading.

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## Acknowledgements

While overall co-ordination, report writing and production were my responsibility, this report draws on the input from a number of people involved with transport aspects, but contributing to this paper as private individuals.

Thanks therefore to Brian Baxter, David Watson, Murray King, Glen-Marie Burns, Phil Griffith, Laurie Waretini, who participated with me in two discussion group sessions whereby ideas, questions, issues and information were shared and comment on working drafts made. The group were assisted by Grant McAullif who analysed submissions to the commission, by Jo Brosnahan who contributed a short paper on rural roading in Northland, and by Euan McQueen who provided editorial comment.

Robin McKinley and Ann Ballin (Royal Commissioner) also provided comment.

Nicky Noble undertook the typing and Rosemary Ash acted as the 'average reader'.

The views represented are not those of any particular organisation, and reflect the group process. Any errors or omissions remain my responsibility.

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- 1 'A Fair and Just Society' A Guide to the Terms of Reference of the Royal Commission on Social Policy'. The Royal Commission on Social Policy, July 1987.
- 2 Attachment 2 contains relevant statistical information, with the trends being illustrated in Figure 5.
- 3 'Urban Passenger Transport in New Zealand'—The Committee of Inquiry Report. Government Printer, Feb. 1970.
- 4 Fuller discussion of the Carter Committee and the UPPTC is contained in Good, RVA—*Urban Transport Policy—A Case Study 1968–81* ISBN-0-477-06629-1. UTC 1981.
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12 The relevant budget of NRB, to other modes, was estimated at 3.7 percent by Dr Dunlop, NRB, and at 4 percent (\$15m) by Tony Gollin, UTC, in their papers to the Urban Transport Seminar 1985 (in Good—Editor, UTC 1986).

13 Passenger transport has been suggested as a possibility for regional and/or local trading enterprises by some people at various local/regional forums and seminars. While all operations do not necessarily have to be undertaken by public bodies, overall policy, planning and subsidies benefit from public debate and co-ordination by public bodies.

14 *Urban Transport Seminar 20–22 February 1985 Summary Report*—Ed RVA Good & UTC Secretariat. UTC 1986.

15 'Rural' in terms of these points from the submissions applies to farming areas and travel to towns, to travel between towns, in rural areas such as Taihape, Kaitaia and Greytown and their hinterlands.

16 *The Subsidisation of Urban Transport Services—Stage 1* Travers Morgan Pty Ltd. UTC. July 1987. See Attachment 3.

17 The context in which these technical terms are used is given in Attachment 3.

18 Page 47, Attachment 3.

19 *Analysis of Personal Accessibility in the Freestanding Towns*, Document 431 of West Yorkshire Transportation Studies, April, 1977. Wytconsult.

20 Taxi vans fitted with wheelchair hoists with some users eligible for discounts.

21 'The Study of Transport Issues in Hamilton: The Senior Citizen and Accessibility' Monique A. Roberts. UTC August 1986.

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23 'Market Targeting in Public Transport'—Dialogue Consultants Ltd and McDermott Associates Joint Study Team in association with McGregor Murray Allan & Co. UTC September 1987.

24 See Note (16).

25 *Public Transport in Tauranga—Results of Follow-up Survey*. UTC Secretariat. Oct. 1987 RC/87/9 Item 4.

26 For a fuller discussion on rural passenger services—see King M.A. *Recent Changes in the Transport Industry* in 11th NZ Geographic Conference 1981.

27 Moseley M.J. 1979. *Accessibility: The Rural Challenge*. London: Methuen.

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- 33 See Note (30).
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- 35 *Comprehensive Service Agreements—A Model Contract and Explanatory Notes for Use by Funding Authorities and Urban Bus Operators*. Kendon Cox & Co, Chartered Accountants. UTC 1984 1984/2.
- 36 *Urban Rail Study*. I.A. McCutcheon. et. al. Government Printer 1986.
- 37 Submissions to RCSP, news media articles and the Court Actions by the Wellington Regional Council and West Coast United Council.
- 38 *Putting the Eke into Eketaahuna* page 33. The Dominion Sunday Times. February 25th. 1988. See also Editorial in The Omnibus Bulletin, November/December, 1987, no 76/77 relating to 'community action — 'Coast Community Society Rural Courier'—service contracting with Perry Motors to reinstate service lost due to NZ Post withdrawal in Te Kuiti-Otorohanga area.
- 39 *Value of Travel Time Savings—Summary Report, First Stage*, Beca Carter Hollings & Ferner. July 1987.
- 40 See Note (39).
- 41 Involvement of 'the public' has been of varied success depending on the commitment by the regions, to achieving input. Wellington and Canterbury had substantial input but all four 'operational plans' appear to be relatively successful.
- 42 Auckland Regional Authority, Wellington Regional Council, Canterbury United Council, Coastal—North Otago United Council.
- 43 *A Review of the Taxi Industry*—Ministry of Transport. December 1987. Submissions on this Review are due by the end of March with legislation expected in August 1988.
- 44 See Discourse Analysis Section—Market Targeting—Note (23).
- 45 Work by behavioural researchers, as part of the Value of Time project for the UTC, (see Note 40), confirm these particulars.
- 46 See Note (23).
- 47 The Auckland Regional Authority, New Plymouth, Palmerston North, Gisborne, Wellington, Dunedin and Invercargill Councils, Railways, Eastbourne Borough and Christchurch Transport Board Buses are publicly owned. All others are privately owned.
- 48 The Ministry of Transport amended the driving regulations in 1987, which place restrictions on the driving hours. For safety reasons, the span of hours for a driver were reduced slightly.



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## Glossary of Terms

Urban	'Urban' as applied in recent years, has a wide meaning in transport—population centre of 3,000 or more and services to, from or within a radius of 50 km.
Modes, Modal Mix	In transport, reference is made to 'modes' rather than systems or methods of transport. There is therefore, the rail mode, the sea, road and air modes. The 'modal mix', usually refers to the mix of vehicles in an area, for example, the cars, buses and trains in a city, and their relative 'market share'—the percentage of travellers they have.
Quantitative/ Qualitative	Quantitative is used for 'things which can be measured and given a specific value'—a quantity of . . . Qualitative is used for 'things which are more difficult or even nearly impossible, to measure'—a quality, a general value of . . . For example, income from fares is a quantitative measure; the amount of benefit the elderly receive from concession fares is a qualitative factor.
Accessibility	The ease of travel of destinations and facilities to do things such as work, shop etc.
Market Segment	The market, really the public, is not all homogeneous groups (identical), there are groupings which can be identified, which differ from others. The groups are segments of the whole but deserve attention in their own right, particularly if their needs are not being met.
Gentrification	A term used to describe the process whereby older, inner city suburbs are 'improved' and priced beyond the range of many families. 'Urban renewal' is a term also used but can also apply to ways of helping the original areas's inhabitants retain their 'improved' inner city homes as in Aro Street in Wellington.
Gross Domestic Product and Invisibles	GDP is the 'income' counted in the economy, it does not include unpaid work, hence voluntary driving (children to school or sport) is not included. 'Invisibles' is the technical term for our transport freight costs, insurance, etc. incurred in exporting our produce overseas.





SOCIAL POLICY  
AND THE MEDIA  
IN NEW ZEALAND

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*March 1988*





# Social Policy and the Media in New Zealand

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Worldwide, there are two major trends in the field of mass communications, both of which will have a marked impact on New Zealand. One is the so-called communications revolution which extends well beyond the media to the whole arena of telecommunications<sup>1</sup> and which threatens to transform not only media—and particularly broadcast-systems—but even the concept of individual nation-states themselves.<sup>2</sup> The second, accompanying trend is market-driven, towards widespread deregulation.<sup>3</sup> The consequences have been summed up in a recent detailed European study by Dyson:

The broad picture is of a fragmented, confused and confusing Western Europe facing complex, new and turbulent communications markets and under pressure to adapt corporate and state strategies.<sup>4</sup>

As Padioleau points out, broadcasting's legitimacy as a cultural entity is being undermined 'in order to push it into the sphere of industrial policy.'<sup>5</sup> In Europe, when changes have been considered the result has been that:

Arguments about 'public goods' and about 'externalities' and the case for non-economic values were put on the defensive or simply ignored.<sup>6</sup>

These developments raise pressing issues for social policy in New Zealand, especially where there are strong indications that similar changes are under consideration, particularly for broadcasting.<sup>7</sup> With electronic media, there is a fundamental shift of thinking involved, with a move from a traditional broadcasting trustee model to a market model of activity. The first is generally regarded as a public service model while the second most closely resembles, under deregulated conditions, the print media. The major difficulty



with this latter model, despite the claims of its advocates, is the degree to which it genuinely serves the public interest, particularly in producing a free and open marketplace of ideas.<sup>8</sup>

In the light of these changes, this paper examines the concept of the public good and how effectively it can be advanced under present circumstances and, more especially, under deregulated market conditions. It looks principally at the operation of television and radio, in the broadcasting field, and at the press and magazines in the print media, but also refers to the areas of film and video. In doing so, its focus is on two central questions. One concerns the degree of diversity available in different media arrangements; the other is the equality of access available to different social groups. It concludes with a number of proposals towards correcting evident inequalities where matters of regulation, accountability and representation are concerned, and with ways of supporting and maintaining the public interest in present and future circumstances.

A real stumbling block, however, in developing the discussion is the absence of any real research traditions on the media in New Zealand, in sharp distinction to most developed Western nations. This provides considerable difficulties in terms of presenting adequate research findings and, for that reason, extensive use has been made of international data and discussion where these are applicable to New Zealand.

## The Cultural Importance of the Media

The media, in New Zealand as elsewhere, are one of the main ways in which people experience and understand their society.<sup>9</sup> Historically, that has been a major factor in the rise of the press<sup>10</sup> and broadcasting,<sup>11</sup> as a way of comprehending changes in individuals' social circumstances, expressing new or unfamiliar needs or perceptions, and engaging in discussion and debate about issues which concerned them. All these activities are intensely cultural activities, and their continuing importance is reflected in some of the submissions received by the Royal Commission on the Media. Yet the general importance of the media and their significance for the broadest possible diversity of social groups is best summarised by the media sociologist, Stuart Hall, on the historical role of alternative and non-mainstream press publications:

Nevertheless, they enunciated the fundamental rights to forge new social needs and aspirations in their own language, to construct new relationships between speaker and audience and to give public voice to the rising ambitions of new kinds of men and women hitherto dispossessed of cultural power.<sup>12</sup>

Beyond their cultural implications, the media also have profound political consequences, as a large number of commentators have discussed, whether it is over concern about national politics, public morality—as evidenced in a number of other Royal Commission submissions—or the impact of institutions or local bodies.<sup>13</sup> At the same time, if the media are intensively cultural, political and social undertakings, they are also subject to intensive use, as Len Masterman illustrates:<sup>14</sup>

And if I listen to the car radio on the way to work (or read a newspaper in the train) and look at a magazine over lunch, I can quite comfortably have registered four or five media hours of consumption before participating in an afternoon seminar on the regrettable fact that children watch so much television.

In this way, the media have become an influential and pervasive force whereby we comprehend and negotiate our understanding and even our place in society, sometimes in ways which provide terms of reference of which we are only partly aware.

## Broadcasting

It should be clear that different forms of the media together comprise an important public good, both to enable the outside world to be represented to groups and individuals and to enable them to represent themselves to each other. This concept, however, has usually been most clearly stated with respect to broadcasting. The rationale has, until recently, frequently revolved around the limitations of the frequency spectrum which is regarded in New Zealand, as elsewhere, as a public asset.<sup>15</sup> Because the spectrum has been regarded as a scarce resource it has been regulated on behalf of the public by way of the Broadcasting Act.<sup>16</sup> In essence, this is the trustee model where, as, outlined by Hoffman-Riem:

... broadcasting is legally organised in trusteeship for the whole of society. Broadcasters are obliged to take into account adequately all social interests. Unbalanced and biased programming is not permitted. Broadcasting is not geared primarily for profit-making.<sup>17</sup>



In essence, the state has acted as guarantor for the quality and diversity of programmes transmitted. It is, at root, a British Broadcasting Corporation (BBC) model which has been successfully exported to or emulated by Commonwealth countries, the major West European states and Japan.<sup>18</sup> Yet, since the 1970s the public service system has come under increasing pressure to which Raymond Kuhn, in introducing an influential set of studies, has assigned four reasons.<sup>19</sup> One has been eroding income with a saturated colour television market and, in the Broadcasting Corporation of New Zealand (BCNZ's) case, a static licence fee,<sup>20</sup> coupled to high local programme costs compared with foreign material.<sup>21</sup> Second, public service organisations have, at the same time, also extended their reach: The BCNZ's satellite aspirations in the South Pacific are typical.<sup>22</sup> Third, they have been regularly subject to challenge over their independence and impartiality,<sup>23</sup> while becoming vulnerable to the development of fresh, or potential distribution outlets through technological advances such as satellite broadcasting and video-cassette recorder (VCR) usage.<sup>24</sup> Lastly, the consensus on which they were founded has begun to disintegrate.

The increase in leisure time, the explosion in leisure interests and the differentiation in moralities, tastes and expectations have contributed to the fragmentation of the old-style mass audience.<sup>25 26</sup>

To maintain its financial viability the BCNZ has increasingly resorted to commercial revenue, mostly in the form of advertising income but also through merchandising, commercial production and programme sales. However, this has only led to the fresh criticism that it is failing to fulfil its public service objectives.<sup>27</sup>

## Deregulation

Under these circumstances, and with continued commercial demands for access to the broadcast spectrum which has been evident throughout the BCNZ's history,<sup>28</sup> it is hardly surprising that pressure for deregulation has arisen. Principally, it has been a call for more efficient, and potentially intensive, use of the spectrum,<sup>29</sup> but with an acknowledgement that satellite services in particular, may extend the number of national frequencies and introduce foreign services through spill-over. At its extreme, deregulation would follow the American model—deregulated in 1981 for radio and 1984 for television<sup>30</sup> where the express aim, as Hoffman-Riem puts it, 'is to subordinate broadcasting as far as possible to market

forces'.<sup>31</sup> In this context, the notion of the public interest ceases to be a real issue:

Unbalanced and biased programming is not out of the question. There exists no obligation to foster the wider communications interests of all citizens. Market forces decide which communications-needs are satisfied.<sup>32</sup>

Put another way, with a large plurality of channels, broadcasting more closely resembles the book market or the film industry with a huge and, effectively, endless flow of programmes from which consumers may choose. If the West European or Canadian experience<sup>33</sup> is any guide, the proliferation of channels is almost inevitable, especially from foreign sources, and there is evidence that limited but growing reception is already underway here.<sup>34</sup> Medium-powered New Zealand satellite transmission via the Australian Aussat 2 satellite has been under consideration from some time,<sup>35</sup> although it is generally acknowledged that widespread home reception is unlikely to occur until the advent of true high-powered Direct Broadcast Satellite (DBS) coverage.<sup>36</sup> Opinions appear to differ over the timescale for its introduction, ranging between two and ten years.

Whatever the period in question a shift to a market model seems distinctly probable, especially given prevailing government economic objectives<sup>37</sup> and the news that the Department of Trade and Industry and the Treasury are involved in the preparation of reports to the Minister of Broadcasting,<sup>38</sup> which strengthens the presumption that broadcasting will shift from a cultural to an industrial policy footing, as noted in the introduction. The complete implications of a shift to this fundamentally different framework are unclear, as yet, as Dyson notes in his study, but the issue of greatest concern for this paper is the uncertain place of social policy in this new setting. In the absence of any comparable New Zealand work in the area, what follows is an examination of some of the consequences for the public interest in a market-driven broadcasting. The analysis developed from this will then be applied to the broadly similar context of the print media.

## The Consequences of Deregulation

First, it is necessary to assume that deregulation does not mean a complete absence of regulation. So far, non-one has advocated for example, the removal of all censorship and programme standards



restrictions. Likewise, the absence of regulation in the infant United States radio market rapidly brought calls for regulation in 1927 by commercial operators themselves when an excessive number of stations led to chaos on the airwaves.<sup>40</sup> Nor, indeed, did the Treasury submission to the Royal Commission on Broadcasting—to date, the most detailed and radical pro-market proposal—call for an end to all regulation.

In fact, the need for some form of regulation is the first clue that the broadcasting field is not, nor can be, a classic free market. If it were, there might be greater reason to accept the claims that a free-market sets the conditions for an open marketplace of ideas. Under those conditions, it is possible that principles of social equity might prevail. Indeed, that is the precept underlying the American First Amendment:

... it is the purpose of the First Amendment to preserve an uninhibited marketplace of ideas in which truth will ultimately prevail rather than to countenance monopolisation of that market, whether it be by the Government itself or a private licensee ...<sup>41</sup>

Competition is judged to lead to diversity and choice, as Curran indicates in his brisk summary of the neo-liberal view:

What is needed, therefore, are more channels, fewer controls and vigorous competition that will produce greater variety and greater consumer control in place of bureaucratic regulation.<sup>42</sup>

Viewed in another light, this is merely another articulation of the Treasury's efficiency argument for less regulation.<sup>43</sup>

In the broadest field and as will become clear with the print media, there is a major obstacle which prevents most areas of the media from behaving as a free market. It arises from the fact that the commercial media are primarily financed by advertising revenue. Not only does this prevent classic free market organisation, it also sharply limits, in predictable ways, diversity and choice. As Litman states it:

... there is a short-circuiting of the market for television programmes in the sense that consumers may only express their preferences for programmes through the ballot box of ratings rather than the intensity of their preferences through dollar votes in the market.<sup>44</sup>

Jonscher terms the consequences 'market failure', where the market does not function efficiently to allocate resources according to the preferences of consumers:

Unlike in conventional markets, the revenue collected is proportional only to the number of viewers watching the programme, not to their

level of appreciation of it . . . Unlike the market for cars, food or furniture, in which consumers can vote (with their pound notes) for quality, diversity or originality as well as quantity, in the market for advertising-supported television consumers can only vote for quantity.<sup>45</sup>

The Treasury describes this result as 'the lowest common denominator problem'<sup>46</sup> which as acknowledged by Litman,<sup>47</sup> Smythe on radio broadcasting<sup>48</sup> and Easton<sup>49</sup> produces socially inefficient outcomes. As Jonscher remarks, the tendency 'to produce programming which fails to cater for special needs is well known'.<sup>50</sup> It holds true even under New Zealand public service conditions as the British Broadcasting Research Unit found in a study of New Zealand broadcasting:

Through a subtle, and almost insidious process, creativity, innovation, and experimentation have been squeezed out by the increasingly voracious appetites of advertising agencies and the Corporation's own marketing people. There is a sad but open recognition that the essentially conservative requirements of the advertising agencies, who demand the safety of last year's successes to satisfy their clients, condition and ultimately stultify the programme-makers.<sup>51</sup>

The conclusion is straightforward: a commercial broadcasting market will neither produce socially equitable ends, nor the broadest set of conditions for the public interest.

## Access and Concentration of Ownership

Deregulation also opens up the prospect of concentration of ownership. Under ideal conditions it is usually assumed that market competition will diffuse the drive towards monopolisation. However, there is little evidence, even under a regulated framework, that this actually occurs. Litman, in a thorough study of American network television activity shows that there are powerful forces which have led to the dominance of three networks (although Fox Television might now be included as a fourth) through vertical integration of production station ownership and control over affiliates. He goes on to make the point that the power this creates allows networks to block other programmes than those they prefer:

Such creation of power, whether exercised or not, is contrary to the public interest because it provides the opportunity to tamper with the marketplace of ideas and to significantly influence public opinion. Since the evidence indicates that the networks do in fact use this power, it makes the cure much more urgent.<sup>52</sup>



There is similar evidence of concentration in the Australian broadcasting system<sup>53</sup> and in the British commercial system<sup>54</sup> with, in all cases, considerable variety of commercial share-holding and cross-media ownership. The closest New Zealand equivalent is the analysis compiled by the Public Service Association (PSA)<sup>55</sup> and Tony Simpson<sup>56</sup> which, with regard to private radio ownership, show similar patterns of investment and interlocking relationships.

What does become clear is that, increasingly, the broadcast media and, in fact, the telecommunications arena generally, is becoming the domain of organisations competing with other organisations<sup>57</sup> and that new technologies, while they are creating turbulence, are also opening up opportunities for conglomerates and large multinationals.<sup>58</sup> On the one hand, these giants may produce a proliferation of information but, on the other, they are coming increasingly to dominate their environment.<sup>59</sup> This poses two problems in a New Zealand context. One is that, in a deregulated market, they would rapidly be able to dominate the most profitable sections of operation, but with no obligation to reflect any New Zealand content. In fact, given the costs of local programming mentioned earlier, they would have a positive disincentive to do so. Secondly, there is likely to be a rising barrier to entry to all but marginal areas of the market, in other words, there is likely to be a decline of equality of access to the market. This is potentially a major difficulty. Small companies may find it increasingly difficult either to gain entry through the need for substantial backers, or they may find it impossible to gain access to programme supplies or other materials in competition with other more powerful competitors. This is particularly likely where conditions of vertical integration arise, as outlined by Litman. At the same time, small producers may find it difficult to develop programmes which fall outside strict commercial criteria (as has been the continuing American experience).<sup>60</sup>

What this discussion points to is the central importance of broadcasting organisations as distribution systems. The ability to transmit is, in organisational terms, the same as the ability to distribute material and it confers on its holder the power to accept or decline programmes according to self-decided preference: it is this observation which is at the heart of Litman's analysis. In a small country with a far-flung population the number of potential distribution or transmission systems is, invariably, going to be small and so the power conferred by their ownership will be correspondingly

greater, whether of itself or when translated into money or influence. This is one reason for the prolonged and expensive hearings for the third channel.<sup>61</sup> Distribution, in simple terms, carries the power of patronage with it. What deregulation opens up is the prospect of more potential channels but some controlled at an international distance.

Under these circumstances, it is hard to detect the advantages for the public interest in deregulation. Drawing on American experience, which is generally agreed to have one of the most deregulated systems in the world, is to demonstrate that a market model shrinks programme range and diminishes social equity. This conclusion is reinforced both by Australian evidence<sup>62</sup> and by a series of comparative reports commissioned for the British government's Peacock Committee on Financing the BBC.<sup>63</sup> In comparing the impact of different funding arrangements for the range and quality of television programmes across seven countries it found that the greatest variety was provided by the BBC and other public systems, and the least by the National Broadcasting Company (NBC) and the American Broadcasting Corporation (ABC) in the United States and Italy's commercial Canale 5. As they observed:

More, generally, this evidence suggests that broadcasting systems which are most dependent on advertising also schedule the narrowest range of programming.<sup>64</sup>

They were also dismissive of the benefits of the market model:

... The underlying assumption (often part and parcel of the full advertising option) that television could become like a politics-free market—to which producers, unconstrained, would bring and sustain their wares, and at which viewers would freely make their choices—is naive. Due to its very large audiences and its assumed-to-be potent images, television will always be surrounded by a host of politically-based expectations, pressures and constraints.<sup>65</sup>

## The Print Media

If commercial broadcasting markets exhibit features which restrict access and diversity then so, too, do the print media. Like the broadcasting market model they are claimed to represent a free market.<sup>66</sup> On the face of it, that appears to be true. In the magazine market, for example, the leading New Zealand distributors, Gordon and Gotch, services approximately 350 publishers and 2,500 titles, distributing 550 titles weekly, or 1.25 million copies.<sup>67</sup>



Of these, six are national consumer magazines and ten are national business magazines. Likewise, there are 33 daily papers and 117 bi- or tri-weekly/monthly newspapers read by over 2 million people each day, on average.<sup>68</sup>

Looked at in another light, evidence of some familiar patterns begins to emerge. From a total of 67 daily papers published in 1910, the figure declined to 42 by 1957, but with most being independently owned.<sup>69</sup> However, by 1980 there were only 33 papers in daily publication, and only two major dailies remained independent: the *New Zealand Herald* and the *Christchurch Press*. The remainder were largely owned by five main groups, which subsequently dropped to three by 1985.<sup>70</sup> Meanwhile, the combined circulation of group newspapers had grown from 25 percent of the total in 1957 to 55 percent by 1980. Three boards controlled 76 percent of all circulation<sup>71</sup> by 1985. Yet despite these circulation figures, newspapers still drew two-thirds of their income from advertising.<sup>72</sup> At the same time, all areas of the media have become embedded in a complex web of interlocking ownership both with other businesses and across the media spectrum as evidence from PSA analysis, Tony Simpson, media publications and annual reports and newsletters reveals.<sup>73</sup>

There are similar, although sketchier, trends in magazines. For example, the Australian media mogul, Kerry Packer, now has ownership in or control of six of the top ten best-selling New Zealand magazines.<sup>74</sup> While there is strong competition for sales amongst magazines in the same market bracket,<sup>75</sup> it is as much to attract advertising appropriate to their market niche as to generate direct income, as a glance at the display advertisements in any media planner will confirm.

These trends are similar to those elsewhere in the world. As Jeremy Tunstall demonstrates, concentration and conglomeration have been consistent patterns in the UK.<sup>76</sup> Interestingly, a comparison of press concentration which he cited to a 1977 Royal Commission on the Press showed New Zealand to have had, even in 1969, the fourth highest concentration of ownership amongst the 32 developed countries listed.<sup>77</sup> The same pattern of concentration and cross-media ownership can be found in the United States, including the distribution of regional and urban papers known as the 'umbrella hypothesis',<sup>78</sup> and the separation of magazines into distinct, limited readership. More importantly, the media sociologist and historian James Curran, in an intensive British study,

highlights the impact of advertising as a system of patronage on the press. His conclusions are worth quoting at length:

The promotional role of the press distorts its economic structure. The publication of a large volume of advertisements substantially adds to its costs. At the same time the sale of space to advertisers subsidises the price at which most publications are sold . . . This gives to advertisers a far-reaching, if largely unsought, influence over the press. How advertisers spend their money generally determines which publications, selling at competitive prices, make a profit . . . Competition for advertising patronage inevitably also influences the editorial strategies of the press—sometimes crudely in terms of what is published, but more often discreetly in terms of the target definitions of audiences sought by press publications.<sup>79</sup>

The consequences have been, he concludes, 'an important cumulative influence upon the political structure of the national newspaper press' which has also influenced its ownership and distribution.<sup>80</sup> Through the same mechanisms, magazines are even more powerfully affected, he suggests, because of the close relationship which magazines attempt to secure between advertisers and selected target markets.<sup>81</sup> While no comparable research exists in New Zealand there is some general corroborative evidence on the role of the press presented by Simpson.<sup>82</sup> Moreover, the recent collapse of *New Outlook* can be partly ascribed to an unsuccessful attempt to adjust its editorial and presentational stance to secure advertisers for a specific target market.<sup>83</sup>

*New Outlook's* collapse also illustrates, however, the nature of barriers to entry in the print media. Because of the importance of advertising revenue, new publications are reliant on relatively quick advertising support if they are to succeed. If they are to make the transition to a full national presence they will also need considerable financial backing. Together, these requirements provide steep barriers of entry, which are exacerbated by the understandable reluctance of distributors to carry them unless they can show some proof of an ability to survive. To some extent, this can become a vicious circle since distributors can provide access to the very circulation which will demonstrate to advertisers and backers the ability to a viable publication.

## The Film Industry

A similar access barrier exists in the film industry. Film distribution is largely controlled by a duopoly which accounts for 70 percent of



the 154 cinemas in the country.<sup>84</sup> Access is highly problematic because new New Zealand features with no track-record must compete with a large flow of market-tested, mostly American films. The result is that most features must squeeze into the few gaps in the distribution flow with little opportunity to build a reputation and so market-support, on their fleeting appearances. Inevitably, some films are bound to be unsuccessful, but the difficulty of gaining screening access has prompted plans both to develop a film bank to encourage investors and consideration of a more active film commission role in promoting distribution.<sup>85</sup>

American distribution material supplied by international conglomerates also affects the growing video industry. In a market with nearly 8,000 titles most are supplied by 14 main distributors, including what are known as 'the mighty five' from Hollywood.<sup>86</sup> Major first releases tend to mirror major film hits: 'Crocodile Dundee', for instance, rated 4,000 sales in 1986, while New Zealand videos make up an insignificant demand. On the other hand, there is anecdotal evidence of industry concentration with numbers of the 500–600 outlets in New Zealand becoming clustered into chains, particularly in metropolitan centres.

## Recapitulation

A number of themes have emerged in the course of this discussion which it would be worth considering before suggesting any strategies of change.

The dilemma facing public broadcasting is the worldwide pressure for deregulation and commercialisation largely underpinned by rapid, and often privatised, technological change mostly in the telecommunications field. The consequences are most dramatic for Television New Zealand (TVNZ) with the approaching end to its long monopoly and the prospect of competition both internally and from powerful and ruthless multinational satellite companies. Under these conditions, as Burgelman and others have pointed out,<sup>87</sup> it becomes increasingly difficult to defend a status quo which, is, in any case, rapidly vanishing as a potentially unlimited plurality of channels becomes available. It is doubly difficult when public service broadcasters—and the BCNZ is no exception—are subject to continuing criticism about their performance.<sup>88</sup> Yet the commercial alternative looks considerably worse in terms of

quality, equity or access. This is especially true when its initial promise of multitudinous variety quickly fades:<sup>89</sup>

It seems to legitimate the whole idea of deregulation—that free rules stimulate diversity and quality—though very quickly this mushrooming is followed by a trend towards heavy concentration.

What is consistent are two themes. One, is that the structure of media markets leads advertising to restrict the range and quality of programming possibilities. The second, is that advertising in tandem with consistent trends to conglomeration and concentration, deters new entrants to the market unless they already have resources (but these, in turn, may serve to reinforce the pattern of concentration).

The same relationships hold true in the print media, especially where there is provision of a national product, which then highlights the importance of distribution to equality and diversity of access. In brief, the 'free' market is far from free and must, invariably be subject either to regulation or incentive, to function in either a socially equitable or, for that matter, economically efficient manner.

## Proposals for Broadcasting

It should be self-evident at this stage that there is a strong case for some form of management in the broadcasting arena. The problem is simple: what kind? So far, the international literature has been far from bristling with workable ideas although, given the momentum of deregulation, it is replete with evidence of policy failures.<sup>90</sup> Nevertheless, Dyson and Humphries, in a review article on the problems of policy implementation may provide a starting-point:

Acceptance of the role of multi-media and multi-national corporations must be accompanied by regulatory policies (on programme commissioning policies of broadcasting companies, public and private), by training policies and a combination of tax inducements and subsidies that will stimulate the independent production sector.<sup>91</sup>

They make it clear, as does Burgelman in an illuminating article on the available options,<sup>92</sup> that public broadcasters must remain an important part of the new environment, but that they need to forge a new role for themselves built on the resources and skills they already possess.



The BCNZ already appears to have begun to do this, as the attachment of a Statement of Mission to its submission to the Royal Commission reveals. However, it is still confronted by some fundamental structural problems. It has long been plain, for example, that broadcasting in New Zealand has been faced with pursuing two conflicting objectives: the provision of public service programming on both radio and television and the need to capture sizeable commercial income to fuel its organisational requirements. There seems little serious disagreement that these objectives are incompatible.

At the same time, there are continuing signs that it cannot accommodate the claims and demands of different sectors of society. Most prominent amongst these have been the claims of Maori broadcasting for adequate representation and use of the Maori language; the independent production sector, too, has been demanding substantial access and funding since at least the early 1970s. But dissatisfaction has also been expressed by a range of other groups and was perhaps most forcefully articulated at the Arts 2000 forum in November 1986.<sup>93</sup> Under these circumstances, and given the technological changes at hand, it seems unlikely and, indeed, unsuitable that the BCNZ should remain locked into its present form.

One possibility is to take up part of the Treasury proposals to the Royal Commission on Broadcasting and extend them. It is hard to disagree, as they argue, that the frequency spectrum is ineffectively utilised. It is also clear, as they acknowledge, that the spectrum is a public asset.<sup>94</sup> It seems feasible, therefore, to devise an arrangement which would reap an economic return in the public interest. Briefly, one proposal would be to throw open the spectrum for bidding by different interests, but to set out clear performance specifications to be fulfilled by applicants for different portions of the spectrum. The specifications would involve a mix of social and economic objectives and successful applicants would be awarded a limited-length licence for which they would pay an annual rental. In this way, the principles of access, public interest, transfer-ability of portions of the spectrum, efficiency and a return on a public asset would be ensured. It would also ensure, as a political goal, a high degree of accountability both for the use of the spectrum and over its allocation by public scrutiny of the performance specification. Under competitive conditions, poor performers would be likely to lose their licence in favour of an alternative applicant who could

show appropriate credentials required for the performance mix. Licences would be allocated by a publicly-appointed body with the aim of utilising the broadest spectrum as fully as possible. In essence, this arrangement bears similarities to the Independent Broadcasting Authority scheme in the United Kingdom, but with the proviso that some portions of the spectrum would be more tightly regulated for their social obligations.<sup>95</sup>

In more detail, the radio spectrum would be organised so that different regions of the country could be assessed for their commercial potential and licences issued according to parameters of signal strength and the region's ability to support advertising revenue. It is assumed that some operators would aim for national coverage, while others with, for example, regional or special-interest objectives would draw on subscription or institutional support, so that, in effect, a number of tiers from larger high-strength operators to, low-power community or access radio stations would emerge.<sup>95</sup> It seems entirely feasible for public-service radio to be incorporated under these arrangements.

This might be either in part through utilising its newsgathering production and library resources as a form of fee-for-service data bank operation (an idea proposed by Burgelman)<sup>96</sup> with, perhaps a different form of ownership or co-operative arrangement; or by an alternative source of funding, as discussed below.

Television is, invariably, more problematic and perhaps best served by a trade-off. It is suggested that the networks and facilities be held by a Broadcasting Authority but that one channel is leased back to TVNZ either at cost or for a pepper-corn rental. The second channel should be allocated for operation along the lines of Channel 4 in the United Kingdom. In other words, it would act as a publisher which would commission programmes from the independent section, but not produce programmes itself. The remaining Very High Frequency (VHF) and Ultra High Frequency (UHF) spectrum should be made available to commercial operators at a rental and with clearly specified performance requirements. It is envisaged that a points and quota system, varied according to differing social or economic goals would form the most equitable arrangement. The trade-off for TVNZ is the removal of advertising from the channel but with revenue recouped in a variety of forms. First, as with a Channel 4 system, the commissioning channel would be obliged to buy a percentage of its programming from TVNZ. Second, a rise in the licence fee, as advocated by the Royal



Commission on Broadcasting. Third, the revenue gained from the imposition of a licence fee on either satellite dishes or decoders. Given the fact that it would be operating only a single channel and with reduced responsibility for transmission facilities, the expectation should be for satisfactory funding. Since the thrust of the proposal is for TVNZ to be well-funded, if it is to be able to produce high-quality material, a further possibility is noted below. However, it would also be essential to provide TVNZ with a charter for a period of, say, five to seven years at the end of which its activities and performance would be available to close public scrutiny, and amendment, if necessary.

The general aim of these proposals is to enable New Zealand to weather the onset of satellite transmission with the maximum of pluralism and vitality, and by involving a wide cross-section of public and private-sector programme producers. It is impossible in a paper of this length to do more than sketch out some essentials, but should indicate, nevertheless, a re-organisation which is equitable and workable and draws on proven arrangements from the Independent Broadcasting Authority's (IBA) operation. For example, the IBA manages a stable system which relies on a rental payment of the equivalent of seven cents in each dollar for ITV companies (in 1984), a two cent government levy on income and a further two cents in corporation tax, plus twelve cents in subscription to Channel 4 (of which no equivalent fee is proposed here) leaving after operational and capital expenses, only two cents in each dollar as profit (a fall, incidentally, from six cents in 1978).<sup>97</sup> Even these apparently meagre returns are sufficient to provoke keen competition for ITV franchises when they are due for renewal.

It is worth making two further passing remarks. One is to note that two other countries are moving towards a Channel 4 system. One is Australia, where the Special Broadcasting System is under consideration for reorganisation along Channel 4 lines.<sup>98</sup> This is a particularly noteworthy development when Australia has also been in a process of deregulation.<sup>99</sup> The second is Denmark, a public service system of similar size to New Zealand, which is adopting a Channel 4 arrangement for its second channel.<sup>100</sup>

The second remark is that care needs to be taken with the drafting of regulations to prevent undue concentration of ownership: specifically, account needs to be taken of Litman's findings, noted earlier, about the problems of vertical integration, and also about

the development of cross-media linkages, to which radio has been particularly prone to date.<sup>101</sup>

## Advertising, a Media Bank Concept and the Print Media

A second major proposal derives from the analysis of advertising's effect in reducing diversity and is essentially redistributive in impact. If advertising is consistently reductive of variety, it follows that it should bear some of the cost of expanding choice and diversity: in short, of correcting the markets structural imperfections. Consequently, it is proposed that a 2 percent advertising tax is levied on all categories of media advertising. The total, in round figures, comes to \$771 million for all media advertising to 31 March 1978, so a 2 percent levy would amount to more than \$15 million annually, in crude terms. Although advertisers would be bound to disagree, advertising is a profitable business which, according to their own figures<sup>102</sup> and to world trends has the capacity to grow<sup>103</sup>, and it seems unlikely that, in the long-run this would be too great an imposition. It has also been proposed before, for the United Kingdom<sup>104</sup> so that, as an idea, it is not entirely novel.

Nor is the third proposal<sup>105</sup>, which is to set up a media bank financed from the advertising tax. There are a large number of ways in which a bank could promote diversity and lower barriers to market entry. One is to set up a seeding fund for the broadcast media, within set criteria, to promote well-developed production proposals. While these might take the form of particular programme proposals, along the lines of the Film Commission, it might equally act as a source of venture capital or be used to promote or co-finance workshops or community production facilities. It could also be used to fund particular categories of projects, for example a Maori production company. In the print field, its utility would be to fund or co-finance small ventures: publications or magazines which have demonstrated some potential for circulation and sound organisation and either support them in a production or distribution capacity until they reach a point of self-support or evident failure. In other fields it could easily promote activity with relatively small assistance: non-broadcast video production for example is currently informally organised and lacks an organised



distribution system, although there are limited moves in that direction. It is a community resource which, with a small amount of aid could develop a circulation of institutional, art, alternative and community workshop productions to become available to public libraries, galleries, institutions, educational areas and so forth. A media bank could also support training initiatives, or it could even provide assistance for basic media research. While its objectives would need to be carefully thought through in order to assist projects of genuine market and a potential to survive, it could have a noticeable social and economic impact by encouraging new entrants to existing markets and activities. It is also possible that a proportion of the fund could be split off as an annual grant in support of TVNZ, in relation to the amount spent currently on television advertising (\$224 million or 29 percent)<sup>106</sup>. Again, it is worth pointing out that schemes, albeit of a more limited nature, are reported to exist in Australia and have been in existence in Europe for some time.<sup>107</sup> Moreover, as mentioned earlier, there are signs that the Film Commission is moving in a similar direction to promote local production.

Besides these incentives, there needs to be further regulation to control the effects of conglomeration and concentration of ownership. A United Kingdom proposal is for an Independent Press Authority<sup>108</sup> which, among other things, would monitor ownership links, could order divestiture of publications and institute, perhaps, a legal right of reply, as currently operates in West Germany.<sup>109</sup> There also seem some grounds for considering a similar arrangement with regard to film and, in the future, video distribution, as noted earlier.

## Conclusion

The thrust of this paper has been to analyse inequities in social policy within the media, and to propose means to correct them. The scope of the paper has produced obvious limitations in the depth and breadth of coverage. It is acknowledged, for example that the area of actual image production and presentation—the process of representation—has been neglected. It is both a big and crucially important area, and there must be some concern that structural changes do not affect the power, for instance, of media professionals and professional ideology in the construction of

media messages. Equally, the ways that audiences construe and interpret the media, which has been the subject of much recent research and revision,<sup>110</sup> need to be the subject of continuing attention.

Nonetheless, structural characteristics form an important starting point to correcting a variety of persistent inequalities. For that reason, short-term or ad hoc actions, such as privatising parts of the broadcasting system will only have an aggravating and detrimental effect, for short-term gain.

Although, for a variety of reasons, the media drew a small number of submissions on social policy—some of which, to do with violence and pornography, are more appropriately dealt with by the Committee on Pornography—it is easy to recall sufficient indications that show the operation of the media is a matter of continuing concern to the general community. For that reason if no other, the analysis and remedies laid out here are a matter of importance to New Zealand society at large.

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- 84 Information supplied by 4A's. See B. Jesson, 'Home Market, Home Truths' *On Film* 2,3, April 1985; B. Jesson, 'Taking the Cake' *On Film* 2,4, June 1985; J. F. Reid, *Some Aspects of Film Production in New Zealand* Wellington, Queen Elizabeth II Arts Council, 1972.
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- 86 Information supplied by the Video Distributors Association.
- 87 J. Burgelman, 'The Future of Public Service Broadcasting: A Case Study for a 'New' Communications Policy' *European Journal of Communication* 1,2, June 1986; B. Mieke, 'The Logics at Work in the New Cultural Industries' *Media, Culture and Society* 9, 1987.
- 88 Royal Commission of Inquiry, op. cit., pp. 451-468; *National Business Review* August 25, 1985; M. Coke & S. May 'Forum for Film: But was Arena Artifice 2000?' *On Film* 4,1, December 1986.
- 89 Burgelman, op. cit., p. 184.
- 90 K. Dyson & P. Humphreys 'Policies for New Media in Western Europe: Deregulation of Broadcasting and Multimedia Diversification' *West European Policies* 9,4, October 1986.
- 91 op. cit., p. 121.
- 92 Burgelman, op. cit.
- 93 See, for example, Coke & May, op. cit.
- 94 New Zealand Treasury, op. cit.
- 95 See the Independent Broadcasting Authority, *Television and Radio* 1984 and *Annual Report and Accounts* 1982-83, for instance.
- 95a A detailed submission to the Royal Commission on Social Policy from the Wellington Access Radio Council, for example, gives a good account both of how an established community station can operate successfully, and the breadth and variety of support it attracts. It also indicates the difficulty of



anticipating the kinds and depth of response before a new system begins operation, but suggests the level of potentially widespread commitment it can stimulate, as experience in other countries has demonstrated: see, for example, S. Partridge, *Not the BBC/IBA: the Case for Community Radio* London, (Comedia, 1982), and the growth of the free radio movement in Belgium (Burgelman, op. cit.) and France (Dyson & Humphrey, op. cit.).

96 Burgelman, op. cit., p. 195.

97 Independent Broadcasting Authority, *Television and Radio* 1983, p. 145 and 1978, p. 214.

98 H. Evans, 'Prospects for the SBS' *Media Information Australia* 46, November 1987.

99 *National Business Review* January 30, 1987 and June 5, 1987.

100 World Broadcast News October 1987, p. 14.

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102 Broadcasting Tribunal, *Applications for Television Warrants and Television Programme Warrants: Decision* August 1987. See especially Appendix II and IIa and Annex; *National Business Review* July 15, 1985.

103 Dyson, op. cit., pp. 22–23.

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107 Curran in Curran (ed.) *The Future of the Left*, op. cit., pp. 275–276; P. Golding & G. Murdock, 'Confronting the Market Public Intervention and Press Diversity' in Curran (ed.) *The British Press: A Manifesto* op. cit.

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109 Holland, op. cit., pp. 115–116.

110 D. Morley, 'Decoding Television: Theorising Determinations' in *The Nationwide Audience* London, BFI, 1980; P. Collett, 'Watching the Audience' London, ITSC, 1986; M. Douglas & K. Wollaeger, 'Towards a Typology of the Viewing Public' in R. Hoggart & J. Morgan (eds.), *The Future of Broadcasting* London, (MacMillan, 1982). In New Zealand, Geoff Lealand is planning similarly based on new theoretical perspectives for audience viewing patterns.

# THE MASS MEDIA

A Māori Perspective

Derek Tini Fox





# The Mass Media: A Māori Perspective

Derek Tini Fox

In early April 1988 the Chairman of the Broadcasting Corporation of New Zealand (BCNZ) in defending his desire for greater New Zealand content on television, said in a radio interview that:

We do not want our children to dream foreign dreams.

He was of course referring to all New Zealand children and the impact upon them of foreign programmes. Despite his expression of concern, there will remain a sizeable minority of New Zealand children who will still dream foreign dreams because their culture is Māori, and the only mass media available to them is foreign, it is Pākehā. What applies to New Zealand as a whole applies even more urgently to Māori New Zealanders.

Gary Wilson, the executive training officer for the New Zealand Journalists Training Board illustrates this dilemma as follows:

Journalists often argue that their job is simply to hold a mirror up to society so the public can see what is really going on.

It is a comforting analogy for the journalists because it relieves them of any moral dilemma. If they are criticised for covering a story, they have a convenient defence: they are just doing their job. They are not making judgements, they say, and they are not taking sides. They are merely delivering an objective, professional summary to keep the public informed.

All this suggests the news media, by simply recording, have no influence on the course of events, that they are detached observers. The reality is different. The news media are constantly shaping society by deciding what is important and what is not, and by telling people how things should be seen.

A regular part of the media's message is that Māori does not matter. Not much anyway. Not unless it intrudes on the Pākehā world. That is why we get all the gang stories, and why a loans 'scandal' or a 'kill a white' statement is so much bigger than kohanga reo or a Ratana hui.

The journalist's version of New Zealand day by day is not surprising. It's inevitable. The journalists are painting a Pākehā picture of Aotearoa because they are Pākehā. And mostly they are conventional Pākehā with a conventionally meagre grasp of Māoritanga.



They are hurt and defensive if you suggest that their journalism is prejudiced and unprofessional. They have been reared and trained in a society that has always said Māori does not matter—and they are working within those guidelines.

Wilson argues that the mass media work for and to the society from which they have sprung, and we should not be surprised by that.

But this need not be so, nor should it. There is a very strong case for Māori working radio, television and print journalism from and for a Māori perspective. The Pākehā mass media have shown that they are unable and unwilling to fairly reflect the Māori position accurately.

Māori people have a right to arrangements which give expression to the 'tino rangatiratanga' (authority) guaranteed in the Treaty of Waitangi. That implies 'mana whakahaere', (control); Māori are not interested in being advisers or 'colour consultants'. We are ready to make our own way in this world, but we want to take our equitable share of the resources with us to do so.

### *In the Beginning*

It may still be hard for many New Zealanders let alone the casual overseas observer, to accept that this country was not always a Pākehā country, nor was it an empty wilderness prior to the arrival of Captain James Cook.

In the one hundred and forty eight years since the signing of the Treaty of Waitangi (see Appendix), however, Tauīwi have taken over, both in number and tikanga (culture). Most of them would prefer to forget the Treaty; in 1986, only 18 percent of Pākehā thought that the Treaty was significant and relevant to modern times (Project Waitangi 1987) while two thirds had expressed no opinion either way. The 'tangata whenua' do not see it that way. In both Māori and Pākehā cultures, a contract is a contract whether it was signed this morning, yesterday, last week, or last century. The partnership that the Treaty once proclaimed is being called up, sometimes in the streets, sometimes in the courts; and sometimes with success.

This new assertiveness has not been popular with Pākehā, but that is not going to make it go away. Ultimately the Treaty partners have to face up to a fairer distribution of the resources of the nation, and of the power to allocate and use those resources. As

Wilson has indicated (above), the mass media are a Pākehā monopoly in which the owners and workers can only read the Pākehā signs. They have neither the skill nor the will to do otherwise. Unfortunately, the Pākehā monopoly has also usurped the Māori share of the funds and resources too.

### *For the Record*

In the private sector of the mass media, control is highly concentrated. In the public sector there is only one controller, the BCNZ. In both sectors the controllers are Pākehā.

In the printed media, three newspaper companies own or control every major newspaper in the country, except the Otago Daily Times. Independent Newspapers Limited is an example of the newspaper giants; they own The Dominion and Dominion Sunday Times, The Evening Post, The Christchurch Press in Christchurch, The Sunday News, The Waikato Times, Truth, The Southland Times, The Timaru Herald, The Taupo Times, The Manawatu Evening Standard, The Marlborough Express, and the racing papers. At least 40 percent of INL is owned by Rupert Murdoch. The other major press company is New Zealand News Limited. Brierley Investments Limited is their major shareholder. BIL and INL between them own or control most of the country's private radio stations. In that entire structure there is not one senior Māori manager or executive.

The BCNZ, publicly owned, controls the major slice of the electronic media. In a simple sense, being publicly owned means that Māori have a share-holding of about 13 percent.

BCNZ runs our two television stations, a community radio station in each major town, a National Programme network, pop-music stations in each of the major centres, and the Concert Programme network. In addition it publishes the Listener, and runs the New Zealand Symphony Orchestra. In 1987 the BCNZ reported gross revenues of \$332 million; \$48 million of which came from the public broadcasting fee. Television earned over \$224 million of the \$332 million.

Together the two television stations transmit more than 10,000 hours of programmes each year; at least 70 percent is imported, mainly from America, Britain and Australia. The predominant language of New Zealand television is American, followed closely by Liverpudlian, or some other British variation. Māori runs a poor



last. It has yet to break one percentage point of the transmission time in the country in which Māori are the 'tangata whenua', on the television system in which they have a notional 13 percent shareholding.

The proportion of Māori language broadcasting from Radio New Zealand is even less than on Television. Radio New Zealand broadcasts tens of thousands of hours a week. In all those hours, across all their frequencies, they broadcast less than an hour of Māori a week last year. Yet they earned \$60 million through advertising sales; Radio New Zealand was also allocated the lion's share of the public broadcasting fee.

The Broadcasting Act 1976 requires the BCNZ to reflect the culture of New Zealand (section 3). It does not do this. The Māori people have seriously considered challenging the BCNZ on that issue in the courts. But the 1976 Act expressly precludes the possibility of such a judicial review. New Zealand's Pākehā radio and television system is impervious even to the law, seemingly accountable to no-one and certainly not to its notional Māori shareholders. Any change that may come is on BCNZ terms at BCNZ's will, and at BCNZ's pace.

For the last 15 years or more, at Royal Commissions or Commissions of Enquiry, at the Waitangi Tribunal, or the Broadcasting Tribunal, the story has been that change was imminent. The caring, plausible, broadcasting bureaucrats, with their hands on or near their hearts, regularly appeared and like clockwork manikins told of the many Māori policies they either have in place or that will shortly be underway.

For more than ten years, policy required the on-air staff to pronounce Māori place names and words properly. Māori is now an official language, yet hundreds of times a day on publicly owned radio and television stations, heard from Te Rerenga Wairua to Rakiura, the Māori language is slaughtered by uncaring Pākehā. They know their Pākehā bosses also do not give a damn either, and that they are beyond retribution.

It is not the intention of this paper to argue a percentage here or a percentage there with BCNZ, that time has passed. Suffice to say however, that after nearly thirty years of television in Aotearoa, Māori language programmes accounted for less than one percent of all programmes broadcast last year.

The task has clearly been too onerous for BCNZ. In fact if we take up Gary Wilson's point, it was unreasonable to expect them to do it in the first place.

The Royal Commission on Social Policy should, therefore, recommend to the Government, that in the interests of social equity, the burden of providing a Māori broadcasting service be removed from the BCNZ forthwith, and placed in the hands of a suitably qualified autonomous Māori body.

### *Consider the History*

The first Māori language broadcasts began in 1942 when a young East Coaster called Wiremu Parker announced once a week on the YA stations, the lists of Māori killed in the war. It seems that he was asked to do this because it was cheaper and more convenient than sending telegrams to the bereaved next-of-kin. Even then there were critics, who complained of a foreign language on the airwaves, yet the early beginnings of Māori broadcasting could have augured well for the future. But although Wiremu Parker soldiered on with the once-a-week-on-Sunday-night Māori news programme, 35 years were to pass before the next real change.

The service had no real support from BCNZ's 'tipuna' the New Zealand Broadcasting Service (NZBS) and the New Zealand Broadcasting Corporation (NZBC). Stories about 'Māoris' or of possible interest to them for inclusion in the Māori news were supposed to be left in a box for Parker to consider. Each Sunday morning, Wiremu Parker would find the box empty, as what material it did contain was incomplete, inappropriate or insensitive. He had no resources or support to collect the news from the Māori community itself.

In those days, more so than now, Māori were almost absent from the airwaves. One day there was a story about a young woman called Kiri Te Kanawa, who had just won a major singing contest in Australia. She was, according to the story, 'part-European'.

The next big change could have been 1973/74. The Labour Government elected in 1972 had a policy to establish a Polynesian radio station, and required the then NZBC to implement it. Management in the NZBC was not in favour of it but was forced to comply, albeit slowly. Although the position of Manager was advertised, interviews held, and an appointment made, he was told to keep it quiet, and continue his normal duties. NZBC gambled



that the Kirk-Rowling government would lose the 1975 election. The gamble paid off, and Radio Polynesia was still-born.

Three years elapsed before the next reluctant step forward. Radio New Zealand (RNZ) responded to the application by a radio company wanting to set up a radio station aimed in part at the Māori and Pacific Island people of Auckland and South Auckland. They called up the person who had earlier been named manager and then pigeon-holed, to consider setting up a 'radio unit', (not a station), to cater for the suddenly recognised needs of Māori and Pacific island peoples in the Auckland urban area.

A modest service was envisaged, after a suitable planning period of course. There was some incredulity expressed when the Manager said he would like to go on air in two weeks, broadcasting daily news programmes in Māori, Samoan, Cook Island Māori, Tongan, Niuean, and Tokelauan; and run a weekly current affairs magazine programme in each. The service began broadcasting within 3 weeks.

It was a modest undertaking of half an hour a week-day on the second to least popular frequency. But it was the biggest development in Māori broadcasting since Wiremu Parker broadcast the first list of Māori war dead, 35 years before.

Despite promises of either their own dedicated frequency, or an increase in broadcasting hours 'likely to be in the next development plan', that modest service is just as modest eleven years later. It does however have the grandiloquent name of Te Reo o Aotearoa (the Voice of New Zealand).

1983 was the date of the next real development, when the news programme Te Karere began on television; and it really happened by accident. The previous year, during the token arrangement known as Māori Language Week—squashed in ironically between Conservation Week and Hiroshima Day—the head of news for Television New Zealand (TVNZ) Week instructed his only Māori journalist to remove himself to Auckland to prepare and deliver each night on TV2, just before 6.00 pm, a couple of minutes of news in Māori.

This material was to be gleaned from whatever was available and translated into Māori. It was to be news in Māori, rather than Māori news, because like the hapless Wiremu Parker on radio before him, he had no additional facilities to do the job.

The task was accepted, but not the brief. In a scenario familiar to many Māori given a task but not the resources to make it work, he

called on two of his mates for help. They came, voluntarily and without pay, and for the next week the trio begged, borrowed and purloined film, facilities and favours, in order to run the country's first Māori television news service.

Conditions were primitive. There was only a one-camera-studio, and the Māori news was preceeded by a headline bulletin in English. While that was read, the Māori reader sat on the floor at the Pākehā readers feet. The changeover in front of the camera had to be effected during a 10-second long pre-recorded weather forecast.

On the Saturday, because the Pākehā reader was not available, the Māori reader was asked to read both bulletins and the weather. He did so, first reading the English headlines and weather, changing to Māori, and then coming back to English to facilitate news for the deaf. Significantly, at that time the deaf already had a weekly half-hour news programme, something that the 'tangata whenua' have yet to achieve.

As a result of that one week of Māori TV news in July 1982 and much in-house fighting and public slanging over the next few months, Te Karere got underway in February 1983. The birth was easy enough, but the childhood has proved to be turbulent. The Pākehā managers would only allow Te Karere to be four minutes long, and to be transmitted on TV2, the channel that was not received in many rural areas including the East Coast—Wiremu Parker's homeland.

Slowly the coverage for Te Karere has improved and the duration of each week-day broadcast has increased from 4 to 11 minutes. In their 1987 report to Parliament BCNZ takes obvious pride in the latest patchwork improvement in Māori programming.

Late in 1984 the Broadcasting Tribunal sought applications for four regional television warrants to offer a third television service around the country.

In March 1985 the New Zealand Māori Council decided to do something about its longstanding dissatisfaction with the extent of Māori programming on the BCNZ's networks, and applied for the warrants on behalf of the Māori people, as the Aotearoa Broadcasting System (ABS).

Also in 1985, Nga Kaiwhakapumau i te Reo—the Wellington Māori Language Board—took a claim to the Waitangi Tribunal aggrieved at the Crown's lack of support for the Māori language. The claimants sought a ruling from the Tribunal which would



lead to Māori having official recognition. Although the Government had announced its intention to make Māori an official language, Nga Kaiwhakapumau doubted the Government's will to pass legislation that would protect the language and encourage its greater use.

The Tribunal found in favour of the claimants and against both the Education Department and the BCNZ for their neglect of Māori, a treasured inheritance which the Crown and its agents had a duty to actively encourage.

When the third TV channel hearings began in mid 1985 there were five major and two minor contenders, including Aotearoa Broadcasting System, sponsored by the NZ Māori Council. The main five sought warrants for all four regions, the other two wanted warrants for only one of the four regions.

While the Broadcasting Tribunal was hearing TV warrant applications, the Royal Commission on Broadcasting and Related Matters was holding public hearings too. Late in 1985, TVNZ announced its intention to set up a Māori production unit and it told the Royal Commission on Broadcasting that the unit would make programmes for the following three audiences:

- 1 Persons who are fluent users of the language
- 2 Māori who are not fluent users of the Māori language
- 3 Māori and non-Māori who are interested in Māoritanga including the language.

The Māori Broadcasters' Association (MBA) opposed their plan, arguing that rather than a mere production unit there should be a full Māori department set up. The public disagreement resulted in the MBA boycotting the Māori unit and no members of MBA applied for the position of head of the new unit. However there were three applicants. Only one of the broadcasters who applied was a fluent Māori speaker.

The MBA Chairman by-passed the Director-General of TVNZ and went to the BCNZ Board, the chairman of which met with the director-general and the MBA Chairman, in an acrimonious discussion. Nonetheless the BCNZ Board agreed with the MBA position and opted to establish a full Māori Department.

The MBA victory was shortlived, as the director-general appointed a monolingual applicant to the position of head of department, even though the regraded post was never advertised, which was contrary to all broadcasting practices.

The MBA raised the matter with the Public Service Association (PSA), pointing out that broadcasting staff had been denied the chance of applying for this position. At first the union could not see what the fuss was about, but later effected a compromise whereby although the position was not advertised, an open appeal against the designated appointment was allowed.

That procedure meant that the director-general's appointee occupied the high ground and was defended by the system from would be appellants. It also meant that contract staff, who normally do not have the right of appeal against internal appointments, would still be denied the opportunity to be considered for the job. For members of the MBA excluded from the contest this was a salutary reminder of where the real power in Māori broadcasting lay. Ironically a deputy-head of the Māori Department was sought with the stringent requirement that she or he should be bilingual.

Māori broadcasting had a busy year in 1985. In September, ABS and BCNZ reached an agreement whereby the latter would support the former in its application for the third television service. Under the agreement BCNZ would provide ABS with a distribution service for its programming. It was about to renew TV1's distribution network anyway, and planned to let ABS use the old one. ABS had also argued, successfully it seemed, that because BCNZ was not servicing Māori needs it should turn over the Māori share of the TV resource to ABS.

The agreement provided for initial capital funding, and further provided 15 percent of the joint television revenues for ABS. If ABS sales did not reach 15 percent it would be topped up to that level. But if ABS exceeded that amount, then good luck to it. The arrangement caused considerable satisfaction amongst Māori people at the time. The chief executive of BCNZ announced that his board would support ABS because, of all the applicants, ABS was the only one to advance television in this country in a meaningful way.

In discussions with ABS, he confided that he did not believe it was possible for BCNZ to satisfactorily service its Māori clientele, because it was simply not built to do so. He used the analogy of a machine that was set up to make hats, which suddenly was told to make belts as well. It wasn't possible, he said, although he claimed that his board had time after time established initiatives for the extension of Māori broadcasting only to see the energy dissipate in



the broadcasting bureaucracy and come to less than he had hoped for.

Let us return to the executive training officer of the New Zealand Journalists' Training Board, who argues that:

Maybe change is coming. There is a steady trickle of Māori trainees joining the news media now, when 10 years ago there was scarcely one Māori recruit a year, and more and more Pākehā journalists are acknowledging that they are out of their depth with Māori news—and are trying to do something about it.

Also, Broadcasting is spending money on Māori programming—and talking of spending more. You could almost get the impression that things are rapidly coming right. But that is not true. The power to bring about change is still in the hands of executives who:

- 1 do not recognise that the news media are seriously prejudiced and unprofessional—and are damaging New Zealand society,
- 2 are not committed to any effective re-training programme for their Pākehā staff,
- 3 are not committed to a recruiting programme that will produce a flow of Māori recruits strong in their Māori and strong in their professional skills,
- 4 do not see the need for Māori news and programming to be independent of uncompromising Pākehā bosses.

To illustrate the sort of things the executives say, consider these 10 points made to the 1986 Royal Commission on Broadcasting (see Table 1). They are from paragraph 6.36 (p 300) of that report.

TABLE 1: Extract from submission to Royal Commission on Broadcasting 1986

<i>Proposal</i>	<i>Action</i>
The Board of the Corporation agreed, in October 1984, to a range of future priorities in respect of Māori and Pacific Island programming:	It reads well and must have sounded even better, however what has occurred with that impressive list in the intervening four years?
1 The establishment of 1YB in Auckland as a Māori and Pacific Island Access station, with emphasis to be on Māori content. Links would be established with 2YB in Wellington, or further elements of Māori pro-gramming would be initiated on 2YB, such as a Māori breakfast session.	1 Nothing. That plan or something very similar was mooted in 1978 shortly after the development of the Māori unit in Auckland.
2 The establishment of a new post of Māori Affairs reporter at Radio New Zealand Head Office News, with other Māori Affairs posts to follow.	2 Nothing. No appointment has been made, in fact there is not one Māori reporter whether mono-cultural or bi-cultural, monolingual or bilingual in the Head Office of Radio New Zealand News.

3 The establishment of regular Māori news bulletins in English on commercial stations and regular bulletins in English on the National Programme.

4 The provision of Māori Language Week type capsules for commercial stations to be played throughout the year (not just in Māori Language Week).

5 The extension of Community Notice Board facilities on commercial stations to include notices of hui, tangi and other events of interest to Māoris.

6 The provision of one minute duration information commercials with revenue potential on Māori history, culture and personalities in collaboration with the Departments of Māori Affairs and Education.

7 The promotion of modern Māori music and musicians on commercial stations.

8 The adoption of a monitoring scheme for Māori recruits specifically directed at maintaining their bicultural differences until they reach positions of influence in Radio New Zealand, which would enable them to affect the prevailing culture.

9 Encouragement of Pākehā staff to become bi-cultural & bilingual, with Māori modules in all suitable courses and facilitation of outside studies.

10 The encouragement of mental orientation, in all RNZ decision makers, towards consideration of the Māori point of view in projects. This is to be fundamental, not token, and in a way that Māori influence can be exerted on the final decision or programme.

3 Once a week there is a Māori News Roundup on the National Programme. But Pākehā people get their news every hour and even more regularly in peak times. Would Pākehā people call a news roundup once a week sufficient? We have hardly advanced from Wiremu Parker's Māori news box of the 1950s and 1960s.

4 No evidence of this as a consumer. Nothing.

5 No evidence of this as a consumer. Nothing.

6 No evidence of this as a consumer. Nothing.

7 It must be deduced that Māori people should be grateful to hear Māori music played on the stations in which they are shareholders. Somehow it has to be seen as a privilege not a right.

8 RNZ has informed The Royal Commission on Social Policy that it is having trouble recruiting and retaining Māori staff. Clearly this is not working—so nothing again.

9 After sixty years of radio broadcasting the only bilingual Māori—English person in the entire executive management of the BCNZ is the General Manager of the yet to be established Māori Radio Network.

10 This reiterates the token nature on the BCNZ commitment to Māori entire section broadcasting and is an indication of the low value placed on things Māori by the executive management of BCNZ and its components.

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In May 1986 The Waitangi Tribunal published its report on the language claim lodged by Nga Kaiwhakapumau i te Reo. While it reserved its position on BCNZ's culpability or responsibility for



the state of Māori language, it urged the Minister of Broadcasting in the formulation of broadcasting policy to have regard to its finding:

... that the Treaty of Waitangi obliges the Crown to recognise and protect the Māori language, and that the Broadcasting Act 1976 (Sec. 20) enables this to be done so far as broadcasting is concerned (para 7.1.9.).

In May 1986, three weeks before ABS were to present their case to the Broadcasting Tribunal, BCNZ revoked the agreement with ABS made in September 1985. It said that ABS were unlikely to win the warrants and so withdrew its offer of support. ABS decided to proceed with the case as planned, but not to offer financial evidence.

BCNZ countered the bad publicity generated from their withdrawal from the ABS deal (including a rebuke from the Prime Minister), with a plan to establish a Māori radio network. The plan, announced by the Director-General of RNZ, asserted that nothing would stand in the way of the Māori radio development. The planned network would be accorded top priority by BCNZ, ahead of other proposals.

Within six months the BCNZ had approached the Board of Māori Affairs seeking \$3 million dollars to fund the Māori radio development; BCNZ said that without Māori Affairs funding the plan it could not proceed. RNZ had decided to allocate only one million dollars while Māori community interests would have to find the rest.

Further, the planned network would originate from Auckland with repeaters in the Bay of Plenty—interestingly perhaps, that is the home area of the chairman of the BCNZ appointed Māori Radio Board—Wellington and Christchurch. There are no plans for the service to reach the heavily Māori populated East Cape, Gisborne, Wairoa, Hawkes Bay areas; nor King Country, Taranaki, Whanganui, nor North Auckland, nor Southland, which has a large immigrant Māori population.

In contrast, Pākehā radio needs are served by four radio services, which were all developed by BCNZ or its predecessors. Now when times are hard, the Māori people have been told they are on their own. It is very difficult for people who did not benefit from the good times to sympathise with the corporate body that has the statutory responsibility to service their needs, which now cries poverty. The June 1986 claim 'that nothing would stand in the way of this development' appears to be a very hollow promise.

## *Present Developments*

Māori people, often spear-headed by Māori in the mass media, continue to express their concern at the level, quality and extent of Māori programming. This has brought about some recognisable response.

The chairman of the BCNZ stated to the Royal Commission on Broadcasting that not only had the leopard changed its spots, but it was in fact a new leopard. There is little doubt that major changes are being planned.

The Royal Commission on Social Policy sought up-to-date information from the chairman of the BCNZ on Māori staffing within the Corporation's two main services; especially short-term and longer-term staffing goals, how they were being achieved, the proportion of Māori to non-Māori staff and the proportion of bilingual to monlingual staff. In the event each service answered separately.

TVNZ stated a commitment to a bilingual and bi-cultural television industry, with plans to achieve a higher proportion of Māori on its staff. They aim for Māori to account for 12 percent of their staff by the year 1990. Using August 1987 as a benchmark, they identified only about 56 Māori employees out of 1860 (3 percent).

TVNZ estimated that about a third of the 56 were fluent speakers of Māori. On closer examination, that estimate of fluency appears to err on the generous side. But even if a third have some knowledge of Māori language, across the board that would mean barely one percent of TVNZ staff have a facility with Māori, one of the two official languages of this country. None of their Pākehāstaff is a fluent Māori speaker.

TVNZ has just begun a year-long training course funded jointly with the Department of Māori Affairs, to train up to 50 Māori in a range of television skills. Although there is no guarantee of a job after the course, obviously many can expect to be placed. Of the fewer than 50 trainees who began the course, TVNZ estimates that seven are bilingual. Again that estimate appears to be too high.

RNZ in its response admitted having difficulty in recruiting and retaining Māori staff, but stated a medium term goal of recruiting Māori staff equivalent to half the percentage of Māori people in the area of each station. The same percentage was to be applied to the staff of its national networks.



RNZ was unable to say with certainty how many Māori staff it has, but estimated 50 out of a total staff of 1200 (4 percent). Radio New Zealand was unable to give the number of fluent Māori speakers on its staff, but accepted that perhaps only three are capable of broadcasting. The head of personnel for RNZ further estimates that perhaps fourteen staff (1.2 percent) have some working knowledge of Māori language, but that working knowledge is not defined.

Despite what it considers to have been an affirmative hiring programme for Māori staff for some years, RNZ admits that there have been few takers.

The Royal Commission on Social Policy's request to the BCNZ also asked about the Corporation's policy on Māori pronunciation, and whether or not this had changed or would change as a result of Māori having been made an official language.

RNZ responded that its announcers are expected to reach a satisfactory standard of basic Māori pronunciation within 12 months of their appointment to on-air work. This training has to be carried out by individual staff in their own time, using material provided by RNZ.

RNZ further claimed that over the last five years a policy has been introduced whereby all other staff who voice programmes are required to meet an acceptable standard appropriate to their particular job within twelve months of their appointment. Yet to the Māori ear, the standard of Māori language pronunciation has not improved over these last five years.

TVNZ largely ignored the question, apart from stating that a small number of non-Māori staff have undertaken elementary language tuition. That is correct; but the number who have done so would not exhaust the fingers of one hand. Their training was by the choice of the handful of staff concerned; none of them have been from senior management.

Do not despair, for TVNZ has 'plans' in this area. They include commissioning what they call a Māori language assessment procedure and standard. The last time that this was carried out by TVNZ it was done by an American who did not speak Māori. What is more, the BCNZ 'expert on Māori pronunciation' in Auckland is an Englishman who was formerly a radio announcer in Dunedin.

Television New Zealand is also planning what it calls 'a series of Māori language seminars designed to be included in staff training

for all Māori programme makers and on-air presenters'. Perhaps such seminars may one day be required for all Pākehā programme makers and on-air presenters too? So far, there appears to be little or no commitment to correct pronunciation of Māori by non-Māori on-air staff.

To a number of questions relating to Māori programming and staffing, both services answered with certain 'plans' some of which have been revealed in one form or another for some time now, but have never been brought to fruition. Other plans revealed by BCNZ are no more than those already introduced or being considered by other government agencies, being forced to deal with Māori demands for a bicultural society.

### *The Way Ahead*

As it has been for the past century, the way ahead will be dictated by Pākehā managers and executives, who as Gary Wilson and the evidence shows are firmly locked into monocultural structures and institutions.

Partnership, a notion gaining some consideration if not popularity outside Broadcasting, has not yet surfaced there. The spirit of partnership implicit in the mood which led to the signing of the Treaty of Waitangi has always been absent from New Zealand's mass media.

The Māori Economic Development Commission Broadcasting Report alluded to partnership in suggesting a 50/50 composition for the BCNZ board, half Māori members and half non-Māori. If the present mood in TVNZ, RNZ and BCNZ is any indication of the future, there appears to be little or no chance of that ever happening.

Partnership from a Māori view ought to be a partnership of equals. The Pākehā perspective, if it exists at all, appears to expect that Pākehā will be senior partners and Māori juniors. In the public broadcasting system, the legacy of nearly three decades of television, and six decades of radio, is poor. To be sure there are plans to improve, and each service has pledged to do better, but Māori optimism cannot be rebuilt on a record of shattered dreams.

Television New Zealand is putting its faith in a new dawn by increasing its Māori staff numbers. The target is 12 percent by 1990. But even that target is one third too low. If you accept that this new bi-cultural television system will have to cater for today's



youngsters, then it should set targets which recognise that 18 percent of today's school-leavers are Māori, and 25 percent of all babies born in the 1980s have at least one Māori parent. By the year 2040, two centuries after the signing of the original contract, there are likely to be a million Māori. Even the so-called radical steps being taken by TVNZ, are woefully short of what is required.

By aiming at a Māori staffing ratio equivalent to half of the Māori proportion in the population, Radio New Zealand's targets are even lower than TVNZ and as such these targets could constitute illegal affirmative action for Pākehā (under the terms of the Human Rights Commission Act, Section 26, and the Race Relations Act, Section 9).

The Commission in its letter to the BCNZ specifically asked about the Māori Radio network's progress and future planning. RNZ declined to answer, and referred the request instead to the Māori Radio Board. The Board, which only has the legal status of an Advisory Committee to the BCNZ, replied with a copy of its application for the broadcasting warrants it is seeking.

RNZ is pinning its hopes on its Māori Radio network. It is two years since the network was first announced. Although the blueprint was credited to the Māori Economic Development Commission Broadcasting Committee, in fact it was a plan created within Radio New Zealand itself. Conservatively it will need \$3 million to begin. Its service will be severely limited. So far it has had funding of a \$100,000 administration grant.

The most experienced Māori group in community radio in New Zealand is Te Reo Irirangi o te Upoko o Te Ika of Wellington. They argue very persuasively that the future for Māori radio should not be a network at all, but a series of relatively autonomous local stations which will provide local news and information, interact intimately with the community, and provide a local focus of identity. The very antithesis of the plan put forward by RNZ and the basis of the warrants being sought by the Māori Radio Board. There should of course be a national news service and a production unit which can make nationally useful programmes and syndicate or network them out to all the regions. The central service can link these regional or tribal Māori stations together, but the majority of on-air time should be locally planned and controlled.

The Royal Commission on Broadcasting acknowledged the desire by the Māori Broadcasters' Association for an equitable and

autonomous share of the public broadcasting system for Māori people. The Aoteroa Broadcasting System made a similar request to the Broadcasting Tribunal during the third television warrants application hearings. It may still be possible to achieve that within the system, but it will require major changes involving genuine equal partner status, not the tinkering and Pākehā-senior-partner changes which are being planned now.

In the preparation of this paper a number of prominent Māori people, aware of the complexities of the mass media in this country, were canvassed for their opinions.

Hirini Moko Mead, Professor of Māori Studies at Victoria University of Wellington, sees the present changes as a continuation of the assimilation policies of the first three quarters of this century. Professor Mead has a carved figure called Waitangi who he takes around the country with him. Waitangi spent a hundred years as a totara house pile in the Wellington suburb of Newtown. When the house was repiled in 1982 he was revealed in the totara by Professor Mead. Waitangi holds a quill pen in one hand, and a torn scroll in the other. His message is:

I still have my half of the Treaty, but where is yours?

The Hon. Matiu Rata, former Minister of Māori Affairs and now leader of the Mana Motuhake party, blames the lack of a meaningful Māori input into New Zealand society on their omission from the mass media. He seeks greater Māori participation and their effective control over a fair share of it.

The lack of faith by the New Zealand Māori Council in the mass media can be gauged in two ways. Firstly in its sponsorship and continuing support for the Aotearoa Broadcasting System, and secondly for the open letter to the people of New Zealand on Waitangi Day 1988 (see Appendix).

The letter, published in the major morning daily newspapers in the four main centres, featured a copy of the Treaty of Waitangi. It was designed to remind the people of this country of the Treaty, to give them a complimentary copy, and to promote greater understanding of the Māori people's perspective and their continuing desire 148 years after the signing to seek a resolution of their legitimate grievances.

The Māori Council, with \$20,000 of its own funds published nearly 200,000 copies of the Treaty text in full-page advertisements; itself a damning comment on both the mass media and the education authorities of this New Zealand.



## *He Whakamutunga*

Gary Wilson concludes his analysis with an urgent call for change. The outcomes needed for Māori to participate more fairly will involve Māori control of some of the country's media resources, in the planning of their own futures.

If there was time to spare, you could argue that we should wait for the executives to see where they are wrong and why that is so serious. But there is no time for that. The country is almost irreversibly and uncompromisingly Pākehā already.

Initiatives from Māori organisations are part of the answer. But the Royal Commission could have a vital role too, by insisting that the Government should provide—through funding and legislation—the pressure to loosen the Pākehā grip on the news media.

Major changes are envisaged for the public broadcasting services as we know them. The Minister of Broadcasting has a number of plans before him advocating changes in the degree of regulation in the industry. Commercial radio stations will almost certainly be sold off by the Crown. One or both of the publicly owned television stations is likely to be privatised. In all of these plans, the just needs of Māori are not considered.

The 1.8 percent of all New Zealanders who listen to the non-commercial Concert Programme appear to be secure, but where will that leave Māori broadcasting? An adequate service for the 13 percent of New Zealanders who are Māori is very much in doubt. Without autonomy and power sharing, our way ahead is extremely murky. In the private sector of the mass media little change can be expected until the advertising revenue potential of Māori people grows and is appreciated. In the public sector, meaningful changes will only take place when there is a political will to do so, and that may only occur when Māori people become a force to be reckoned with at the ballot-box or when Pākehā people recognise that they have not been given the legitimacy they seek from the Māori partner.

In the meantime, changes will depend as much as anything on the caprice or whim of the Pākehā who control the system. So far, the dedication of a fair and just share of the mass media for Māori cultural ends has not been accepted by the major (Pākehā) shareholders of either the privately owned or the publicly owned mass media. While liberal Pākehā may think that even after almost 150 years they can resuscitate the notion of a partnership, few Māori experienced in broadcasting and the media are prepared to settle for

less than a separate share based on autonomy and equity. The Pākehā controlled mass media have demonstrated their inability and/or unwillingness to provide a service for Māori. Their only chance 'for their children to dream indigenous dreams' revolves around separate Māori control of some of the nation's radio and television resources. Despite this, autonomous structures, especially if they have an equitable share of the resource, are generally seen by Pākehā as separatist and destructive of national cohesion. To Māori people concerned with the mass media, lack of Māori access to the mass media and their continuing inability to influence its development for their language, for their cultural and their social development is even more destructive of Māori social cohesion. Both Māori society and the wider national community are the poorer for the destruction of Māori potential.

The Department of Māori Affairs is shortly to be restructured and many of its functions devolved or transferred into the hands of Māori tribal authorities closer to the grass-roots of Māori society. Likewise, the New Zealand Post Office, a body much older than the Broadcasting Corporation, has been restructured and devolved into separate organisations with specific functions. Is it not possible in the same spirit of deregulation and devolution elsewhere, to devolve the running of the Māori electronic media to their natural users?

There is a saying in Māoridom:

ka pu te ruha, ka hao te rangatahi

Tena tatou katoa.



## Appendix

P.O. Box 5195

Wellington

6 February 1988

To The People of New Zealand

Tena koutou,

Today is the one hundred and forty eighth anniversary of the signing of the Treaty of Waitangi. For most of you that Treaty has no meaning, you have never seen its text, nor do you believe that it has any impact on your lives. But recent decisions by the Appeal and High Courts of New Zealand indicate otherwise.

To help understand why the New Zealand Māori Council and other Māori bodies have recently successfully challenged the Government in the courts, using the Treaty, we give you this complimentary copy.

### *Treaty of Waitangi*

#### *Article the First*

The chiefs of the Confederation of the United Tribes of New Zealand and the separate and independent Chiefs who have not become members of the Confederation, cede to Her Majesty the Queen of England, absolutely and without reservation, all the rights and powers of Sovereignty which the said Confederation or Individual Chiefs respectively exercise or possess, or may be supposed to exercise or to possess over their respective Territories as the sole Sovereigns thereof.

#### *Article the Second*

Her Majesty the Queen of England confirms and guarantees to the Chiefs and Tribes of New Zealand and to the respective families and individuals thereof, the full exclusive and undisturbed possession of the Lands and Estates, Forests, Fisheries, and other propoerties which they may collectively or individually possess, so long as it is their wish and desire to maintain the same in their possession; but the Chiefs of the United Tribes and the Individual Chiefs yield to Her Majesty the exclusive right of Pre-emption over such lands as the proprietors thereof may be disposed to alienate, at such prices as may be agreed upon between the respective proprietors and persons appointed by Her Majesty to treat with them in that behalf.

#### *Article the Third*

In consideration thereof, Her Majesty the Queen of England extends to the Natives of New Zealand Her Royal Protection and imparts to them all the Rights and Privileges of British subjects.

W. Hobson, Lieutenant-Governor.

The Waitangi Treaty is the contract which led to the formation of this nation. We believe in the Treaty. We support the partnership it proclaims, and continue to honour it. We invite you to do the same. This message has been inserted by the New Zealand Māori Council, for the benefit of all New Zealanders. We invite your support for the Treaty, and for this advertisement.

Sir Graham Latimer

(Chairman, New Zealand Māori Council)

P.S. If you cannot support us, enjoy your Waitangi Day anyway.

## Glossary

ABS	<i>Aotearoa Broadcasting System</i>
ABC	<i>American Broadcasting Corporation</i>
BCNZ	<i>Broadcasting Corporation of New Zealand</i>
MBA	<i>Māori Broadcasters' Association</i>
NZBC	<i>New Zealand Broadcasting Corporation</i>
NZBS	<i>New Zealand Broadcasting Service</i>
PSA	<i>Public Service Association</i>
RNZ	<i>Radio New Zealand</i>
TVNZ	<i>Television New Zealand</i>





RECREATION  
AND  
LEISURE

Dr. G. Cushman  
and  
A. Laidler





# Recreation and Leisure

Dr G. Cushman and A. Laidler

## 1 The Relevance of Recreation and Leisure to Social Policy

Recreation and leisure are rarely of central interest in political discussions of public policy, but we submit that they merit careful consideration for a number of reasons.

- *Recreation now has a place in the fabric of the social services in New Zealand.*
- *Although recreation may be dismissed as being of comparatively minor economic and political significance leisure as a whole certainly can not: economically, the leisure industry is large and expanding.*
- *politically, leisure poses a number of controversial questions through its relationship to unemployment, equity and freedom.*
- *It can be argued that many of the concepts highlighted in the Commission's Terms of Reference—including social well-being, a sense of belonging to the community, opportunity to develop potential, commitment to the country's children—are primary motivators in leisure behaviour and recreation planning.*

### 1.1 Concepts of Recreation and Leisure

What follows is an expansion of the points made above. It leads to a number of recommendations from our areas of expertise: leisure studies and recreation leadership education.

Although the terms, recreation and leisure, can often be used as synonyms, in this submission a distinction will be made between them for reasons discussed elsewhere (Laidler, 1985).

A distinction between the terms is drawn as follows:



LEISURE is considered primarily as a condition, sometimes referred to as a state of being, an attitude of mind or a quality of experience.

It is distinguished *by* the individual's perceived freedom to act and distinguished *from* conditions imposed by necessity.

It is assumed to be pleasurable, and although it may appeal because of anticipated benefits, it is intrinsically motivated: it is an end in itself and valuable for its own sake.

This is not to say that what the individual chooses to do will necessarily be socially constructive or so readily 'approved of' as, say, vigorous, skilful participation in sport as exercise. There may be resultant problems for those who would like to plan or provide for leisure in the fact that several of the most popular forms are associated with television and 'just being idle', drugs (principally alcohol), gambling, sex and risk-taking.

Although leisure may be sought and found in what are conventionally described as leisure facilities, leisure time and leisure activities, it may also be experienced elsewhere, at other times and in other activities.

RECREATION is considered as activity through which leisure may be experienced and enjoyed but it is also seen as a social institution, socially organised for social purposes.

It is assumed to bring personal and social benefits and, as a result, to qualify for support from the state.

It is a means to an end and can be rationally justified.

It is tied historically to certain types of activities, especially sport, art and crafts, outdoor pursuits, hobbies, continuing education and activities with a service orientation.

Most recreation is informal, but many activities demand formal organisation within time, codes and rules, resource availability and legal provision.

Formal organisation has included the development of bureaucratic systems and professional groups with specialised skills in recreation planning and programming, community development, facility management and administration.

### *In Summary*

The terms, leisure and recreation, overlap in meaning but in this document a distinction will sometimes be made between leisure, as a quality of experience, and recreation, as a set of activities socially organised for social purposes.

## 2 Recreation in the Social Service Fabric

There is institutional evidence that *recreation now has an established place in the network of social services* in New Zealand. It is 'legislated for' in the 1987 Recreation and Sport Act and 'provided for' in the activities facilitated by local authorities.

There is evidence too that *recreation now gives rise to questions of values and social responsibility*; it is no longer a matter merely of technical problem-solving, physical resource management, nuisance control and conflict-resolution over land.

Debates of the 1973 Recreation and Sport Bill placed strong emphasis on the potential contribution recreation can make to the 'total wellbeing of all New Zealanders', and reflected early assumptions, subsequently sustained, that recreation can be included among those *social rights and privileges*, like those defended through education and health institutions, which:

allow the citizen to share to the full in the social heritage and life of a civilised being according to the standards prevailing in the society. (Mishra, 1977)

Such benefits to the citizen may be seen as an evolutionary extension beyond the civil, political and industrial rights won earlier in New Zealand's history, when encouragement of the citizen's self-fulfilment (social welfare) was added by degrees to guarantees of the citizen's protection (social security).

*Recreation has been emerging as one of the primary social goods which 'the rational citizen wants, no matter what else he or she may want' and which 'just institutions' might be expected to provide (Rawls, 1972). Unfortunately it has been doing so at a time when the 'welfare consensus' has been waning and economic policy has been encouraging governments to reduce their welfare commitments.*

At least three effects on recreation are likely to follow from this apparent opposition of economic and social preferences:

- even if opportunities for recreation are regarded as part of a new 'social wage', increasingly government will expect the private sector to create them;
- governments will be more inclined to offer 'safety nets' for groups most seriously deprived of recreation opportunities than to 'provide' and fund recreation as a common (universal) good on behalf of the community; and



- governments will be more interested in ‘recreation as welfare’ than in ‘recreational welfare’ (Coalter, 1987): that is, in recreation as an antidote to social problems of political urgency (like unemployment), rather than as a social good of such intrinsic merit that the state should facilitate not only the removal of constraints on minimal provision but also the empowerment of all groups in the community to gain access and participation.

## 2.1 *Recreation at Three Levels*

Both in political rhetoric and professional practice, attention has been given to the value of recreation and sport at three levels of human experience:

- *functioning and surviving biologically;*
- *functioning and developing socially; and*
- *achieving (potential, identity, expression) as a unique, creative individual.*

The combined effect of the trends noted on the previous page will be a governmental preference—if there is to be any lead from government at all in recreation policy-making—to be involved at the first level (functioning and surviving biologically) and to leave the other two largely to the voluntary and private sectors, to the individual citizen, to the relevant professions and to enterprises variously authorised to act in the field.

*Government support might thus be anticipated for programmes of recreation and sport which are designed to improve the nation’s health and fitness or to promote ‘social activity organised for social ends’, especially if those ends are compatible with political objectives and strategies for problem-solving (as with the ‘problems’ of the unemployed and ‘youth at risk’).*

For this reason, it will be important for recreation policy-makers to be able to present and substantiate arguments that recreation can serve to combat social ills, just as at a fundamental level educational and health services tackle ignorance and illness respectively.

The most obvious problems and targets in this context seem to us to be those discussed in the attached Appendix.

- lack of fitness and wellbeing;
- lack of involvement in skilful, worthwhile activities;
- lack of involvement in group or community; and
- lack of appreciation of, care for, and access to the outdoor environment.

## 2.2 Support at Three Levels

We would not belittle the value of state support at the 'survival' level. We also appreciate the expediency and desirability of allowing development of recreation on the other levels to take place 'at arm's length', or further, from central government.

This could, for example, encourage agents of development such as the *Hillary Commission*, professional associations and local authorities to play major roles in facilitating universal opportunities for recreation as a set of environments in which wholesome *social functioning* and development can take place.

This they might do directly through financial support for programmes, facility provision, research and leadership development and, more broadly, through their influence on policy formulation and through co-operation with other agencies, especially those with educational, cultural and environmental responsibilities.

Such involvement would normally be oriented towards activities which could be publicly justified as leading towards socially-sanctioned ends but many of the activities would also be encouraged for their *intrinsic worth*: for the sense of achievement and commitment; for the self-expression, entertainment and celebration that they generate.

So vast is the range of public demand for this type of opportunity that it would be futile for even the most benevolent of governments to attempt to satisfy it. Not surprisingly, at this level, much provision for recreation arises in the commercial and *voluntary sectors* and from the initiative of private individuals in their private space, their private relationships and, if they can find it, their 'time to themselves'.

Provision of resources to the '*voluntary sector*' is critically important as a vast array of recreational activity springs from informal '*organisation around enthusiasms*' (Hoggett and Bishop, 1985). But support must be extended discerningly, since this major area of recreation and leisure is often misunderstood. It is hardly a sector, unified by common concerns, but rather an array of mutual aid groups for whom the activity is but one motivator among many—often purely social—aims. Most groups are keen to protect their independence and uniqueness from one another and from outside interference; they are wary of 'leisure evangelism' and funding schemes that might lure towards 'colonisation'. Nevertheless, many could not survive without access to public resources and the 'voluntary



sector': represents too rich a component of New Zealand's cultural life to neglect.

### 2.3 *An Example of Support at Three Levels*

Since the Hillary Commission is to play a leading part in the development of recreation and sport in New Zealand, it seems apt to use it to exemplify how support might be given at the three levels discussed opposite.

As an example of the applicability of the model above: it shows that, at the *social development* level, the Hillary Commission might be expected to put much of their energy and resources into the social and personal development of all New Zealanders through leisure and recreation activity. To this end, they would co-operate closely with relevant professional groups, concentrating on such issues as leisure education, leadership training and skill development.

### 2.4 *The Complexity of Government Involvement*

The difficulties of judging where and to what extent the state should become involved in recreation are apparent. Government's roles vis-a-vis recreation are diverse—it provides, protects, patronises and prohibits; its points of contact with recreation through its own departments and portfolios are numerous. But for a government reviewing social policy against 'the standards of a fair society' there are particular dangers.

The worst of these dangers in our view are these:

- The danger of manipulating support for recreation and sport with regard to their potential political capital rather than according to principles of equity and 'fairness'.
- The danger of over-estimating the extrinsic value of certain forms and levels of recreation in which only comparatively small minorities participate and under-estimating the intrinsic values which majorities seek in their leisure.
- The danger, since recreation and sport are usually low on agendas in the business of the state, of failing to recognise the significance of changes that have made leisure much more than a minor matter for those deliberating economic and social policy. This point will be expanded in the next section.

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**Biological Survival***Key issues**Strategies*

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Fitness and health key issues

-To establish policy over

Severe disadvantage

-To co-ordinate and promote

Disability and constraint

Environmental conflict

-To co-operate with other agencies

Scarcity of resources

Target groups

-To provide central leadership

Equity

-policy

Welfare

-funding

-priorities

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**Social and Personal Growth***Key issues**Strategies*

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Education

-To foster the development of leadership and opportunities

Programmes

-To initiate and act on research

Facilities

Leadership

Play

-To open communication and information channels

Skill development

Attitudes

-To co-operate with professional groups

Quality of life

---

**Achievement, Expression and Celebration***Key issues**Strategies*

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Diversity

-To encourage activity at the local community level

Pluralism

-To co-operate with the private and voluntary sectors

Identity

-To encourage creativity and innovation

Home and 'family'

Informality

-To listen to the voices of communities

Choice

Enjoyment

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### 3 The Economic Significance of Recreation and Leisure

#### 3.1 *Indicators of Size and Growth*

The size and recent growth in economic activity around leisure and recreation are striking. The range of goods, services and facilities to be considered is so broad that quantification is complex, but a number of indicators, including those used in the Government and Recreation report (Community Services Institute, 1985), seem to point to an area of spending, investment and employment that is of considerable importance. They include the following:

- The rapid growth in employment in the community, social and personal services sector, which includes the 'leisure services'. The sector now accounts for over 23 percent of total employment in New Zealand.
- Leisure and recreation (including holidays, eating out, entertainment, subscriptions to clubs and societies, hobby supplies, newspaper, magazine and recorded music purchases, gambling) accounts for more than 20 percent of all domestic spending.
- Over 14,000 people are employed in the 'recreation and culture' category of the Census of Services; a further 55,000 work in restaurants and hotels, in part servicing tourism and holiday-making.
- In 1982, over \$17 million was spent on sporting goods.
- Many of the vehicles on the roads and elsewhere are being used to facilitate recreational activity; this includes the widely-popular pastime of 'driving for pleasure'.
- Tourism is now New Zealand's second largest foreign exchange earner; it generates an estimated 68,000 jobs (and a further 30,000 in related industries). New Zealanders spend an average of 11 days a year holidaying away from home. In 1987 this contributed \$650 million to income from domestic tourism.

#### 3.2 *The Distribution of Recreation and Leisure*

Leisure and recreation are moving from the periphery towards a more central place in the economic life of New Zealand and New

Zealanders, many of whom, it is generally predicted, will continue to increase the amount of money and time they spend on such occupations in the future.

This will not, however, be the case for all New Zealanders. Many will find their leisure choices severely constrained if Government fails to reconcile a 'free market' economic policy with a social policy aimed at a 'fair distribution of the wealth and resources of the nation'. Analogies could no doubt be made with reference to 'alternative choices' in education and health care.

One of the major 'leisure problems' for governments in the imminent future is likely to be the *widening gap* between, at one extreme, those with increasing affluence, considerable freedom of leisure choice, satisfying employment and the opportunity to choose shorter working hours and working lives; and, at the other, those caught in the 'enforced leisure' and comparative poverty of unemployment or the unrelenting search for subsistence income from 'unrewarding' work.

Jamrozik (1986) predicts the growth, between these extremes, of a middle majority, restricted in their leisure mainly to 'passive activity and cultural dogmatism imposed upon it by the market and the media'. He also emphasises the significance of the issue of equity of leisure consumption for social policy. Growing inequalities in the labour market lead to growing inequalities in consumption of goods and services, in the sphere of leisure as well as in the sphere of 'necessities'.

The quality and quantity of leisure is related to a person's position in the labour market and in the socio-economic structure of a society.

Changes in the labour market have produced a situation where some people are excluded and, while they have time, their participation in leisure, especially active leisure, is limited. (Jamrozik, 1986)

### 3.3 *Work and Leisure Ethics*

Material limitations—lack of discretionary income, transport, equipment—are often exacerbated by personal disadvantages: lack of skill, self-confidence and encouragement from others.

They may also be rendered more onerous by a prevailing *ethical confusion over work*: is it obligation or privilege? If society formerly expected the citizen to earn or pay for *leisure as a 'realm of freedom'* by submission to work as a 'realm of compulsion' (Tyrrell 1983),



the expectation makes little sense in moral or economic terms now that society has more would-be workers than it structurally 'needs'.

The denial of opportunities for leisure to those with little or no power or status on the labour market runs counter to social justice: the benefits of leisure can contribute so much to social and psychological wellbeing that opportunities for it should be fairly and universally distributed. It may also threaten social control: the 'idle unemployed' may be alienated and become disruptive.

We are not referring, moreover, to a small segment of the population. The new generation of 'structurally unemployed' is but a recent addition to a formidable list of groups (including the aged, the disabled and large numbers of 'dependent' women), who have been traditionally low in 'labour market status' and, for that and other reasons, disadvantaged, in terms of their perception and realisation of leisure.

### 3.4 *The Structural Role of Leisure*

Lack of leisure in people's lives would undoubtedly raise greater public alarm if it threatened the economic structures of our society, as well as its social and cultural vitality. Lack of education, by analogy, would be more serious because, apart from its social and cultural significance, education and its institutions still function structurally to provide skilled labour to the economy and, to the individual, the motivating prospect of access to paid employment.

Leisure's structural role is obviously changing and expanding but the change is not easy to monitor. The most ambitious attempt to do so, that we are aware of, was the creation of the *Ministre de Temps Libre* in France in 1982. Concentrating its focus on 'free time', the Ministry began with specific goals, like the reduction of the working-week and the extension of holiday entitlements, but its broader intent was to examine the structure and quality of unobligated time in people's lives and its potential for creative use.

If, in this context, obligations are defined as activities necessary for basic existence (including sleep) and subsistence (including work for a basic income), then 'free time' (including leisure) represents the major time component not only in the daily lives of those outside paid employment but also in the total life-span of those who complete a full career in the work force.

Self-evidently, not all 'free time' is spent 'at leisure' if the latter is characterised by enjoyment, perceived freedom and a sense of

being in control, but more of it might be if the deleterious constraints were better understood.

An investigation into the structuring of time and perceptions of its quality in various frames (work, leisure, stress, idleness, boredom, creativity) would broaden our understanding and in all probability reveal ways of broadening the range of leisure choices and the range of groups in the population who see leisure as 'an appropriate concept' in their lives.

The significance of leisure, in a macro-social perspective, grows as the small percentage of the nation's time spent in paid employment continues to diminish; it is critical at the micro-social level because it is mainly in their 'free time' that people establish, develop and enjoy their most significant social relationships.

## 4 The Political Significance of Recreation and Leisure

In the preceding sections it has been argued or implied that leisure and recreation are relevant to deliberations on social policy in several frameworks of analysis:

- In the '*social administration model*' (Coalter, 1986) the state attempts to identify 'needs', problems and gaps in the supply of social and welfare services and to make improvement through administration reform.
- According to this model, the state could be expected to look on leisure as a residual responsibility, providing a 'safety net' if necessary but as far as possible leaving provision to the private and voluntary sectors, and to express its views mainly through negative regulation, for example over gambling, pornography and drug abuse.
- In the '*citizenship model*' it is assumed that the citizen has rights beyond entitlements to food, shelter, health care, education and disposable income; they include the right to a fair share of the social and cultural heritage, including 'civilising' opportunities for recreation and leisure.



## 4.1 *Leisure and the Capitalist State*

Both models are relevant when one considers the political settings in which decisions on social policy are made. A third, classified by Coalter as *the neo-Marxist approach*, is also pertinent.

- From this view-point the state has a principal task in meeting the needs of capitalism itself: that is, reproducing the social and economic institutions that enable it to perform its two broad functions. The first of these, *accumulation of capital*, ensures production and the continuity of the market economy. The second, *legitimation*, minimises the social cost of production, legitimates the social structure and secures commitment to the system by ensuring (in combination with the private sector) that an acceptable range of goods and services (the social wage) is available for consumption. *The social wage in contemporary New Zealand embraces a number of recreation and leisure services.*
- Accumulation is usually dealt with at a strategic (national) level where there is a close link between state and capitalist interests and where the preferred *decision-making model* is *corporatist* (centralised power, managerialist techniques and hierarchical accountability and control).
- *At the legitimation level, social consumption (including leisure and recreation) is pluralist* and susceptible to popular pressures and fashion. It can be devolved to the local level as long as it creates little threat to existing political or business power structures.

Ideological leanings obviously influence political decision-makers: do they regard the 'leisure services' as 'social welfare' to be dispensed through rational and technical (problem-solving) *social administration*? Is leisure a *social 'right'*? Where does leisure stand in relation to the corporate systems of the 'accumulating' capitalist state? In contrast, is the individual citizen in danger of exploitation by the political forces maintaining *social control* ('legitimation') and the commercial forces transforming leisure pluralism into a widening market for the sale of '*leisure commodities*'?

These questions do not remain buried in theoretical analysis; they surface in social reality.

In current context, the prominence of the questions just raised can be illustrated by reference to:

- *professional groups* planning and providing for recreation; and

- some of the groups regarded as *target problems* because they are 'recreationally disadvantaged'.

## 4.2 Professional Orientation: Pluralism or Corporatism?

If the state requires its recreation professionals to foster universality of access and diversity of opportunity, it may have to act to control policy ambiguity and apparent polarisation: between the 'ideals' associated with leisure and the 'images' associated with its commercialisation and 'commodification'. Some of the 'poles' have been identified (Benington & White, 1986) as these:

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<i>Ideals</i>	<i>Images</i>
Active participation	Passive consumption
Variety and diversity	Standardisation
Creative productivity	Mass produced 'leisure'
Social community	Separated privatisation
The 'live'	The synthetic
Judgement by quality	Judgement by quantity (for example, audience ratings)
Priorities dictated by needs	Priorities dictated by commercial criteria
Co-operative values	Competitive values

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This polarisation creates most ambivalence for the professional who is caught between two sets of expectations: *to manage physical and financial resources* efficiently by corporatist criteria applied inside hierarchical, bureaucratic and centralised systems of accountability; or to '*animate*' the human resourcefulness expressed through leisure behaviour and to ease some of the constraints that inhibit it.

At best, the two stereotypes just mentioned can be reconciled but there are signs that they are being pushed apart. The '*animateurs*' are likely to be working in the public sector, part-time or on short-term contract, poorly paid and without 'career prospects'. Their interest in community development will bring them into close contact with local groups some of whom, labelled as underprivileged, are not normally involved in formal recreation and sport, and are the first to be eliminated as the 'user pays' principle is more widely adopted. The animateur who assumes the mantle of social activist will frequently find herself or himself in conflict with employing authorities.



*Managers* in private and commercial settings can expect better employment prospects. Their orientation will be more towards market forces than social change; more towards social planning than social action; more towards corporatisation in delivery systems than pluralism in public participation.

In the interests of social justice, it would be unfortunate if recreation leadership training and education placed preferential emphasis on those skills and attitudes best suited to management of recreation services for the wealthy.

A prescription for balanced progress in the development of a balanced profession, sensitive to the recreation requirements of all, has been written by leaders of the profession and merits support by government and its instrumentalities. The Elora Prescription (see Veal, 1987) lists recommended directions for progress:

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Recommended directions for progress (The Elora Prescription)

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<i>From</i>	<i>To</i>
Narrow definitions of leisure	Broad definitions of leisure, fitness and human potential
Recreation as discretionary time	Leisure in any/all spaces where chosen activity is possible
Emphasis on children and youth	Equal service provided at all life-cycle stages
Centralisation	Decentralisation
Attempts to provide leisure	Focus on <i>preconditions to leisure</i> (time, opportunity, real choice and the capacity to choose)
Service delivery	Community resourcefulness and animation

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### 4.3 Recreation, Leisure and Target Groups

Sometimes in the interests of equity or equality of opportunity, certain *groups have been targeted for special treatment* by those with public responsibility for fostering recreation and sport 'for all citizens'.

While the intent in such cases may have been commendable, recurring criticism of the resultant programmes and the rationale behind them has been expressed by the targeted groups themselves.

Representatives speaking and writing on behalf of *women* (Deem, 1985), and *youth* (Victoria Youth Policy Development Council, 1986) raise similar objections, many of which are pertinent to the three frameworks of analysis discussed earlier.

In essence, women and youth argue that their *right to leisure* is no less than that of any other group of citizens. They are attracted no less than others to leisure and its associated *benefits*: to the enjoyment, the freedom of choice, the independence, the relaxation and the excitement, the social interaction and to activities that increase the sense of control over one's own life and one's own body and strength. But, particularly in the case of women, they do need *encouragement* to separate at least some of their time and energy for leisure and relaxation and to enter recreation spaces, in place and time, traditionally regarded as 'inappropriate' for them.

By most criteria, the constraints on leisure are severe for many women and young people but this does not mean that their 'problems' are simply solved by more efficient *social administration* of existing services delivering traditional 'goods'. The 'problem' of their low levels of participation in sport, for example, is better approached by examining the restrictions on their power to choose it and the limits on its power to attract, than by assuming that increased provision of 'more of the same' opportunities will eventually satisfy a 'normal' desire to take part.

Commonly, the target groups see the 'problem' as lying not in them but *in the system* which renders and labels them disadvantaged. Their view of recreation is often that of the neo-Marxist: that all state-supported institutions reflect and reinforce the values, preferences and privileges of those who are dominant in the power structure.

If the right of all citizens to a fair distribution of leisure opportunities is to be respected, then the rationale for planning must include some political analysis (for example, of patriarchy, gender relations, youth relations, race). Leisure is, of course, not just a matter of facilities and institutions: it is an integral part of social relations 'informed by and contributing to the social order' (Deem, 1986).

For youth, women and other target groups, a short-term, 'trouble-shooting' strategy holds less promise than a developmental one aimed at *empowerment and the nurturing of self-determination*; that is, at the development of confident, competent and critical participants in the full life of the community.



The table below lays out some of the characteristics (on the left) of the therapeutic, remedial approach to target groups and (on the right) of the longer-term developmental approach.

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Characteristics of approaches to target groups

*From the Remedial*

*To the Developmental*

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Attempting to change the individual	Attempting to change social institutions
Problem and expert oriented	Community resource oriented
Social control	Social change
Difference stigmatises	Difference creates potential
Alternatives introduced by experts from outside	Alternatives discovered by participation and choice
Single discipline approach for example, recreation programmes	Integrated approach for example, recreation AND housing, transport, health, education
View that leisure is a 'separable' component in people's lives	Recognition that leisure is integral (but vulnerable)

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Source: Victoria Youth Policy Development Council, 1986

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'Target groups' demonstrate the inadequacies of the notion of citizenship taken no further than expectations of equality and universality: even equality of opportunity does not guarantee *equality of outcome* and programmes based only on a principle of equality of provision fail to take account of the special circumstances of groups targeted because they have been labelled 'special'.

They may wish to *celebrate and highlight their distinct identity* (gender, race or sub-culture) through their leisure rather than have it obscured under a blanket of universal provision. In that case, *affirmative action* (positive, benign discrimination) is wanted, based on an understanding of differences in need. If the goals of the 'fair society' include acceptance of diverse identities and cultural pluralism, then they must be consciously built into the planning of services.

The search for social justice is no longer a matter of adjudicating between competing claims and interests of individuals sharing a clearly unified cultural identity; it is a search for principles capable of reconciling the diverse needs of its component groups. (Macintyre, 1985)

## 5 The Standards of the Fair Society

Earlier in this paper we made reference to recreation at three levels of experience—*survival, growth and self-expression*—which have sometimes been described as strata in a hierarchy of *human needs* and motivations (Maslow, 1968).

Claims that universal 'recreation needs' or '*leisure needs*' exist will always be vulnerable to the criticism that they do not belong in the same class as the fundamental biological needs and so should be called something else.

Even so, there is obviously motivation in human behaviour which cannot be accounted for purely by reference to instinct and physiological survival and some types of behaviour, consistent over history and across cultures, continue to be linked to the concept of '*higher human needs*'. The higher order motivations (drives or needs) are used to explain social and self-expressive behaviour as part of a human search for *personal and social identity and the attainment of individual potential*.

The Royal Commission's frame of reference requires it to consider 'the needs of New Zealanders' not only with regard to survival and subsistence deficit but also with regard to opportunities for the development of *human potential, social wellbeing, self-reliance and a sense of belonging to the community*.

*Leisure research suggests that such concepts are central to the motivations and meaning that people associate with their leisure and recreation and why, therefore, the protection and expansion of opportunities for leisure and recreation is compatible with the apparent aims of the Commission.*

The compatibility is endorsed by the prominence in the leisure literature of a number of themes which are touched on next.

### 5.1 The Benefits of Recreation and Leisure

The benefits which accrue as a result of recreational activity can be grouped as *personal, societal and economic*. The last group, which includes employment-generation, has already been mentioned. In the other two groups there is direct or strong inferential evidence that, among other benefits, those listed immediately below are often sought and found (Kelly, 1981).



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*Personal benefits*

Physical and mental health  
 Contexts for growth and learning  
 Opportunities for activity between  
 the extremes: boredom and  
 anxiety  
 Cultural enrichment  
 Rest, recuperation, contrast  
 Sense of identity and involvement

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*Societal benefits*

Family stability and coherence  
 Strengthened community values  
 Environmental and cultural concerns  
 Development of value orientations  
 (like co-operation) which are  
 conducive to productivity  
 Human potential development

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## 5.2 *Recreation, Leisure and the Quality of Life*

Recreation and leisure (times and places) are opportunities to be with others in significant ways that develop and express these relationships. Such opportunities are highly valued and centrally placed among factors affecting people's perceptions of the quality of their lives.

Similarly, while leisure opportunities tend to be regarded as less important than other dimensions of community life (economic and educational) in relation to community subsistence, satisfaction with leisure is a strong indicator of *overall satisfaction with life* in one's own community (Allen, 1987).

## 5.3 *Leisure, Work and Unemployment*

Few leisure researchers would argue that leisure will soon replace *work as the central interest in life* for the majority of the population or even for those not in paid employment.

Functionally and morally, 'one must *earn* a living' is still a powerful message even for those outside the work force and even allowing for the fact that the importance of work may often be superseded by concerns for kinship in the case of Maori and Pacific Island peoples. Attempts to compensate for non-employment with programmes of alternative 'meaningful activity', including recreation, have had mixed results.

Nevertheless, constructive lessons have been learned (Haworth, 1986):

- The satisfaction of *being productive* and creative is, for most people, more likely to be found away from the 'work-place' than at it.
- Recreation can offer a number of the conditions for satisfaction, denial of which can produce in the unemployed a sense of deprivation: *time structure, activity, social experience, collective purposes, status and identity*.
- Recreation and leisure can provide a number of the *categories of experience* that are sought through work but can also be found outside it:
 

finding enjoyment feeling needed being creative relaxing keeping fit	mixing socially being committed filling time purposefully getting out and away learning, keeping alert.
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## 5.4 *Recreation as Welfare*

From time to time, schemes have been designed to use recreation instrumentally, to tackle *social (but non-recreational) problems* (like suburban isolation) and 'anti-social' behaviour (like urban violence).

When in tune with prevailing political strategies they have sometimes been accelerated by booster funding and have sometimes succeeded in widening recreation choices for the disadvantaged, occasionally modifying the unwanted behaviour (Rigg, 1986).

Once again, the degree of success of such 'welfare' programmes has varied but some principles are persistent and note-worthy for recreation planners and makers of social policy.

- The *essential values of recreation and leisure are intrinsic*. When extrinsic goals are introduced they can obscure the primary values and produce confusion both for participants and 'providers'.
- Recreation is sustained and enjoyed most when it is part of the individual's *life-style* and has its roots in local *communities*, rather than when it is designed or force-fed from the outside. The *pastoral animateur*, sensitive to the community in general, is usually more effectual than the enthusiast, who is evangelical about some activities (sport, art, outdoor pursuits) in particular.



- Continuity of effect depends on *continuity of support*. Many recreation programmes have foundered at the hands of personnel prepared in a hurry and engaged too briefly.
- Most people recognise the desirability of leisure and recreation but many are put off by the forms and environments in which they are presented.

## 6 Recreation Policy and Strategies for Action

### 6.1 *Policy Responsive to Social and Economic Change*

Recreation policy and strategies for action can only be effective if they are responsive to social and economic change: changes in population structure, patterns of employment, energy use, attitudes to equity and social rights, to community and local government and time allocation. The following section refers to some of these changes (including those discussed by Davey, 1987), which have implications for people's leisure and recreation and therefore for relevant policy decisions.

**CHANGING PATTERNS OF FAMILY STRUCTURE** As household and family structure changes in size and composition, patterns of leisure behaviour become more diversified. There is extensive variation not only in recreation activities but in how recreation and leisure are defined across families. Recreation policies towards 'primary social units' will have to take such change and variation into account; questioning the validity of traditional programmes and facilities oriented to the 'traditional' nuclear family, sometimes to the disadvantage of other groups and individuals.

**POPULATION GROWTH AND DISTRIBUTION** A number of the predictions discussed by Davey (1987) are obviously important for recreation planners. The 'greying' of the population and retirement migration will, for example, have an impact on demand for recreation and leisure opportunities; especially in regions with favourable climates. So will the heavy spatial concentration of population within a two-hour drive of the main settlement areas. Especially in the North Island, the conflict of interests and demand among those responsible for different types of development (recreational, residential, industrial and commercial) is unlikely to diminish. Competition will focus on the same types of land and

water (coastal and upland sites, rivers, lakes, forests and harbours) attractive to all the competing groups.

**AGE** has frequently been shown to have a significant influence on patterns of recreation participation and will have to be taken carefully into account in future recreation planning. Trends suggest, for example, that the recreation 'needs' preferences and tastes of the elderly will merit higher priority ranking.

**ETHNIC STRUCTURE** Ethnic diversity is expanding in New Zealand, and the cultural influence of the Maori and Pacific Island populations is strong. The socio-economic characteristics and concentration (especially in the North Island) of these two groups have important implications for leisure planning and policy in New Zealand, which must look beyond 'traditional' approaches and reflect a greater range of cultural values.

**INCOME AND LEISURE CONSUMPTION** Over the last two decades New Zealanders have tended to increase their spending on recreation, travel and holidays. In most recent years, however, the growth in energy-intensive pursuits like driving for pleasure and caravanning has slowed, presumably under the influence of inflation, declining disposable incomes and higher petrol prices. As a result, more recreation and leisure experiences will be sought at home or close to it, especially by the less affluent.

**HOUSING AND HOME OWNERSHIP** The level of home ownership in New Zealand is amongst the highest in the world and home-based activity is an extremely important feature of New Zealanders' leisure behaviour. Variety in family and household types and falling real incomes is changing the demand and capacity for home ownership; and recreation policy designed with the nuclear family and the 'family home' in mind will require revision and modification. The impact of technological change on recreation and leisure has been profound and too complex for adequate analysis here. The range of effect is clearly very wide. Most positively it has provided new bases for play, games, entertainment, and communication. Less positively, it has led to some of the 'de-skilling', redundancy and alienation through unemployment; for which, in part, leisure is sometimes offered as compensation.



## 6.2 *Strategies and Principles for Action*

The following principles for action stem from observations of recreation policy in the context of social and economic change.

- Ensuring that a *widening range of choice* in recreational opportunities and leisure is made available to all New Zealanders: physical and non-physical; active and passive; indoor and outdoor; home-based and facility-based; publicly provided and privately initiated.
- Affirming that recreation and leisure are *valuable social opportunities* and services which all citizens in a fair society have the right to expect of their 'just institutions'.
- Clarifying *guidelines on equity and access*, to identify and assist groups most likely to be; neglected, unfairly constrained or handicapped in their recreation and leisure choices by lack of information and knowledge, lack of motivation, false perceptions and negative attitudes, lack of skill, lack of time and money, lack of transport, lack of confidence and lack of satisfaction.
- Recognizing that recreation and leisure do not exist in a *cultural, social or economic vacuum*; asking what socio-economic research can offer to leisure studies and what recreation can contribute to integrated approaches to social amelioration.
- Encouraging *decision-making and participation at the local level*, to facilitate self-help so that individuals, groups and communities may determine and organise the activities and experiences that come closest to satisfying their needs and interests. Agencies should attempt to communicate their recreation policies in local terms, to designate real resources to approved projects and to create opportunities for open and visible participation in priority-setting.
- *Reducing fragmentation* and exclusive specialisation; a cohesive and co-ordinated recreation policy must include reference to housing, education, health, employment, welfare, transport and the environment; recreation, in its turn has a place in the formulation of overall policies for *the management of natural resources and for the provision of social services*.

## 7 Recommendations

Against the background of a review of social policy and observations from leisure studies discussed in this paper, it remains to recommend a number of directions for governmental action, principally at the central level.

**POLICY** That Government define and develop a recreation policy, state it explicitly, implement it consistently and reassess it regularly.

**EQUITY** That Government defend the principle of fair distributive justice in its support for recreation as one of the social services which addresses 'the needs of all New Zealanders'; and affects the standard and quality of life among disadvantaged groups: that is, those less able than other citizens to pursue their leisure interests in the free market or by voluntary effort.

**UNIVERSALITY** That Government provide adequate human, financial and material resources for recreation, to support its policy objectives and ensure an equitable distribution of these resources across the country and across communities of varying size, location, composition and wealth.

**DIVERSITY** That Government promote all spheres of recreation, including physical activity and sport, the arts, outdoor recreation, tourism and travel, social and community activities, continuing and non-formal education, giving dominant preference to no single sphere but seeking rather to identify the human needs which recreation can satisfy no matter how diverse the interests pursued.

**CONSERVATION** That Government protect and conserve finite resources with high recreation value (including land, the cultural and historical heritage, artistic talent, broadcasting wavelengths, etc) against commercial exploitation.

**CO-ORDINATION** That Government, without resort to unilateral or authoritarian measures, encourage rational co-ordination of recreational policy and action in all sectors (public, voluntary, private and commercial) to foster optimal use of community, regional and national resources.

**PROMOTION** That Government promote certain philosophies and programmes which are identified as being in the public interest but unlikely to be promoted by other provision sectors:

- to raise standards of fitness and health;



- to increase participation in recreation activities;
- to stimulate genuine social exchange;
- to develop creative endeavour; and
- to make natural areas and public and commercial facilities more accessible.

Where appropriate, projects and experiments should be initiated which:

- (a) are likely to contribute to the improvement of the physical and mental health of the population;
- (b) help New Zealanders appreciate the potential of recreation and leisure to bring increased pleasure, satisfaction and better quality into their lives;
- (c) encourage a progression from passive consumption to active participation;
- (d) support social and cultural activities (community celebrations, popular culture and festivals) centred on individual and group expression and creativity;
- (e) stimulate New Zealanders to discover and explore their rich natural heritage in the outdoors;
- (f) facilitate wider participation by all, and especially by those physically, economically and socially disadvantaged;
- (g) provide support for home-based recreation, as well as for more formally organised activity;
- (h) encourage groups and individuals to develop new forms of recreation activities;
- (i) encourage developmental rather than 'trouble-shooting' approaches to target groups identified as having special needs; and
- (j) monitor the development of recreation education and training to ensure the availability of the leadership and professional skills required both in the corporatist enterprises of physical resource management; and in the animation of diverse communities with pluralistic interests and enthusiasms.

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# IMMIGRATION POLICY

Justin Hurrelle





# Immigration Policy

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Historically, international migration has played a major role in the development of New Zealand and its people. Māori first settled in New Zealand over 500 years ago and predominated until European colonisation in the 19th century. Within two decades of the signing of the Treaty of Waitangi in 1840 the European population of New Zealand exceeded that of the Māori. The subsequent immigration policies formed by successive governments have had considerable impact on New Zealand's population growth and composition and in turn its social and economic development, and have also served to maintain British hegemony.

Reflecting such wide ranging consequences, immigration issues and policies have always aroused much public debate in New Zealand. Many disparate and opposing views on immigration and immigration policy exist in New Zealand society. Some advocate restrictive and selective policies, being wary of the impact of immigrants on the ethnic composition of the population, the labour market, housing and environment; others propose a liberal policy allowing more people to enter New Zealand permanently, citing economic growth and cultural diversity as being amongst the benefits.

As with other OECD countries New Zealand's migration policies are confined to immigration policies: no controls are placed on New Zealand residents and citizens leaving the country. Nor does New Zealand have a population policy. While many government policies affect population, immigration policy is the one which most visibly exerts influence over population size and composition.

Immigration policies have varied over time, but have essentially been designed to limit the numbers and the socio-demographic



characteristics of people entering New Zealand; and once in New Zealand, the length and conditions of their stay.

Immigration policies can be divided into many categories under the two major headings of permanent and temporary immigration. Permanent immigration can occur legitimately under three broad programmes: economic/occupational immigration; social immigration; humanitarian immigration. Temporary immigration has provision for the entry of tourists, entertainers, students, business people, those seeking medical treatment or wishing to pursue scientific and cultural activities, as well as including the South Pacific Work Schemes.

The nature of the immigration policies may, although not always, be derived from the economic, social, foreign policy and other objectives of the government of the day. Where full employment has been a policy, slack labour market conditions have signalled a reduction in the number of immigrants permitted to enter on occupational grounds. Where assimilation or homogeneity of population have been objectives, policy and immigration administration have favoured anglo-celtic immigrants over others.

The population changes brought about by immigration and its economic and social consequences mean that today, in 1988, migration continues to be seen as a significant factor in the shaping of New Zealand's future development.

The central purpose of this paper is to examine the objectives and processes of New Zealand's immigration policy. An attendant purpose is to consider the relationship between immigration policy and labour market issues.

In Section 1 some of the manifold objectives and considerations informing immigration policy are identified and discussed. Covered in separate subsections are: economic objectives; social objectives; foreign policy objectives; settlement and resettlement provisions; multicultural objectives; the Trans-Tasman Travel Agreement. Particular emphasis is placed on the relationship of stated policy objectives to concrete policy and the empirical consequences of these.

Considered in Section 2 is the extent of interest-group involvement in forming immigration policy. The level of input from Māori, ethnic communities and others is examined.

The relationship between labour-market issues and immigration is addressed in the third section. Issues perused include: the impact of occupational immigrational migration on the labour market and

training of New Zealanders; the development of a trans-Tasman labour market; the impact of immigration entrepreneurs.

## Objectives and Considerations Underlying Immigration Policy Formulation

### *Stated Objectives of Immigration Policy*

The government's most recent comprehensive statement on immigration policy is found in the 'Review of Immigration Policy August 1986' by the then Minister of Immigration Kerry Burke (Burke 1986). The review presents the following collection of objectives and principles of immigration policy.

**1.2 *Objectives of immigration policy*** Immigration policy shall be designed and administered in such a way as to serve New Zealand's domestic, regional and international interests with particular concern for the following objectives:

**1.2.1** to regulate and monitor immigration in a manner consistent with current government economic and social policy and such goals as may from time to time be adopted for the size, rate of growth, structure, geographical distribution and employment of the New Zealand population;

**1.2.2** to enrich the multicultural social fabric of New Zealand society through the selection of new settlers principally on the strength of their potential personal contribution to the future well-being of New Zealand;

**1.2.3** to facilitate the reunion in this country of New Zealand citizens and permanent residents with their close relatives from overseas;

**1.2.4** to fulfil New Zealand's international obligations and to uphold its humanitarian tradition in respect of refugees;

**1.2.5** to encourage and facilitate full participation in New Zealand society by persons admitted as permanent residents;

**1.2.6** to facilitate the entry of visitors to New Zealand for the purpose of fostering tourism, trade and commerce, cultural, educational, and scientific activities and international understanding;



1.2.7 to maintain the health, safety and good order of New Zealand society and to protect this country from international crime, terrorism and unregulated, illegal immigration.

1.3 *Principles of immigration policy* In pursuit of the Government's objectives the following principles will be observed:

1.3.1 Decisions about who shall be permitted to be in New Zealand, other than New Zealand citizens who are entitled as of right to be in New Zealand, are for the New Zealand Government alone to make and are the prerogative of the executive.

1.3.2 Longstanding bilateral preferential arrangements with Australia, the Netherlands and certain South Pacific countries will be maintained but outside these agreements the selection of new immigrants will be based on criteria of personal merit without discrimination on grounds of race, national or ethnic origin, colour, sex or marital status, religion or ethical belief. Suitability criteria for immigrants will reflect prevailing New Zealand law and social customs.

1.3.3 Regard will be had in the admission of new settlers to the avoidance of additional stress in areas of constraint such as the labour market, housing and community services.

1.3.4 Immigrants will be encouraged to participate fully in New Zealand's multicultural society while being able to maintain valued elements of their own heritage.

1.3.5 Co-operation and communication will be promoted between central and local government and non-governmental organisations in respect of the settlement of new immigrants. The government will consult as appropriate with major sectors or groups in New Zealand society on policy issues.

1.3.6 Immigration decisions will be taken in accordance with the principles of natural justice and fairness. Immigrants and visitors whose interests are affected shall have the opportunity for legal issues to be examined in courts, and for humanitarian matters to be considered by the appropriate administrative tribunal or the Minister of Immigration.

Both social and economic objectives and considerations are apparent although the relative weighting given to each is not. The objectives and principles suggest general directions but are broad in character and it is difficult to determine the methods employed to deduce specific policies. For example the practical consequences objective 1.2.1 'to regulate and monitor immigration in a manner consistent with current government economic and social policy

and such goals as may from time to time be adopted for the rate of growth, structure, geographical distribution, and employment of the New Zealand population' are nebulous. The objective gives little indication of the relative emphasis to be assigned the component considerations: in policy or administration. The lack of refinement and clarity make it difficult to conceive of methods being developed for determining how successfully the objective is being achieved.

Current immigration policy may indeed be consistent with the stated objectives, but so too could be many alternative policies. The provisions and administration of occupational immigration, for example, are consistent with the above objective in that, on paper at least, any suitable person may enter New Zealand on a permanent basis if they possess a skill in demand as indicated by the Department of Labour's Occupational Priority List and have obtained the offer of a job. Yet an alternative policy which allowed for the temporary entry of skilled people only while providing training for New Zealanders, would be equally compatible with the objective. Immigration legislation 'does not . . . prescribe who may enter New Zealand and under what conditions'. The power to rule on these matters lies with the minister. This suggests that whatever other objectives might inform immigration policy, a primary consideration is to maintain flexibility and direct control.

Immigration policies can have a vast array of consequences: demographic; social; cultural; environmental; economic. They can also have political consequences which invite media attention and public discussion. Examples of this include: the influx of, mainly British, immigrants in the early 1970s, which culminated in the 1974 policy review; the 'overstayer crisis' of the mid-1970s, and more recently the issues surrounding the removal of visa requirements for certain Pacific Island citizens in 1986 and the subsequent reinstatement of them several months later; the succession of 'amnesties' for overstayers.

New Zealand is a heterogeneous society comprising individuals and groups with conflicting interests in the various immigration policy issues and their perceived consequences. There are those who want freer access to New Zealand for purposes of employment; for political reasons; for family reunions (in a sense not confined to the anglo-celtic model of the family); and there are those wanting tighter controls placed on immigration and the type of immigrants New Zealand accepts in order to protect, foster or



maintain certain characteristics of New Zealand society, such as employment opportunities and ethnic composition, or a 'white New Zealand'.

Tensions exist among many of the considerations and objectives underlying immigration policy. For immigration policy to be broadly acceptable (an important political consideration) there must be seen to be a balance struck between the various aspirations of interested or affected parties. The objectives obfuscate policy and provide for an elusive flexibility capable of responding to changing (political, economic, cultural) conditions, but not necessarily producing a consistent or appropriate approach in many cases. The various other objectives and considerations are amplified or attenuated as might seem expedient. Certain of these objectives and considerations will be identified below.

Whether the flexibility enabled by separating policy and principles from law is a good thing, has been questioned in submissions to the Royal Commission on Social Policy. These suggest that for purposes of a properly integrated and unambiguous immigration policy objectives should be included in immigration legislation.

### *Economic Objectives*

One function of government is to oversee New Zealand's economy. Perhaps because of the vulnerable domestic economy, New Zealand governments have generally placed much emphasis on the economic consequences of immigration: the findings of studies in this area have been influential in the process of policy formulation (Trlin 1986).

Until quite recently most research has suggested that sustained levels of net immigration (gains in and above the region of four to five thousand per annum) would be detrimental to New Zealand's economy: contributing to inflation, the balance of payments deficit, and reducing output per capita and standard of living (McGill 1981; Monetary and Economic Council 1966). It is also feared that immigration increases unemployment.

Policies will be likely to remain conservative until such time as the government obtains evidence of a positive economic contribution from a larger scale immigration and non-economic aspects are not considered unduly detrimental to policy objectives. A recently released study of five scenarios of varying levels of immigration, ranging from a net emigration level of 15,000 to net immigration

of 15,000 per annum (Poot et al 1988) is being examined by the Department of Labour. The study's findings suggest that a programme of maintained high levels of immigration (15,000 per annum, from the present to 2001) would have positive economic effects in the long term. The direct and indirect effect on domestic demand for labour from the consumption of migrants cannot be ignored. The authors caution, however, that they have addressed only the economic and key demographic consequences; other significant consequences including ethnic composition and the social, political and environmental impacts were not addressed and will need to be assessed in future studies.

The labour market is a major consideration of economic objectives in immigration policy. Indeed it has been suggested that 'since the mid-60s with the exception of the early 70s, the official position became that immigration acts as an instrument of labour market policy' (Poot 1987: 5). Occupational immigration and immigration under the provisions of the South Pacific Work Schemes, which enable employers to draw on overseas labour resources are examples of such policies. In the year ended September 1987 over half of all successful applications for permanent entry to New Zealand were granted approval on occupational grounds (see Table 1). The discrepancy between the number of Approved Applications and Number of Persons is accounted for by the families of immigrants. Certain family members are permitted to enter New Zealand with the person whose application is approved. Of those successful applications for permanent residence (that is, applications made by people already in New Zealand who desire to stay on a permanent or long term basis), over half were also approved on occupational grounds (see Table 2). Families of applicants, again make up for the difference in numbers between the categories of Applications Approved and Number of Persons.

TABLE 1: Approved applications for permanent entry, Sept. 1986–Oct. 1987

	<i>Total</i>	<i>Employ</i>	<i>Relation</i>	<i>Human</i>	<i>Refugee</i>
<i>Approved applications</i>	5 357	3 044	2 199	45	69
<i>Number of persons</i>	10 144	6 730	3 197	67	150

Source: Department of Labour, Immigrant Permit Information (Special Run)



TABLE 2: Approved applications for permanent residence, Oct. 1986–Sept. 1997

	Total	Employ	Relation	Human	Refugee
<i>Approved applications</i>	3 626	632	1 505	1 474	15
<i>Number of persons</i>	4 589	1 099	1 779	1 672	39

Source: Department of Labour, Immigrant Permit Information (Special Run)

The Occupational Priority List (OPL) maintained by the Department of Labour underpins occupational immigration. The OPL is compiled at six-monthly intervals from the results of a survey and the submissions made by manufacturers, employers and unions; it lists skills in demand by employers. The intent is to balance the interests of commerce and industry with those of unions, the unemployed and the provision of training. The principle is to permit immigration where the skills of the applicant are not available locally and where appropriate training schemes would not be feasible. It is intended to ensure that the training of New Zealand residents and citizens is not compromised, while providing a sufficient workforce for industry and commerce.

Economic objectives are also manifested in the Business Immigration Scheme. Self-employed business people and investors of 'proven ability' can obtain permanent residence providing they have at least NZ \$150,000 capital 'to meet initial personal establishment costs' [Burke 1986: 19]. Their skills and capital are intended to benefit the economic development of New Zealand. In the year ending March 1988 555 Business Immigration applications were approved. The four major sources of approved applicants were: Hong Kong (165), Fiji (118), Taiwan (113) and Malaysia (51). The average amount of capital brought into New Zealand by each immigrant was NZ\$620,000. With the active promotion of this scheme it is likely that business immigration will become an increasingly significant category of economic immigration (Investment Unit, Department of Trade and Industry, 1988).

### *Social and Humanitarian Objectives*

Certain social or humanitarian considerations underlying immigration policy find expression in family reunification policies. These

acknowledge the desirability of permitting certain family members of New Zealand residents and citizens to join relatives in New Zealand, while at the same time restricting the immigration of others.

The 'centre of gravity' approach allows spouses, dependent children and parents to enter New Zealand where more family members are present in New Zealand than in any other single location. 'Family' in this sense is defined in an anglo-celtic nuclear sense. As a rule other cultures' concepts of 'family' are ignored, however the Pacific custom of 'adopting out' children is now acknowledged in policy and permits such adopted children to enter New Zealand with their host family.

With the exception of 'adopted children', social immigration considerations emphasise anglo-celtic conceptions of families and relations.

Existing social immigration provisions can be inappropriate and unhelpful to established, often ageing, ethnic communities in New Zealand. If there is a commitment to cultural diversity and maintaining ethnic communities, then social immigration policies need to be extended beyond present concepts of family reunification. Appropriate policies aimed at sustaining communities would need to be formulated in consultation with Ethnic Affairs Councils.

A recent addition to the immigration programme combines relationship and occupational immigration. A New Zealand resident can sponsor a brother, sister or adult child with 'worthwhile skill', not necessarily one on the OPL, and who meets certain other criteria including English language competency. While people such as Pacific Island residents might want to make use of these provisions it is probable that people from 'traditional sources' (countries in Western Europe and the North American continent) would stand to benefit most. Pacific Islanders' family members in the Pacific Islands would be less likely to possess skills or training currently valued in New Zealand.

The provisions for occupational immigration appear to be influenced by social considerations; for example, the spouses and dependent children of occupational immigrants being permitted to enter New Zealand on a permanent basis. Such provisions, however, could be as much a reflection of economic reality as of social concern. It is unlikely that New Zealand would be able to attract



skilled occupational immigrants if the immigrants were not permitted to bring with them their family. At the same time, conditions in source countries make it possible to exclude the spouses and families of Pacific Island workers from entering New Zealand under the provisions of the South Pacific Work Schemes, while still maintaining a high demand for the limited number of places.

Any social objectives are tempered with considerations of demands on housing, education and community services. The experience of the early 1970s large scale levels of immigration and the pressures this placed on housing, education, social and welfare services has led to a position where a stated objective of immigration policy is to take into account New Zealand's capacity to withstand the impact of immigration on these sectors in addition to simply labour market conditions. This pivotal caveat is, however, compromised by an inadequacy in the methods developed for assessing such impacts. The Department of Labour acknowledge multifarious likely effects, but the inherent complexity of the issues has, so far, precluded a satisfactory assessment. More research needs to be undertaken into the social effects of immigration to enable an appropriately balanced co-ordination of policy.

### *Foreign Policy Objectives*

The South Pacific Work Schemes are presented as a concrete response to New Zealand's obligation or responsibility to assist with the development of countries in the South Pacific and South East Asia (particularly those with which New Zealand has historical ties). The work schemes are arrangements which allow the citizens of Fiji, Tonga, Western Samoa, Tuvalu and Kiribati to take employment in New Zealand for up to 11 months, in response to specific job offers. Fiji was suspended from the scheme in October 1987, subsequent to the May and September coups. As with other occupational immigration it is intended that those on this scheme do not displace New Zealand workers. The schemes are constrained by labour market conditions, and the numbers vary in accordance with New Zealand's economic circumstances, not with conditions in the source countries as might be expected in an aid package; recent years have seen minimal numbers (averaging 311 workers per annum in the three years up to 1987). Individual workers value the scheme for the economic and other benefits they

accrue. Through remittances made by the workers, their families, church organisations and, to an extent, source nations benefit.

Certain aspects of the work schemes might be questioned. The maximum 11 months is perhaps too short a period for workers to accumulate much in the way of training, or savings, given the cost of international travel. Although the schemes are presented as a way of fulfilling obligations of regional responsibility, concrete provisions ensure that the New Zealand economy and labour market are consistently well positioned. New Zealand has access to a ready pool of labour in more or less, the quantity desired. New Zealand gains the taxes of workers on the schemes, but it has neither the costs of education and upbringing nor those of unemployment and social services to pay for in respect of migrant workers.

An expectation of work in New Zealand has developed in many Pacific Islands; and with it a reliance on remittances. Donor countries' economies are disrupted by the exodus of workers during times of economic boom in New Zealand. At the same time rural development in the Pacific Islands has suffered. The work schemes aggravate tendencies towards westernisation and preferences for urban wage working and western consumer goods. Balance of payment difficulties are heightened. Current immigration practices can thus amplify the dependence, maintained through transport, trade, education and aid, of Pacific Island countries on New Zealand (Douglas: 1979).

A regional perspective is needed if such problems are to be satisfactorily addressed, yet the balance of power in designing and administering the work schemes is tipped heavily in favour of New Zealand. Source countries, Pacific Island communities and indeed individual workers, have had little influence in determining the conditions of the schemes. Pacific nation governments must compete against one another for access to New Zealand.

For programmes such as the South Pacific Work Schemes to be effective in aiding the development of Pacific nations, there needs to be a commitment by policymakers to the rigorous design, implementation and assessment of the programmes. Goals need to be clearly articulated and objectives made measurable. Who is to benefit and in what ways should be specified. Implementation and outcomes, both intended and unintended, need to be carefully monitored. If Pacific Island communities are to be empowered rather than made more dependent, they must actively participate in



the design, setting of goals, and the assessment process (Thomas: 1987).

Overseas students are accepted in greater numbers than, and on a different basis from, South Pacific Work Scheme applicants. The opportunity to study in New Zealand education institutions falls into the category of regional development objectives. The capacity of the New Zealand education system to absorb overseas students without displacing New Zealand students is a criterion governing numbers admitted.

Most overseas students engaged in tertiary study in New Zealand are enrolled in universities. In 1986, 2,690 overseas students were enrolled in New Zealand universities. Of this total less than one-third (830) originated from the Pacific region, over a half came from South East Asia (1478) and roughly one-seventh (342) from other regions of the globe.

While the government has expressed an intention to eliminate the fees differential overseas students are subject to, and has already halved the excess, it has also outlined plans to 'market' education to private overseas students. Effects of any such practice on opportunities for non-private overseas students and New Zealand students will need to be carefully monitored.

The admission of refugees for resettlement seems to combine foreign policy objectives with humanitarian considerations. Annually the numbers of refugees admitted varies, but averaged about 800 persons per annum in the five years up to 1986. The Inter-Church Commission on Immigration and Refugees (ICCI) takes on much of responsibility for co-ordinating, and assisting with, the settlement of refugees in New Zealand. The ICCI receives some central government funding for a secretariat and fieldworkers, but for the most part, is staffed by volunteers.

Of concern to the ICCI are the present methods used to determine refugee status. In particular they point to the lack of provisions for determining the status of 'spontaneous refugees', people seeking asylum only after arrival in New Zealand. Currently decisions on the status of spontaneous refugees are made on an ad hoc basis. The lack of a standardised procedure introduces considerable delays and it has taken up to twelve months in some cases for rulings on refugee status to be made. That, internationally, the numbers of spontaneous refugees are growing each year underscores the urgency of addressing this issue.

## *Settlement/Resettlement*

Any immigration policy with provisions for permanent or long-term entry must address the resulting issues of settlement/resettlement, if these are not dealt with elsewhere. Current policy recognises this: 'Arrival in New Zealand for most immigrants is but the beginning of another journey for which the final destination is the participation in the prevailing economic, social and political institutions on an equal basis with all other members of New Zealand Society' (Burke 1986: 43).

Screening procedures and information given about New Zealand to prospective immigrants are strategies designed to select people who seem likely to integrate easily into New Zealand society. The emphasis on English language competence and pre-arranged employment, for certain categories of immigrants, can facilitate participation in New Zealand life.

For immigrants entering under family reunification and refugee provisions, however, selection criteria are less stringent: English language capacity and pre-arranged employment, while they may be preferred, are not essential. Such immigrants, then, are less likely to be equipped for participation in New Zealand life, and may require specific transitional provisions to assist them in the settling process.

The Government maintains that once in New Zealand permanent and long-term migrants 'enjoy all the legal rights and protections of other New Zealand residents along with access to education, employment, social welfare, accident compensation and related services'.

However, apart from the Mangere Reception Centre's six week courses for refugees and a Department of Labour guide to the mainly voluntary services appropriate for immigrants, there is little offered by the state to recent immigrants and refugees in the way of assistance in adjusting to New Zealand life. Immigrants needs are expected to be met by way of existing structures and programmes and, as stated earlier, refugees become largely the responsibility of the ICCI.

Concern for the lack of interdepartmental co-ordination and absence of transitional provisions for immigrants has been expressed in the submissions.

English language skill is a foundation upon which rests participation in most domains of New Zealand life. However there is no



co-ordinated or continuing provision of English as a Second Language (ESL) courses. Rather, ESL classes are funded on a regional level and the requirements of immigrants must compete with those of other, more populous, community groups. In Wellington funding for ESL has been reduced and it is feared that ESL courses could be lost in other areas. A centrally co-ordinated and resourced programme would be more satisfactory.

Allied to ESL are issues of orientation to New Zealand. The Mangere centre provides such a programme but is limited in clientele and scope. An alternative approach would be to make longer term programmes available in the areas where immigrants and refugees settle.

## *Multiculturalism*

Immigration policy assumes that New Zealand is a multicultural society: a stated policy objective is to 'enrich the multicultural social fabric of New Zealand'. Precisely what this means is unclear. The 'traditional source preference' was abolished in 1986. So too have been prohibitions on occupational immigration from developing countries. These were originally erected to preserve skilled workers in developing countries; while non-discriminatory this policy seems to be in conflict with policies aimed at aiding the development of South Pacific nations.

If the not insignificant provisions of the Trans-Tasman Travel Arrangement are excluded from discussion, then national origin is no longer a direct factor in immigrant selection. Applicants are now assessed 'solely on criteria which evaluate personal qualities, skill qualification, potential contribution to the New Zealand economy and society and capacity to settle well in this country' (Burke 1986: 15). English language skills are also key considerations.

But it remains to be seen whether this change in policy will significantly alter the composition of the intake. Initial figures show only a small absolute increase in the number of immigrants from non-traditional sources.

That the heralded diversity is unlikely to occur, and indeed the status quo be maintained, has been argued in submissions and elsewhere (Bedford et al 1987). It might be noted however, that the arguments apply particularly to immigration under the provisions of occupational immigration.

Firstly, prospective immigrants must present themselves for an interview at an accredited New Zealand diplomatic post. Although New Zealand officials will travel from posts, costs must be met by the applicants or a sponsor of the applicants. Those distant from diplomatic posts, such as many Africans and Eastern Europeans, are effectively disadvantaged compared with those in traditional source countries.

Secondly, the criterion of English language capacity would work against those who were either from a non-English speaking country or one where English was not a common second language or not taught in schools. The English language requirement rests on the assumption that host country language skills are essential for successful adaptation to New Zealand life. But it is open to question whether it is entirely necessary for immigrants to have English language skills prior to arrival. The reluctance of government to fund English as a Second Language programmes perhaps answers the question.

Thirdly, the educational, professional and trade qualifications recognised in New Zealand are more likely to be those gained in traditional source countries. The trade and professional bodies from which the Department of Labour receives its advice on these matters are more likely to be familiar with qualifications from traditional sources. Such bodies may have no resources for, or interest in, investigating a broader range of qualifications. An initial response to this problem might be for the immigration division to draw on the experience of its Australian counterpart, the Department of Immigration Local Government and Ethnic Affairs. The more diverse range of immigrants who have settled in Australia suggest the latter department would be able to supply useful assistance in dealing with questions of 'non-traditional' qualifications.

The multicultural objective assigns some intrinsic value to diversity; yet at the same time other policies amount to a series of subtle filters constraining the flow of diversity. The multicultural objective underscores a significant omission in immigration policy: any acknowledgement of the Treaty of Waitangi and bi-cultural partnership. The Treaty of Waitangi is the basis of all aspects of relationship between te Tangata Whenua and Tauwiwi (later settlers). By implication, it is the foundation upon which all immigration policy must rest. It is necessary to make this explicit and to construct policy from the basis of a bi-cultural partnership if immigration policy is to be consistent with the Treaty. The selection



process of immigrants needs to include a section detailing the Treaty. This would equip immigrants with a balanced picture of societal structures, relations and obligations in New Zealand.

### *Trans-Tasman Travel Arrangement*

At odds with many other stated immigration objectives, and in effect taking precedence over them, are those objectives underlying New Zealand's 'special relationship' with Australia. These are expressed in the Trans-Tasman Travel Agreement (TTTA), Closer Economic Relations (CER) and various other reciprocal arrangements which emphasise the 'closeness' of New Zealand's and Australia's relations.

The provisions of the TTTA are most significant in that they permit a largely unrestricted migration flow between Australia and New Zealand. Citizens of Australia and New Zealand and Commonwealth and Irish residents of Australia are exempted from visa requirements when travelling between New Zealand and Australia. The agreement is a departure from many other stated objectives of immigration policy, including the abolition of source preference and the promotion of a multicultural New Zealand. While the standard stated considerations for the impact of immigration on the economy and the labour market, appear to be abandoned, the economic impact of the TTTA on New Zealand is probably favourable: with immigration to Australia acting as a valve in the labour market.

Migration statistics reveal a substantial trans-Tasman movement. In 1985 Australia was the origin of more permanent and long-term arrivals than any other single source (12,537); of all permanent and long-term arrivals in New Zealand, one third came from Australia. As a destination, in the same year, almost half (21,964) of all permanent and long-term departures from New Zealand indicated Australia as their next country of residence.

In comparison, Oceania (excluding Australia) was the source, in 1985, of 5685 permanent and long-term immigrants: fewer than half the number of immigrants in the same category originating in Australia (12,537); or about 1000 fewer than number of permanent and long-term arrivals from the United Kingdom (6611).

If the volume of trans-Tasman migration cannot be attributed solely to the TTTA, it must be recognised as a key cluster of policies which promote such movement. Currently people from all

occupational groupings migrate across the Tasman. If the usual occupational priority conditions applied, the magnitude of migration could be expected to reduce markedly.

By design, the TTTA is an exception to immigration policy. It is a seemingly acceptable exception to most: complaints about the arrangements are seldom aired. The limitless potential for trans-Tasman migration is perceived by media and government as less of a threat than the lifting of short-term visa requirements for the residents of the Pacific Islands.

## The Extent of Interest Group Involvement in Formulating Immigration Policy

Immigration policy is formulated, like many other policies, through the traditional Pākehā process of departmental reports and review, discussion and amendments of these by caucus committee and cabinet, and with a final statement by the minister.

At the early stage of preparation of the current policy, the Department of Labour circulated its reports to other government departments with a 'legitimate interest' in the matter for comment. These included the Departments of Education, Social Welfare, Health and Internal Affairs. The Department of Māori Affairs was not included in the circulation list.

In the 1986 policy review the then Minister of Immigration, Kerry Burke, wrote, 'while this major stage in the formation of immigration policy has been completed . . . the process of review must in fact be a continuing one so that immigration policy takes account of changes within New Zealand and in our relations with the wider world' (Burke 1986: 4). He indicated a willingness to allow interested individuals and groups to present their views to him on matters contained in the review. Interested groups do indeed present their views to the minister, who meets groups such as the Wellington Ethnic Affairs Council (WEAC) from time to time.

The other major point at which interest groups can have input into Labour Department policy, excluding the OPL, is the Interdepartmental Committee on Resettlement. This includes representatives from other government departments and from the ICCI and



WEAC. However, as suggested by its name, the committee deals predominantly not with who should be allowed into the country, but with how they should be dealt with once they arrive.

In terms of concrete provisions and directions in immigration policy, it is essentially officials of the Department of Labour, acting with the advice of various academics, who formulate policy. Interest groups such as the WEAC and ICCI have minimal input. Māori have no official input. Indeed no formal structures to facilitate input of Māori and interest groups into decision making exists or is contemplated.

For the Treaty of Waitangi to be given proper recognition there is a need for a bi-cultural decision-making system for the formulation of immigration policy. The wide ranging effects of immigration, past and present, and the impact on Māori in particular, suggest it would be proper for Māori to have a voice in deciding the composition of New Zealand's population. One suggestion, made by the ICCI, is for a bi-cultural immigration advisory council. This would provide a forum for discussion between the government, Māori and community interest groups.

## The Labour Market and Immigration Policy

The relationship between immigration policy and labour market issues has traditionally been strong. Occupational immigration has held, and still occupies, a central position in immigration policy. Indeed that the Immigration Division is located within the Department of Labour is testimony to the prominence afforded this type of immigration.

Importing skills is not intended to compromise the position of New Zealand workers, unemployed workers or the provision of training schemes in New Zealand. At the same time, however, the requirements of employers and development in New Zealand are given weight.

The OPL provides a measure for assessing New Zealand's needs for various skills. It is revised twice yearly by senior officials of the Department of Labour with reference to a Labour Department survey, including submissions from representatives of employers, manufacturers and the union movement, but not the unemployed.

Although the OPL yields useful information about the requirements for skills in New Zealand, the information is not used for other purposes. It could, for example, be used in the planning of vocational training programmes.

The adequacy of levels of training provided in New Zealand has been questioned. This is not simply a matter for government. In Germany, for example, it is an accepted role of industry to train workers. New Zealand employers seem reluctant to provide training, it being cheaper to use skills developed on Government schemes or to import skills.

Advocated by some is an alternative policy of:

... internal adjustments through inter-industry and interoccupational mobility, internal-migration and training programmes for unemployed persons [Population Monitoring Group 1985: 34].

In the current environment of high rates of unemployment the Department of Labour has made several responses in the field of immigration policy. For example, if the skill required by an employer does not feature on the Department's list, overseas recruitment is only allowed where the employer can show 'to the Department of Labour that a suitable New Zealand resident is not available or readily trained' [Burke 1986: 14].

More favourable consideration is also given to overseas recruitment if an employer can guarantee that a training position will be a consequence. Pressure to recruit New Zealanders back from overseas has been applied. Short term contracts are encouraged for overseas workers on major projects, rather than offers of permanent residency.

As outlined earlier, numbers admitted under the South Pacific Work Schemes are also regulated by labour market conditions. Since the mid 70s the flow of short term workers has dwindled to less than 400 per annum.

The impact of immigration, if not international migration taken as a whole, on the labour market is a critical issue. Particularly at a time when there exists a shortage of skilled business and professional workers, increasing unemployment and disproportionate levels of unemployment among Māori.

However, the Labour Department and others (for example, Population Monitoring Group 1985) acknowledge that currently not enough is known about the impact of immigration on the economy, and various sectors of the labour force. The Department



is unable to determine, without further research, whether the current immigration policies are achieving beneficial ends in terms of the labour market. Currently, the previously mentioned study by Poot et al [1988], focusing on the long-term economic consequences of five immigration scenarios, is being evaluated by the Department of Labour. Although the study (Poot et al 1988) is restricted to economic and key demographic effects, the results indicate favourable long term macro-economic outcomes, and it is possible that the findings of the study may give future direction to immigration policy.

Occupational immigration policies clearly locate immigration in the context of the labour market. As such there are attempts to control for its presumed effects. However, there are at least three other flows of immigrants which, while presumably impacting on the labour force, are not explicitly constrained by labour market conditions. These are people entering New Zealand as refugees and under the TTTA and family unification programmes.

It has been said that due to the geographical and cultural proximity of New Zealand and Australia, and facilitated by the TTTA, a single Australasian labour market has developed. Trans-Tasman migration is found across all occupational groups, but the level is far from uniform. Skilled workers generally have a higher propensity to emigrate than less skilled workers. It is probably unnecessary to conceive of there being a single Australasian labour market, as it is more a case of short- and medium-term immigration to South-Eastern Australia from New Zealand and less metropolitan areas in Australia. Also more New Zealanders participate in trans-Tasman migration than do Australians (Economic Monitoring Group 1987).

Emigration facilitated by the TTTA to Australia is believed to have considerable impact on the New Zealand labour market. Of particular interest is the loss of skilled workers, who may have been in the position to create jobs locally and thus in effect take jobs with them overseas. Australia gains also by saving on the training cost of such people, paradoxically, a situation resembling that of the South Pacific Work Schemes.

It is not suggested that the TTTA is responsible for all emigration, or that Australia is the only destination. Other factors are at least, if not more, significant. However, without the TTTA immigration to Australia would involve more complications than the purchase of a ticket and the possession of a passport. Entry and/or

residency requirements would, in all probability, prevent or at least deter people from emigrating to Australia. The impact of Australian workers on the New Zealand labour market must also be considered, as must that of the families of occupational migrants and those entering New Zealand under family reunification provisions. People of the latter category, and of working age, are less likely to meet occupational criteria. Although the effects are unpredictable, it is possible that pressures already existing on certain occupations, sectors and regions, would be compounded. It is also possible, however, that rates of unemployment and other indicators of the labour market situation are assessed, prior to application, by those considering immigration under family reunification provisions.

The establishment of new ventures and the capital brought into New Zealand by business immigrants suggests that this form of immigration has the potential to create employment in many sectors.

## *Conclusion*

Immigration policy has always been a sensitive political issue, frequently arousing media attention and public debate. Successive governments have sought to maintain control by means of flexible policy frameworks, capable of responding quickly to changing circumstances. Current immigration policy is in this mould.

While a responsive immigration policy and administration properly recognise the reality of a continually changing world, the inbuilt flexibility in policy requires significant compromises in coherence and consistency. Recent policy statements eschew any uniform philosophy on which to base concrete policies and provisions. At the same time there are only limited endeavours to obtain the involvement, in policy formulation, of those individuals, communities, and organisations for whom immigration policy is a key concern.

Arising from the preceding discussion, and an analysis of submissions to the Royal Commission, a variety of issues requiring further consideration have emerged. These include:

- 1 *Implications of the Treaty of Waitangi for Immigration Policy* The Treaty of Waitangi underpins the relations between the Tangata Whenua and the *Tau iwi*. The principles of the Treaty, therefore, have important implications for New Zealand's immigration policy. Immigration policy should properly be the result of a bi-



cultural policy development process. Other implications of the Treaty include: an ongoing assessment of the impact of immigration on Māori, Māori culture and other taonga; informing prospective immigrants of the Treaty of Waitangi and the obligations and rights flowing from it, including affirmation of the Treaty in the procedures conferring New Zealand citizenship.

2 *That clear consistent and measurable objectives for immigration policy be articulated* Current statements on objectives, if worthy in sentiment, are neither consistent nor precise. It is unclear what ends immigration policy is designed to achieve. The stated objectives do not suggest specific policies. It would prove difficult to assess the outcome of immigration provisions for the degree of success they achieve in meeting objectives.

3 *That information about the Treaty of Waitangi be given to prospective immigrants* Currently there is no mention made of the Treaty of Waitangi at the interviews of applicants wishing to immigrate. If reference was made to the Treaty, it would give applicants a fuller understanding of the country to which they intend to come, and the terms under which they come.

4 *That the consequences of the demographic, cultural and environmental impacts of immigration and the consequences for human services and housing be given weight alongside those of the economic impact of immigration in immigration policy development* Economic impacts of immigration are undeniably significant. However so too are the impacts in the domains mentioned above. Accurate methods need to be developed to assess such impacts. Policymakers need to have access to a broader spectrum of information and give due consideration to those impacts not directly subsumed under the rubric of economics.

5 *That a wider range of cultural definitions of 'family', other than the dominant anglo-celtic, be included in family reunification provisions* Currently family reunification provisions, and indeed immigration policy in general, give scant recognition to the significance of relationship extending beyond the bounds of the nuclear family. If it is accepted that New Zealand is a multicultural society, then it is appropriate for the fundamental concepts of cultures represented in New Zealand to be acknowledged in immigration policy. An allied issue is the need for immigration policies which extend beyond current family reunification provisions and are designed to sustain, the sometimes ageing, ethnic communities present in New Zealand.

6 *That pensions be made portable for immigrants who have spent a substantial period of their employed life in New Zealand* On reaching retirement age a proportion of immigrants, in particular those originally from Pacific Island countries, express a desire to return and live in their country of origin. However this is made difficult by the general non-portability of superannuation. The choice they face is to forfeit superannuation and financial security, or to remain away from home in New Zealand. After having contributed taxes during an employed life in New Zealand this seems unfair, and is the source of some anxiety.

7 *Occupational immigration provisions are weighted against prospective immigrants from less developed countries* For occupational immigration, prospective immigrants from 'traditional sources' are better positioned than those from less westernised and developed regions. The former are more likely to have had opportunities to gain skills and experience in work considered relevant to New Zealand's needs than the latter. Similarly, people from developed countries would be favoured under the provisions for the immigration of entrepreneurs. Unlike occupational immigrants, workers on the South Pacific Work Schemes are permitted neither permanent residency, nor to bring family members with them to New Zealand.

8 *That the South Pacific Work Schemes be redesigned* It is doubtful whether the South Pacific Work Schemes are particularly effective means of providing development assistance. The numbers admitted annually are small, the period of stay is short, and the training provided is minimal. The schemes amplify dependency and supply a rationale for excluding Pacific Islanders from other categories of entry to New Zealand. If development of Pacific Island countries is to be effective and appropriate, then the emphasis needs to be on designing and implementing programmes which empower Pacific Islanders, rather than make them dependent.

9 *Centrally funded transitional measures need to be developed* There is, at present, a lack of adequate transitional measures: most significantly the provision of co-ordinated English as a Second Language courses. If immigrants and refugees are expected to be able to participate in the social and economic institutions of New Zealand life on an equal footing with other New Zealanders, then transitional provisions must be made available.

State provision of post-arrival programmes for immigrants and refugees is extremely limited. It is maintained that permanent immigrants enjoy the same rights as do other New Zealand



residents. Yet in the absence of centrally resourced transitional provisions, in particular English as a Second Language courses, barriers to participation in New Zealand life are effectively erected and maintained.

10 *That national and cultural origin be effectively removed as factors in the selection of immigrants* It is stated in immigration policy that national origin is no longer a factor in selection for entry to New Zealand. However certain overt, and subtle, mechanisms operate to stem the potential diversity of immigrants coming to, and remaining in New Zealand, in addition to the provisions for occupational entry (mentioned above). These include requirements for: English language proficiency and an interview with a New Zealand immigration representative. Such criteria are barriers to those prospective immigrants culturally and/or geographically distant from regions with which New Zealand has historically had ties. Although a stated exception to immigration policy in general, the Trans-Tasman Travel Agreement clearly embodies national origin as a factor in selection. The ease of entry to New Zealand for Australians, and certain Northern European residents of Australia, contrasts sharply with the strict entry criteria applied to other people of the Pacific region.

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TOWARDS ETHNIC  
EQUALITY AND DIVERSITY

Finau Kolo





# Towards Ethnic Equality and Diversity

Finau Kolo

New Zealand is a society which is made up of people from different ethnic groups who originate from a very diverse range of countries. The term "multicultural society" is bandied round by many. However multiculturalism implies that every group's values, traditions, and customs are treated equally and that all these groups have equal access to power in this society. On this basis New Zealand is not a multicultural society and has a long way to go to reach this state of affairs. (Wellington Ethnic Council, Submission 4559, p. 5)

The Terms of Reference of the Royal Commission on Social Policy identify as one of the five standards of a fair society 'acceptance of the identity and cultures of different people within the community, and understanding and respect for cultural diversity'. In addition, the 'equality of the races' is stated to be one of the foundations of New Zealand's society and economy.

This paper should be read as a companion paper to *Pacific Island Peoples' Perspectives*. It focuses on what we know of the situation of those ethnic groups in New Zealand today who are not included in other papers in this volume and other parts of the Royal Commission's report. It makes use both of the perceptions and information presented in the submissions to the Royal Commission, and of a limited amount of the statistical data available. It comes to some conclusions and recommendations about future policy for achieving racial equality and celebrating ethnic diversity.

It is important to note at the outset the way in which the position of the Maori is viewed by this paper. The Treaty of Waitangi is fundamental to an understanding of the equality of the races in New Zealand. Maori people are the tangata whenua o Aotearoa and as such command special place in this discussion. The Royal Commission's report has focused on their tangata whenua status in many places. In its papers on the Treaty of Waitangi and on Women and Social Policy, research and statistical material has been presented on the position of Maori people. That material will not be repeated here.



## Ethnic Diversity in New Zealand

Despite the importance to New Zealand society of the variety and vitality of the different ethnic groups which comprise the *tauiwi*, there is a paucity of both research literature and statistical data on their social and economic well-being. Moreover as Brown (1984) outlines, there are problems with the validity and reliability of ethnic statistics.

This section presents some limited information on the demography of ethnic minorities in New Zealand. Further information is given in the paper *The People of New Zealand* in Volume I.

The statistical information available does not adequately reflect the true cultural diversity. For instance, a number of ethnic groups (such as the Dutch) are included within the census category of *European*. The numbers of some ethnic groups in New Zealand today are set out in Table 1 below.

TABLE 1: Ethnic Diversity in New Zealand

Ethnic Group	1981	1986
Chinese	16,653	19,506
Indian	9,954	12,126
Japanese	669	1,389
Malaysian	297	570
Sri Lanka	843	1,017
Thai	174	300
Indonesian	204	342
Vietnamese	1,296	1,593
Filipino	324	1,170
Negro	195	261
Korean	102	402
Iranian	54	198
Kampuchean	471	2,136
Laotian	198	570

Source: New Zealand Census of Population and Dwellings, 1986, Series C Report 6: Birthplaces and Ethnic Origins, Table 10, Changes in Population Resident in New Zealand, Ethnic Origin and Sex, 1981-1986

These figures lead to the conclusion that:

An increasingly visible feature of New Zealand's population in recent years has been its growing ethnic diversity.

(Department of Statistics, 1985, p. 90)

New Zealand's population is becoming more heterogeneous due to the increasing numbers in our society whose ethnic origin is not

European or Maori. It is a matter of urgency that policy takes account of New Zealand's ethnic diversity, in a positive way. New Zealand benefits from ethnic diversity in a variety of ways that extend well beyond the simple opportunity to enjoy cultural performances and national dishes. Trade and economic development are but two of the areas where there is significant beneficial impact.

Ensuring the well-being of ethnic minorities is vital, both for stable race relations and to enable all cultural groups to contribute fully to life in New Zealand. What data are available, however, indicate that on various indices there is cause for serious concern about the well-being of ethnic minorities.

## Issues of Ethnicity

Submissions received by the Royal Commission from the Wellington and Auckland Ethnic Councils, the Office of the Race Relations Conciliator, the Interchurch Commission on Immigration and Refugee Resettlement (ICCI), and from the various ethnic associations and individual members of ethnic minority groups, made it clear that there are many issues to be addressed before New Zealand can truly claim that equality of the races is one of the foundations of our society. These issues are presented here in the spirit in which they were raised:

For too long we have kept quiet while working hard to make a good life for ourselves in New Zealand and contributing to New Zealand's development. It is time that our voice was heard, our presence and contributions acknowledged, and our concerns and interests acknowledged as legitimate. (Wellington Ethnic Council, Submission 4559, p. 4)

### 1 *The Legacy of History*

Since European settlement, New Zealand has always received migrants who were not of British origin. The myth of racial equality in New Zealand has disguised the fact that, historically, migrants, especially those from non-English speaking backgrounds, have not been accorded equal treatment here.

The nineteenth century saw migrants arrive in New Zealand from the Scandinavian countries, France, Dalmatia, Italy, Lebanon, India and China. All these groups to a lesser or greater extent experienced some forms of prejudice and racism.

(Wellington Ethnic Council, Submission 4559, p. 9)



The injustices perpetrated on migrants to New Zealand throughout the period since European settlement are documented in the submissions and in a growing body of literature.

## 2 *Immigration Policy*

The paper *Immigration Policy* in this volume documents a number of features of New Zealand's immigration policy and describes the present basis of that policy.

The submissions of many ethnic groups took issue with that immigration policy. The abandonment (at the official level at least) of the policy which gave preference to immigrants from North-Western Europe was welcomed. Major concerns were expressed, however, about the small numbers of refugees which New Zealand accepted and about the way the 'family reunification' policy was restricted to members of the nuclear family.

Concerns about cultural maintenance (discussed in (5) below) have implications too for immigration policy, because they imply that a critical mass and continuous revitalisation by new immigrants from the country of origin are needed, for any ethnic group to maintain its identity in New Zealand.

## 3 *Refugees*

The Royal Commission received detailed submissions from the Interchurch Commission on Immigration and Refugee Resettlement (ICCI) with regard to New Zealand's policies on refugees. The ICCI distinguishes between 'forced' and 'spontaneous' refugees.

The former are those who are forced to leave their country of origin for political and/or economic reasons. (New Zealand presently takes 800 such refugees each year.) The latter are those who travel to New Zealand as visitors and whilst here seek refugee status. (They numbered 30–40 in 1987.) At present most of New Zealand's refugees are from South East Asia (600 to the 800 accepted in 1987) but New Zealand accepts refugees from a variety of countries.

Many of the issues for refugees raised with the Commission are covered in the subsequent sections which deal with support policies after arrival and with cultural maintenance. However, there are a number of other issues which deserve comment.

- At present government policy towards those seeking asylum in New Zealand is ad hoc and New Zealand is seen as having failed to establish adequate procedures to protect the human rights of those seeking refugee status and as being ill-prepared for the inevitable increase in numbers in this group.
- New Zealand's system of having families or church committees sponsor refugees is seen as out of step with changed social and economic conditions.
- There is a clear need for increased funding for the resettlement of refugees.

One final issue deserves specific mention. Refugee women and girls constitute the majority of the world's refugee population and because of their particular vulnerability they are often exposed to physical violence, sexual abuse and other discrimination.

In addition, it is their very status as women which can lead to some women becoming refugees. This is particularly so for women born in countries with very restrictive practices towards women. Some women become refugees because they have broken the repressive dress, sexual or other behaviour codes of their country, often through no fault of their own. For instance, some unmarried Muslim women have fled to Europe because they were in danger of being murdered by their families - because as a result of being raped they were no longer virgins.

Submissions drew the Commission's attention to the international debate now occurring as to whether such women should be accorded refugee status as defined in Article 1 of the Geneva Convention on the Status of Refugees (Submission 5356). It is clear that the present procedures for determining refugee status in New Zealand are in need of urgent review.

#### *4 Policies of Support after Arrival*

It is clear from the material presented to the Commission that in the past New Zealand has tended to take the view that once immigrants (whether refugees or not) are in New Zealand, they are New Zealand residents and need no special consideration. As the ICCI submission said of refugees:



The reality of the situation is that separate provision is needed initially, until they are able to overcome the basic disadvantages of:

- (i) being unable to speak the language of their new country and having no knowledge of the culture.
- (ii) having no money or income when they arrive in New Zealand.
- (iii) they have often had traumatic experiences in the process of their becoming refugees and living in the camps.
- (iv) they have left family and friends living in appalling conditions in the camps to resettle in New Zealand which leads to anxiety and feelings of guilt.
- (v) the work experience and skills these people have are not seen as relevant to New Zealand society.
- (vi) they have their own culture which is important for them to maintain for their sense of identity. (ICCI, Submission 5833, p. 8)

Although their arrival in New Zealand is usually less stressed, as are the events leading to their decision to emigrate, many of the features identified above apply also to other immigrants to New Zealand. A transition period (often over many years) is required for all immigrants and it is evident that present policies and provisions do not ease this transition.

A key aspect of transition that was mentioned by many submissions is the teaching of English as a Second Language (ESL). ESL classes provide both 'survival' and, later, 'maintenance' English, and a general orientation to life in New Zealand. They are essential for most immigrants. Yet New Zealand has no national ESL programme, rather it is provided on a voluntary basis and is inevitably ad hoc. Home tutoring is especially important for immigrant women (particularly those with small children) who find it difficult to attend classes.

## 5 *Policies for Cultural Maintenance*

Accepting immigrants to New Zealand should mean taking responsibility for enhancing the opportunities for those migrants to maintain their own culture in New Zealand. Equality of the races is impossible if cultural diversity is not celebrated and fostered:

The loss of heritage and language can in the words of one of our members, mean that 'you become a figure without a soul.' The retention of one's heritage means knowledge about yourself, and your place in society. Members who belong to communities who are culturally dispossessed, who have 'lost their soul' will often feel resentment against that society, and this resentment will be expressed in many ways in anti-social behaviour. (Wellington Ethnic Council, Submission 4559, p. 15)

Language is pivotal to cultural maintenance and the paper on Education in this volume includes discussion about the importance of mother-tongue teaching. There is no doubt from the submissions received that the native language of some ethnic groups in New Zealand is in danger of dying out because it relies on voluntary community effort for its maintenance.

## 6 Employment Issues

Primarily because of their lack of skills in English many refugees are placed in unskilled positions in factories, though they may in fact have qualified in their country of origin for skilled work. As the *Immigration Policy* paper in this volume indicates, non-refugee immigrants often come to New Zealand because they have specific qualifications and skills (as listed on the Occupational Priority List). However, some immigrants face similar problems to refugees in having their qualifications recognised.

Submissions maintained that there was a strong bias in New Zealand against professional, technical and trade qualifications which had not been gained in Britain, Western Europe or North America. As these submissions pointed out, having skilled people working in unskilled occupations or spending long unnecessary hours retraining is a gross waste of resources.

## 7 Discrimination

Many migrants to New Zealand and future generations born to them have been subject to racism and discrimination. As *Puao-te-ata-tu* explained:

Racism has many faces. Some of them may be veiled others frankly overt—unmasked. These faces may be grouped into three main forms—personal racism, cultural racism and institutional racism.

(*Puao-te-ata-tu*, 1986, Appendix III, p. 25)

Some members of ethnic minorities in New Zealand believe they are subjected to personal racism simply because they are different—they speak a different language, have different customs and habits, and sometimes look different from the dominant Pakeha group. The submissions acknowledged, however, that New Zealand was becoming more cosmopolitan and personal racism of this sort was diminishing. Nevertheless, personal racism still occurs and there is no doubt that cultural and institutional racism is widely evident. A



number of aspects of it (but by no means all) have been canvassed in this brief paper.

## Strategies for Change

New Zealand has had legislation against racial discrimination in place for a number of years. In addition, over recent years there have been some moves to develop equal employment opportunities and affirmative action programmes on a voluntary basis. Yet, as *Puao-te-ata-tu* suggests, institutional racism remains. The submission of the Office of the Race Relations Conciliator states:

It is our belief that in order for New Zealand to be a more fair and just society, policies and programmes to improve race relations are essential. Racial prejudice is widespread in New Zealand and as it is often based on values and attitudes, it can be countered through education. However, the eradication of prejudice and discrimination, not merely the redefinition of them in more socially acceptable ways is at best a long term task. Although racial prejudice is sometimes considered to be the basic cause of the problem in race relations, such a perspective fails to take into account the institutional and structural context of racism.

(Submission 5482, p. 1)

In saying this the Race Relations Conciliator reinforces the distinction between personal and institutional racism which was introduced above, derived from *Puao-te-ata-tu*.

This final section of the paper focuses on a number of strategies that could be considered if equality of the races is to truly become a foundation of New Zealand society. For these strategies to be successful requires widespread community change.

The strategies would be aiming to achieve the following specific goals:

- to ensure that members of all ethnic groups share fairly the economic, social and cultural resources of New Zealand
- to ensure the maintenance of the cultural identity of ethnic minorities
- to enable minority ethnic groups to make a full contribution to New Zealand's economic, social and political life
- to eradicate all forms of racism which are barriers to the achievement of these goals.

To date, New Zealand's response to racism has been to regard it primarily as a problem of the personal attitudes and behaviours of individuals. While such personal racism is important and very

damaging to members of minority groups, institutional racism is far more pervasive and subtle. It can be defined as:

... a bias in our social and administrative institutions that automatically benefits the dominant race or culture, while penalising minority and subordinate groups. (Pua-te-ata-tu, Appendix p. 26)

Combatting institutional racism requires national, system-wide programmes to remove these biases. Such an approach is exemplified by the reports which challenged the structure of the Department of Social Welfare for its institutional racism. These studies identified a number of ways in which the policies, practices and structures of that Department were racist:

- the ethnic composition of the staff was dominated by Pakeha people
- the recruitment, selection and promotion of staff was culturally biased in favour of Pakeha applicants
- staff training was monocultural and ignored issues of personal and institutional racism
- the physical environment of the Department was monocultural

To make such monocultural structures appropriate for all ethnic groups requires deliberate, well-planned and well-executed affirmative action. It requires, as a minimum, policies and practices which:

- involve members of minority ethnic groups in policy formulation and other decision-making
- specifically recognise the needs of clients from ethnic minority groups and cater for those needs by the appointment of staff who understand their culture and speak their language
- use methods to recruit and train staff which recognise the qualities valued by all ethnic groups which comprise the institution's clients
- devolve resources to ethnic minority communities as appropriate to assist them to work for their own people
- train all staff to have an understanding of the beliefs, values and customs of ethnic minority groups
- adequately fund affirmative action programmes.

The equality of the races can become one of the foundations of New Zealand's society and economy. To achieve a fair society we must accept, understand, respect and celebrate cultural diversity.



New Zealand does not do this at present. Achieving our goal requires policies and practices in the future which sustain the diverse ethnic communities and overcome past prejudices by positive action.

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PACIFIC ISLAND PEOPLES'  
PERSPECTIVES

Kiwi Tamasese  
Paula Masoe-Clifford  
Sui Ne'emia-Garwood





# Pacific Island Peoples' Perspectives

Kiwi Tamasese

Paula Masoe-Clifford

Sui Ne'emia-Garwood

These islands rising from wave's edge—  
blue myth brooding in orchid  
fern and banayan, fearful gods  
awaiting birth from clot  
into stone image and chant  
to bind their wounds, bury  
our journey's dead, and as I  
watched from shadow root, ready  
for birth generations after.

(Albert Wendt, from *Inside Us Our Dead*,  
*Seaweeds and Constructions*, 1983)

Albert Wendt captures in this poem the reality for us, Pacific Island Peoples in Aotearoa, as we take time to recapture our journey and bury our journey's dead.

For us this journey has been defined by the winds of colonialism—New Zealand winds that have left weeping wounds in ourselves, our children and our communities.

Yes the wounds are familiar, we see it also in you—you the Tangata Whenua. Intrinsically our histories are interwoven in this stage of our journeys.

*Pacific Island Peoples' Perspectives* is not meant to take the focus away from you—the Tangata Whenua. It is a recapturing of Pacific Island peoples' stories: our parents' many hopes and dreams and our drive for a brighter future for our communities.



## Historical Analysis

Tony Johns, Director of the Pacific Island Affairs Unit, in his submission to the Royal Commission stressed the importance of New Zealand's relationship to the Pacific Region. He also noted:

that recent events in the region have too strikingly shown that many people in New Zealand lack knowledge, lack understanding, lack sensitivity to our own region.

(Oral submission at Mataaula Hall, Porirua, 29 June 1987)

New Zealand, as a Pacific country, has close historical links with the South Pacific island nations. These links emphasise her central role and responsibilities to the Pacific Island peoples mandated under her island territories. Thus, New Zealand's relationship with her mandated island territories historically has been one of colonialism. The example of Western Samoa illustrates this relationship.

New Zealand took control of Western Samoa from Germany in 1914. Western Samoa then became New Zealand's mandated territory under the League of Nations. New Zealand ruled Western Samoa until its independence in 1962. During this period of New Zealand rule systems of education, health, justice and economy, for example, were imposed on the Samoan people, without regard for their appropriateness to the distinctive Samoan culture. Moves for independence and self-determination as in the Mau movement were violently repressed. Despite high taxes paid by the Samoan people during the period of colonial rule, it is highly questionable what social, economic or cultural benefits Samoan people actually received.

The effects of New Zealand rule for Samoan people was not one of free migration to New Zealand. Rather, it was an imposition of Palagi culture on Samoan people which reached the depths of the Samoan psyche believing 'the Palagi way of life was superior and must be attained at all cost.' Thus migration to New Zealand was based on imposed psychological and physical needs in search of the Palagi way of life and better education as espoused by the processes of colonisation.

The passage to New Zealand was made politically easier through New Zealand's relaxed immigration laws which supported her need for cheap labour during the economic boom of the 60s and early 70s. The factories of New Zealand hosted many Samoan people. However, the economic determinant again featured in the mid 70's when the economic recession became apparent and the need to find scapegoats for this state of political affairs resulted in the dehumanising tactics meted out to hundreds of Polynesian people who were treated like surplus mechanical wastes

devoid of human life, feeling and dignity. The witch hunt for over stayers and dawn raids on Polynesian families are sad reminders of a dominant culture continuing to assert its authority when the exploitation of brown souls no longer reaped an economic profit.

... Samoan people, then, like all Pacific Island people in New Zealand have more than contributed to the economic life of New Zealand. They have also contributed to the social and political life of this country.

(Sui Ne'emia-Garwood, April 1987, Samoan Project)

Thus, many submissions from Pacific Island people expressed their sadness at being blamed for the economic and social problems in New Zealand. Sadly, this blame is internalised and, as one young Samoan woman, Carmel Peteru, put it:

Pacific Island people could only blame themselves, while the rest of New Zealand sleeps between white-washed structures.

(Employment Promotion Conference, 1984, Submission from the Pacific Island Caucus)

The effects of colonialism have been voiced throughout Pacific Island peoples' submissions, many of which reflect the statement made by one of our Pacific leaders, Tupuola Efi:

When Samoa talks about colonialism and repression whether they be in Africa, in the South Pacific, in Asia or elsewhere, it is not just rhetoric—rather Samoa's opposition to colonialism is fundamental because of its own experience.

What is often forgotten or not publicly known is the economic, social and political contribution to New Zealand by Pacific Island people. What needs to be stressed even more is the deliberate silence of New Zealand's abdication of her historical colonial responsibilities to her mandated island territories.

New Zealand is also denying our claim to justice and actually rejecting its responsibilities for its colonial practices ... past, ... present and ... future.

(Oral submission by Va'a Malo, Samoa House, Auckland, 17 January 1988)

Mr Malo goes on to point out the divisiveness of such rejection and neglect of our Pacific Island communities here in Aotearoa.

The colonial design of divide and rule based on the 'we are one' syndrome has eaten into the hearts of the fabric of our families and cultural values to such an extent that for many of us the denial of our presence, contribution and uniqueness reflects the racist perpetuation of the colonial processes. For example, there is a mistaken notion that Tokelauans are Samoan. One Tokelauan woman highlights the difficulties her people experience as:



New Zealand's only non self-governing territory, New Zealand should be taking extra responsibilities in seeing they as a people with their own culture are preserved—supporting use of language is an excellent way of doing so. (Submission by Clare Faiva, No.510)

A common thread running through many submissions is that:

- We are unique
- We are different
- We are not a minority in this our mother region—the Pacific.

Furthermore, with regard to 'Pacific Relations', the popular emphasis on New Zealand's 'aid' to the South Pacific hides the fact that the balance of trade is heavily in New Zealand's favour. For instance, in 1980–81 the trade surplus with those Polynesian countries which belong to the Commonwealth was \$32.5 million, while our official bilateral aid amounted to only \$21.1 million. Moreover, a substantial proportion of this aid money is actually spent in New Zealand and the products sent to Pacific countries (Waldegrave and Coventry, 1987).

Why is it then that Pacific Island people are made to bear such a great part of New Zealand's economic and social ills when there are clear historical colonial processes which usurped their souls? Violence is not only physical. Violence is also the tearing processes of New Zealand colonisation with ensuing abdication of responsibility.

Despite Pacific Island peoples' significant contributions to the social and economic growth of this country:

The rewards for that seem to have been . . . over representation in jails [and in] unemployment statistics . . . lower incomes . . . lower standards of housing and . . . health difficulties.

(Oral submission by Samson Samasoni of the Pacific Island Affairs Unit, Porirua, 29 June 1987)

Hence it is not surprising that our people have highlighted in their submissions the crippling effect of institutional racism in all areas. The statistics highlight this situation.

## Housing

- 34.41 percent of Pacific Island people own their own home, compared with 73.2 percent of non-Polynesian people
- 59.53 percent of Pacific Island people rent houses, compared with 23.02 percent of non-Polynesian people

- An Auckland study showed that in 83.9 percent of test cases Maori and Pacific Island people were offered fewer and poorer properties than Europeans
- A 1975 survey found Europeans were likely to be more successful than Pacific Island people in gaining rental accomodation
- A study of homeless families in the Hutt Valley showed 23 percent to be Pacific Island people (they were 2 percent of the population) and 32 percent to be European (86 percent of the population).

(Waldegrave and Coventry, 1987)

Recent studies confirm that there is a housing crisis for Pacific Island people. A study done for the Race Relations Office found there was discrimination against Pacific Island people in the rental accomodation market (McDonald, 1986). Another study showed that Pacific Island peoples' home ownership rate was much lower than Pakeha's despite the fact that just as many of them wanted to own their own home. Submissions to the Royal Commission added weight to these studies. The *Housing* paper in this volume includes further information on Pacific Island peoples' need for housing.

## Employment

- A 1980 study showed employers' preference for palagi (white) workers over Pacific Island workers; 62 percent of surveyed employers preferred not to employ Pacific Island people. Pacific Island applicants were offered 24 percent fewer job interviews than European applicants
  - In 1981 the Pacific Island unemployment rate was 10.3 percent, compared with an overall New Zealand rate of 4.5 percent
  - In 1981 33 percent of young Pacific Island women were unemployed, compared with 10 percent of all young New Zealand women
  - 75 percent of the Pacific Island workforce are employed in the service, production, transport and labouring categories, compared with 50 percent of the total New Zealand workforce.
- (Waldegrave and Coventry, 1987)



The burden of unemployment has fallen heavily on Pacific Island people. Their high level of unemployment is indicated by the results of the *December 1987 Household Labourforce Survey*. This indicates that the unemployment rate for Pacific Island people is 7.6 percent compared with 3.4 percent for Europeans.

When they are able to secure employment, Pacific Island people are clustered in occupations which command lower incomes and lower status: typically production work, transport operation and labouring. Moreover, the occupational distribution of Pacific Island people has changed little during the 1970s and 1980s.

Only a small proportion have moved into white collar occupations, and of those who did, few managed to achieve higher-salaried professional and managerial positions. (Department of Statistics, 1985, p. 108)

The Commission's paper on *Work* in Volume II of its report includes information on Pacific Island participation in the workforce. This shows that Pacific Island people, because of their need for economic survival, continue to contribute to the revenue of this country despite their low income status.

Statistics which indicate that a high proportion of the Pacific Island population participates in the workforce can be misleading if taken in isolation. It should be remembered that these figures include the unemployed, and that a disproportionately high number of Pacific Island people in New Zealand are in the workforce age groups. For all ages Pacific Island unemployment rates are two to three times the national average. In the youngest working age groups unemployment rates for Pacific Island Polynesians are five to six times higher than the national average.

## Income Levels

- In 1981 the median annual gross income for Pacific Island male occupier (35-44 years) households was \$16,300, compared with \$20,000 for non-Polynesian households
- In 1981 49 percent of Pacific Island families with a child aged under one had an income under \$7,160 per annum, compared with 22 percent of Europeans
- In 1981 4 percent of Pacific Island families with a child aged under one had an income above \$13,950 per annum compared with 12 percent of Europeans.

(Waldegrave and Coventry, 1987)

Not all of the lower incomes of Pacific Island people in New Zealand can be explained by the fact that there are higher numbers of young people amongst the Pacific Island communities than amongst other groups in New Zealand, or the fact that they generally have lower educational qualifications. A lot of the difference is attributable to direct discrimination against Pacific Island people. The submissions to the Royal Commission from Pacific Island people provide evidence of this discrimination:

Although there are laws against discrimination because of colour, sex, race or creed, these are ignored and discrimination is alive and well in New Zealand. And, unfortunately it's blatantly practised. Our people have suffered these inhumanities long enough. We would like to see laws governing these . . . negative attitudes . . . we would like these laws strengthened—there should be more prosecutions.

(Oral submission by Steve Nuimata at Samoa House, Auckland,  
17 January 1988)

## Health

- The mortality rate for Pacific Island people is 25 percent higher than that for non-Polynesian people.

(Waldegrave and Coventry, 1987)

One of the submissions to the Royal Commission illustrated the reality of health statistics for Pacific Island people in New Zealand:

Many of the Pacific Island Polynesian families resident in New Zealand are having difficulty meeting the cost of primary health care. At the secondary care level there are few Pacific Islanders who enjoy the added advantage of private medical insurance, or the income necessary to pay for specialist and hospital care in the private sector.

(Submission by Auckland Pacific Islanders' Health and Welfare  
Committee, No.4358)

## Education

- 54.4 percent of Pacific Island school leavers in the 15-19 age group have no qualifications, compared with 36 percent of non-Polynesian school leavers
- In 1981 6.5 percent of 15-19 year-old Pacific Island young people held University Entrance, compared with 17.6 percent of all 15-19 year-old New Zealanders



- By 1988 20 percent of primary school children will be of Maori or Pacific Island origin.

(Waldegrave and Coventry, 1987)

Over recent years the number of Pacific Island students staying on into the sixth and seventh forms has increased and there has been an important increase in attendance at tertiary education. This was shown in the 1981 Census, for instance. In that Census 21 percent of Pacific Island people aged 20-24 had stayed at school to the sixth or seventh form compared with only 9 percent of the 25-44 year olds.

Over half of the adult Pacific Island people in New Zealand were born and educated in the Pacific Islands, and their educational attainment rates are higher in their country of origin than those of New Zealand born Pacific Island people. Thus, the overall educational rates for Pacific Island people in New Zealand are intermediate between Maori and Palagi and going down as the proportion born in New Zealand increases.

Needless to say the most vital strand in any nation-building is education but our colonial education systems were not programmed to educate us for development but to produce minor and inexpensive cogs, such as clerks, glorified office boys, officials and a few professionals for the colonial administrative machine.

(Albert Wendt, *A Pacific Islands Collection*, 1983, *Seaweeds and Constructions*, p.79)

## Immigration

- Pacific Island people constitute 33 percent of all overstayers, but are 86 percent of those prosecuted
- Between 1972 and 1981 there was a net migration loss of 62 long-term Samoan immigrants and a net migration loss of 2075 long-term Tongan immigrants.

(Waldegrave and Coventry, 1987)

Immigration is one of the gate-keeping systems which ensures that New Zealand is predominantly white and noticeably this gate is opened wider for Pacific Island people during times of economic boom.

## Women

### BREAD!!

Fresh, soft, white crusty bread, sliced and well packaged.  
The knife slices through the butter,  
kept warm through the humidity of the cupboard.  
It oozes caressingly over the bread, as  
the pressure from hand and knife spreads  
this natural dairy product through its  
final action in life and then to be  
demolished and mangled by my pearly  
white enamels.

I too as the oldest Samoan boy in the family  
like the butter, have been through this process—  
When my father applied pressure from  
his hand onto my body and nearly  
demolished and mangled my pearly white  
enamels—I hope to God I don't make any  
mistakes today.

I bite! I chew!

And as I chew my hand reaches tantalisingly  
towards another piece of enamel.

No! not the enamel of my teeth to  
pick away at the pieces of bread stuck  
between the gaps

But the enamel of the tin mug,  
well used as you can tell by the little  
black spots where the enamel paint  
has chipped away.

It is the vessel for holding my tea

Tea with milk

Strong and Sweet—like my mother.

Oh Mother! You smile, you laugh.

At night you hug me and I am warm

But these nights are lonely now.

For now you work nights cleaning the offices of  
the palagi.

For now we see you for two hours every  
night before you must go to sleep and rest  
to start work at 11 p.m.

finish at 7 a.m. and go straight to your  
day job to start at 8 a.m.

You hold back the pain

But your eyes deceive you,

And tell me the truth



Your dreams are now my dreams.  
 You are so tired mother  
 Yet you keep struggling  
 You laugh  
 Yet I know your knees are hurting from  
 scrubbing the stench of urine from  
 around the toilet bowls of the Public Service.  
 As the tears well up in my eyes  
 The sound of the car brings me back to  
 reality.  
 I quickly gulp the last of my tea  
 and bread.  
 Oh my God! I haven't done the saka  
 . . . . ah! but wait  
 It is fish and chips day today.  
 When I get my School Cert and U.E.  
 I will stop all this nonsense mother,  
 You and father will have everything  
 paid for when I become rich and  
 famous.  
 I will buy you a car, a dishwasher,  
 a colour T.V., um . . . . ., aah . . . . .  
 and anything else money can buy.  
 I will . . . . ., I will . . . . .  
 If only I could?  
 If only we all could?

Soifua (Albert Umaga, Samoan Project, 12 April 1987)

The journeys of our parents to New Zealand in search of a better life-style and to provide their children with a better education have been at a tremendous cost. For our women and especially our mothers the common denominator of economic survival has meant that for many two or three low paid jobs have become their way of life. The nocturnal exodus of Pacific Island women from their families into the empty government buildings is well known. And yet Pacific Island women are expected by society to fulfill their nurturing responsibilities to their family while at the same time making significant contribution to their family's daily bread.

The exploitation of Pacific Island women extends further into 'voluntary' work. Where others are paid as consultants to professionals who do not possess a certain skill to competently carry out their work, our women are brought in as unpaid cultural consultants.

Lack of statistical data on Pacific Island women is a loud statement of the disregard for our reality here in New Zealand: a reality usually lived through in silence; a reality of low-paid menial jobs; a reality of having to supplement the family income while also having to look after our children; a reality that after doing the best we can our children end up like us in menial jobs. We are the budgeters supreme; we are the organisers of many a community group; we are often your unpaid volunteers upholding your social equality myth. We have been pained by your dual forces of sexism and racism yet we are undaunted, for in us is the richness of our cultural heritages that New Zealand badly needs. We are survivors and our children will survive.'

(Kiwī Tamasese, March 1988, Samoan Project)

#### **In summary:**

The statistics demonstrate that Pacific Island people have less of the resources of this country and consequently carry disproportionately the 'burden of poverty' (Waldegrave and Coventry, 1987)

While there is a current commitment to affirmative action and equal opportunities for groups inclusive of Pacific Island people, in practice this is superficial when the structures themselves perpetuate institutional racism and therefore cannot accomodate such benevolent notions.

I would like the Department to know, when they employ me as a Pacific Island person with the Pacific Island understanding of where our Pacific Island people are coming from, I would like to be given the provision to develop that.

(Oral submission by Paula Masoe-Clifford, Matauala Hall, Porirua, 29 June 1987)

## **Recommendations**

Violence is not only physical. Violence is also the abdication of responsibility which creates dependency and death.

(Tribute to Ailini Lefe'e by Sui Ne'emia-Garwood, 1987)

Understanding the colonial history of the relationship between Pacific Island peoples and New Zealand and hearing their voices in their submissions to the Royal Commission on Social Policy leads us to the following recommendations for future policy for Pacific Island people in New Zealand.

### ***Employment***

We know that many Pacific Island Polynesians work at the bottom of the occupational pyramid, in unskilled and semi-skilled jobs . . . Empirically we believe that the present unemployment experience, together



with Government's move towards corporatisation, is having a two-fold effect on employment opportunities at the bottom of the occupational pyramid. There is a downward squeeze, as competition for employment at the skilled and semi-skilled levels increases. There is retrenchment at the base as rationalisation takes place. Unemployment places an added burden on those least able to 'save for a rainy day.'

(Submission by the Auckland Pacific Islanders' Health and Welfare Committee, No. 4358)

Full employment should be an integral part of the government's economic strategy. It must include a range of job opportunities and emphasise co-operative developments based on cultural concepts of collectivity.

### *Education*

There must be affordable choices in education and affordable tuition. At present many families are working in three jobs to pay for simple school requirements for their children.

Schools which are presently failing Pacific Island children must be called to account and culturally appropriate educational solutions introduced and monitored. A young Cook Island woman who spoke to the Royal Commission in Auckland said:

I work for Postbank and I come across a lot of children who come into the bank, say 15/16/17 year olds, and they don't know how to write. I get very shocked, I get very very shocked that I have to fill in their complete forms. It's not fair that these young children have to get chucked out of school—whether they get chucked out or whether they leave school, I can't understand.

(Oral Submission by Anne Glassie, at Samoa House Auckland, 17 January 1988)

Culturally appropriate solutions include: state-funded day care and pre-school education, such as Aoga Faata'ita'i and Te Punanga Reo; the immediate employment of Pacific Island teachers in schools, with recognition of their training from their countries of origin; and the teaching of Pacific Island languages as an integral part of New Zealand's school curriculum.

The fight for survival of some Pacific Island languages was highlighted in most submissions:

... in the case of Niue, for instance, there are fewer Niueans in Niue than there are here, so the possibility of a rescue mission in the language is probably more possible here with better resources, hopefully, and more people to call on ...

(Oral submission by Faafua Laban at Samoa House Auckland, 17 January 1988)

The Department of Education must be totally committed to having Pacific Island students achieve equal success with Palagi in fifth, sixth and seventh form attainments.

As well, family education should be available, controlled and run by Pacific Island people, covering the differences between life in New Zealand and life in their countries of origin.

### *Housing*

Submissions to the Royal Commission indicated the crisis in housing for Pacific Island people:

Again we actually see Pacific Island people . . . disproportionately affected by homelessness and yet the government is unwilling to do something about this, because housing has become a commodity in this country—we cannot trust landlords to provide houses for us, we cannot trust the government in giving legislation that will appease the landlords from selling their properties. No, we're very nasty in terms of living in bad accomodations and high rents.

(Oral submission by Va'a Malo at Samoa House, Auckland,  
17 January 1988)

First, there must be a commitment to housing all Pacific Island people in New Zealand, through a statutory obligation to house all New Zealanders. This will require an immediate increase in the building of low cost state rental units.

Second, there must be a commitment to enabling home ownership for all who choose it. In addition, culturally appropriate building designs and housing layouts must be adopted which cater for extended families and aiga groupings.

### *Health*

Free universal and high quality health care should be available to all New Zealanders. Culturally appropriate health care for Pacific Island people should be made available by employing increased numbers of Pacific Island nurses, doctors and ancilliary staff, recognising Pacific Island training and skills ( for midwives for instance), and employing as consultants Pacific Island people who have the confidence of their communities and are accountable to them.

The President of the Samoan Nurses Association, in her submission, made a plea for the continuation of the one-off Pacific Island nurses' course at the Manukau Technical Institute.(Oral Submission by Akense Viliamu at Samoa House, Auckland, 17 January 1988.)



Other submissions emphasised the importance of traditional healing practices for the wellbeing of Pacific people:

... with primary health care becoming more and more expensive, our people cannot afford to go to doctors ... they will actually have to look at alternative medicines where the place of our healers, which [were] very important in the past are somehow diminishing, they're scarce, they've become obsolete, they're no longer relevant to today's fast ... modernisation of medicine and medical care, but now our people are starting to revive the skills that our elderly women have in terms of healing as an alternative for us.

(Oral submission by Va'a Malo, Samoa House, Auckland,  
17 January 1988)

### *Income Levels*

Because Pacific Island people are the most vulnerable they would benefit from a guaranteed minimum income for all New Zealanders. There is a critical link between jobs and income. It is therefore essential to facilitate educational achievement, job promotion, career development, and equal access to the same range of jobs, incomes and opportunities that Palagis have.

Many submissions spoke of the financial reality for Pacific Island people in New Zealand:

Initially the Island dream of a better life seemed to have come true in Aotearoa, the change from unemployment to a weekly pay packet appeared to be the realisation of that dream. However, they were soon to receive a shock, one of the many, they found that their weekly pay packets were not enough to cover their living expenses, in actual fact existence in Aotearoa became a ... fight for survival.

(Oral submission by Steve Niumata at Samoa House Auckland,  
17 January 1988)

Many elderly Pacific Island people choose to retire back to their countries of origin. It is therefore essential that their superannuation entitlement (which they have worked for like every other New Zealander) should be available to them in their country of origin:

A lot of Pacific Islanders who have reached the age of the Superannuation benefit and have retired from employment wish to return to the islands to spend the rest of their days in the perpetual winterless country, or in the case of Samoans they wish to serve or participate in the affairs of their village by taking up a title, a Matai. Money to support them is the main stumbling block in carrying out this wish.

(Oral submission by Steve Niumata, Samoa House, Auckland,  
17 January 1988)

## *Women*

Many Pacific Island mothers work in cleaning jobs on night shift for economic survival. Properly funded day-care facilities suitable for Pacific Island families such as Aoga Faata'ita'i and Te Punanga Reo should be made available for family health and cultural survival. Government should facilitate and fund the development of Pacific Island women's gatherings for creative cultural projects such as crafts and traditional skills. It should also facilitate the development of co-operatives (such as sewing co-operatives) amongst Pacific Island women.

Now some of these people, some of these schemes that can be resourced quickly, through money allocated by government, some of these schemes are very, very humble. For instance, I know of a group in Otago, a Cook Island group, mostly women, who meet regularly to pass on the skills of weaving. Now they are older women, they teach the skill of weaving, in the group are other young mothers, there are also children, some of the men participate, but what happens in that group is very, very important in that old knowledge gets passed down to young people.

(Oral submission by Albie Williams at Samoa House, Auckland,  
17 January 1988)

## *Immigration*

New Zealand must recognise and actively acknowledge her colonial relationship with Pacific Island nations, which in effect requires a separate immigration policy for Pacific people. Such a policy must remove all punitive, racist and discriminatory elements which disadvantage our people. The determining factor for this policy should not be economic.

Central also to this policy is family reunification. Dawn raids and witchhunts, when economic policy fails to reap a profit, would be eliminated.

### YOU CANNOT CAGE A HIBISCUS

Courage

Passed on to the inheritors

Of tagaloa

Waves that rise and fall

To the rhythms of the pebble

And cliff faces of the land, trees and mountains.

The Echoes of these memories

Are enacted through the bearing:

The Courage;

The Dignity of the people.

Through the cruel metallic Western world with its



Rhythms of hydraulically operated compressors  
 That will not strip the Alofa and courage from the people  
 Our people  
 We of the Pacific know you cannot cage a hibiscus.

(Pomau Papali'i, Pacific Island Network National Fono 1985)

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## Acknowledgement

This paper is a tribute to our Pacific Island people who made submissions to the Royal Commission on Social Policy. It is also a tribute to all our parents and their parents, to all our children and in years to come to their children.

We hope to reflect our peoples' stories and acknowledge that the time limit available to us to do so does not permit full justice to the journeys of pain and hope for a fair and just society.

Kiwi Tamasese  
 Paula Masoe-Clifford  
 Sui Ne'emias-Garwood

## Appendix

The table below shows the increase in the numbers of Pacific Island people in New Zealand between 1976 and 1986.

Pacific Island People in New Zealand	1981	1986
<i>Samoan</i>	35,895	50,199
<i>Cook Island Maori</i>	19,971	23,973
<i>Niuean</i>	7,107	8,472
<i>Tongan</i>	5,682	9,225
<i>Tokelauan</i>	2,049	2,316
<i>Fijian</i>	1,011	1,875
<i>Other Polynesian</i>	2,994	474
<i>Other Melanesian</i>	150	213

*Sources:* New Zealand Census of Population and Dwellings, 1986, Series C. Report 6: Birthplaces and Ethnic Origin, Table 10, Changes in Population Resident in New Zealand, Ethnic Origin and Sex, 1981-1986, One Ethnic Origin.

New Zealand Census of Population and Dwellings 1986, Provisional National Summary Statistics





# FAMILY

I wish I knew what to say to him. Or what to ask. He seems so close at times, and yet the closeness has nothing to do with what is asked or said. Then at other times he seems very far away and sort of watching me from some vantage point I don't see. And then sometimes he's just childish and there's no relation at all.

Pirsig 1979:293

Marg Gilling

*March 1988*





# Part I

## Marg Gilling

### 1 Family

Family is a used/abused word. Commonly, family is seen through our own experience, resulting in a failure to recognise, or even consider, that other families are of different shapes and sizes, priority, meaning, and impact.

Reflection upon the nature and definition of family is rare, perhaps uncomfortable, and even threatening, for family is so taken for granted. But family is crucial for human beings in terms of:

- (a) nurturance
- (b) social learning
- (c) belonging
- (d) identification

And it is important throughout life. It is therefore vital to look at family in the terms of the Royal Commission on Social Policy's brief—at the experience, definition, assumptions, beliefs, and contradictions of family as a concept in order to grasp what it means in New Zealand in the late 1980s. Only then can the idea of family and policy be raised.

Family is a complex process. Family is beyond words—wordless. It exists as hugs, sighs, looks, touches. It means sharing bad patches, a joke, laughter, celebration; juggling time and energy. It means staying home when you want to go out; listening, and not-hearing; looking, and not-seeing. It means exploding with love, pride, pleasure—and feeling bitter, angry, left-out, misunderstood—all at the same time. Liking and loving and hating and feeling guilty; wanting to scream, bite one's lip in frustration and rage; feeling impotent, aching with pain, caring almost too much; being sad, sorry; and being wanted. Family means security, being taken



for granted, belonging. It may mean being beaten, sexually abused, exploited, abandoned.

Family may stretch people to and beyond their limits. It can empower people; encourage and enable them to grow, risk, challenge, care; it can squelch.

Family is crucial to human being. Through our family, we are pinioned in a particular time and space and people context; that alone makes us unique.

We catch the world via this family:

You've got to be taught before it's too late to hate all the things your relatives hate . . .  
(*South Pacific*: Rogers and Hammerstein Musical).

We learn the world via these people; inherit their language, their values and priorities, likes and dislikes; we learn to shape, lose and gain control, work ourselves into-the-world in this people context.

Through family we belong: to a whanau, to a group of people hundreds in number back through generations, to one other person, but the connection is there—through birth, marriage, commitment, choice.

Family is important even if people are not present.

I miss grandpa, Lewis said.

You miss him! said Lew's mother.

You were two when he died

Now you're six

and you never asked for him before.

I think about him though, said Lew.

I remember him.<sup>1</sup>

In other cultures family includes many generations by definition. Rarotongan talk of kopu tangata, the family around you, and are tupuna, one's ancestors. Maori stress the importance of whakapapa, one's anchoring to the land, to Papa-Tu-A-Nuku.

The sense of me, of 'I am me' grows, initially at least, in the context of family. A person's sense of identity is bound up with family and experience. Who and what and how we are is sorely affected by this particular person, persons, group which makes our family, our kin network.

It is family we look to to provide the essential nurturing: without love, aroha, caring . . . human beings can and do atrophy. This is important throughout life, not just in infancy and childhood.

Few adults can deny their experience of family, however negative/positive in its impact, for that is part of us. We carry that imprint physically from conception to death.

Our spiritual, emotional and mental health—our sense of well-being—is often bound up with family. Many, too, are enmeshed in family events: in caring for elderly or sick relatives, in having children, getting married, un-married; negotiating to see a son in prison, or on the other side of town; trying to find employment for one's partner, daughter, nephew, searching for one's birth parents, whakapapa; wanting that sense of belonging, seeking one's roots; perhaps someone to care for, and needing to be loved.

Family experience is different from friendship: the obligations, responsibilities, commitment differ; so, too, the value we place in family.

I can go almost anywhere in New Zealand, know someone and be welcome. Family is a linking together—not necessarily a blood tie.<sup>2</sup>

## 2 Definitions

Definitions of family are many and varied, but most focus upon the family as a central organising unit around which most people's personal work and public life revolves.

The family is the most powerful structure known for nurturing and sustaining the capacity of human beings to function effectively in all domains of human activity . . . <sup>3</sup>

The family is the oldest institution in the world<sup>4</sup>

The most influential in terms of human relationships<sup>5</sup>

The locus of the deepest and most personal life concerns<sup>6</sup>

The family is the most significant crucible of social change<sup>7</sup>

The most violent institution<sup>8</sup>

A grouping in which one or more adults are responsible, through a blood relationship or by law, for the economic support and nurture of one or more dependents<sup>9</sup>

<sup>2</sup>Linda, Royal Commission on Social Policy, 1988

<sup>3</sup>Bronfenbrenner, *Families First*, 1981:5

<sup>4</sup>Truism

<sup>5</sup>Royal Commission on Human Relationships 1977, Vol 4:1

<sup>6</sup>Edgar 1980:5

<sup>7</sup>Edgar 1988:26

<sup>8</sup>O'Donnell and Craney 1982:viii, Freeman 1984 pp. 51-78

<sup>9</sup>Koopman-Boyden and Scott 1984:21



The family is the natural and fundamental unit of society and is entitled to protection by society and the state<sup>10</sup>

Family is about obligations, responsibilities, irrespective of need, regardless of like and dislike. It is about the maintenance of links—through travelling, phone calls, attending hui, twenty-firsts, unveilings, tangi.<sup>11</sup>

The family as a construct needs to be dissolved. It is not a 'thing'. What really needs to be examined are relationships—between people, people and objects, and between people and ideas.<sup>12</sup>

The meaning of family varies with the occasion, the context and the speaker. Sometimes it means household—the domestic group in which we live. At other times it refers to our family of origin—parents and siblings; or to our family of procreation—husband or wife and children. Sometimes when we speak of family we mean not only parents and children, brothers and sisters, but also a wider kinship group including grandparents, aunts and uncles, grandchildren and cousins.<sup>13</sup>

Definition, membership, experience of family, of kin network varies with the occasion, and more importantly, is affected by class, gender, race, age factors, and time.

Family so frequently conjures up, in Western society, a notion of a couple and children. Many choose, however, to live on their own, or in different forms of adult relationships.

There is, however, a common belief that the nuclear family—a man, woman and their children—is the normal or natural family. Why else add an adjective when naming any other form of family? For example:

single-parent/solo-parent family; adoptive family; child-free/childless family; dual career family; the reconstituted family; homosexual relationships; the lesbian family; the low income family; the problem family; the Maori family.

By implication, these other forms of family are unnatural, abnormal, deviant.

We're not normal. We're not married.<sup>14</sup>

Underlying the concept of a normal family is an assumption of a biological division of labour.

In a 'normal' family the adult male becomes the husband and the father. His role is primarily in the paid work force, and in the family he is the breadwinner, provider, and protector.

<sup>10</sup>Article 16(3) Universal Declaration of Rights

<sup>11</sup>Linda Nikora, Hamilton 1988

<sup>12</sup>Burton, in Grieve and Grimshaw 1981:8

<sup>13</sup>Meeting the Needs of Families 1987:1

<sup>14</sup>Lucy, 24

An adult female becomes the wife (Christine Jackson becomes Christine Bly, perhaps Mrs Jonathan Bly), and mother. She is presumed to be able to keep house, conceive, carry, give birth to and nurture children, look after her husband, and to want to. Her roles as wife and mother are expected to be the defining roles in her life, or at least, to take priority.

Some women object:

I would rather spend the afternoon playing the piano than vacuuming through the bloody house. Ten minutes after I've done it Rachel will come through and drop biscuit crumbs. What's the point of that—I could have learnt a new song in that time. (Diana, 37)

Language legitimates this perception of family, giving it a sense of moral rightness, and the authority of being a natural unit:

man and woman	woman and man
man and wife	woman and husband
man and wife and children	woman and husband and children
family man	family woman
househusband	housewife
working father	working mother

### 3 'Normal' families

The defining, monitoring and sanctioning of 'normal' families leads to categorisation of people as role-people. People are seen, not as individuals—as Jane or Tania—but as wives or mothers, or 'the Mrs'. Men, however, are seen primarily in their paid-work role, as Jim the lawyer; Steve the plumber.

One way of unravelling aspects of this complex process is to look at

- (a) Familying
- (b) Familywork
- (c) Familyhood

'Familying' is at the heart of family: Maori talk of aroha, wairua, awhi; Pakeha talk of love, caring, trust; Samoan of alofa, mafuta fa atasi.

Familying is nurturing, caring, belonging, attending to the other person—their needs, wants . . . Without the experience of familying people may exist; seldom can they live authentically, or experience the richness of human being.



'Familywork' is the caretaking aspect of family: the cooking, cleaning, chauffeuring, teaching and learning, homework supervision, telephoning, keeping in touch; the juggling of demands on time, space, resources. It is remembering to deal with, and give order to, the myriad of little and big everyday things that enable us to survive physically.

'Familyhood' is the role aspect of family, the expectations that a person defines for themselves, or considers others out there define for him or her, the 'shoulds' and 'should nots' which besiege.

Tonight a little boy fell in my lap and looked up at me for affection. I felt tight and awkward. I was battling so hard about how I should feel that I didn't pause long enough to see how I did feel. (Prather, 1976)

Basically, the male is the breadwinner . . . and what you try to do when you are a father is bring in as much bread as possible. (Tony, 34)

The term primary care-giver in vogue today is an example of this role-thinking. Does it imply that another partner, or a grandmother, a sister, is a secondary care-giver, or a secondary caretaker? There is no notion of reciprocity contained in the term, yet caring is seldom one way.

One person, commenting on the notion of a carer's allowance, suggested that with payment for the job may come different expectations of performance.

You're going to have a husband coming home and saying 'the dishes aren't done; you're getting paid for this.'

(Gary, *Royal Commission on Social Policy*, 1988)

Labelling people is a shorthand way of dealing with them; it is a trap.

## 4 Role Expectations

It is hard to live from inside one's skin, to live authentically, if living to role expectations—whether these be one's own, or other peoples'; for example, as someone's wife or husband, as a widow, or grandfather, or mother, or a maiden aunt.

Grant, talking of being a househusband for three years, said:

It was a shitty job. It's a job I wouldn't wish on anyone. I almost felt as though I didn't exist as a person.

You seemed to feel you ought to love us all the time. But there is no human relationship where you love the other person at every moment. (Rich 1977:23)

Paul suffered the agony of not feeling a complete man unless he could father a child:

I didn't feel it was worthwhile carrying on my relationship with Gloria. (The Press 1 May 1985)

My parents are dead. I am no longer a child. (Dorothy, 49)

Many people feel powerless, unable to shape and control their own lives, buffeted by others with whom they live, or by society out there; the anonymous 'they' who define, decide, monitor, control one's life.

Inauthenticity constructs and then assumes a world in which one's own values do not count.<sup>15</sup>

To survive, to walk tall, especially if one is living outside the norm, takes a lot of energy, courage, and strength.

The State, through agencies like the Departments of Social Welfare, Education, Statistics, and Labour, and the legal system, categorises people, slots them as role-people in order to deal with them. A person becomes a parent, or an unemployed person; a client, or a customer; a beneficiary.

In a report, *Parenting*, released in February, 1988 it seems the priority is reversed:

Everybody has needs, not just children. Parents are certainly people . . . (Committee of Child Health 1988)

## 5 Professionalisation of family

Modern social policies are predicated on the supposition that they are in the best interests of the child and family, yet all too often, implementation of such policies reveals conceptual bias, and the pursuit of sectional political interests.<sup>16</sup>

In our health, welfare and education systems the development of effectiveness in the practitioner is often the dominant issue—not mastery for the child.<sup>17</sup>

Parents make every conceivable effort to do their best for their children but frequently they are misguided in their actions and use approaches which serve only to aggravate the situation.<sup>18</sup>

Enter the experts, for what has been termed the professionalisation of the family. Donzelot writes of 'psy experts'—psychiatrists, psychologists, marriage guidance counsellors, school counsellors—

<sup>15</sup>Gilling, 1984:548

<sup>16</sup>Gilling 1984:507

<sup>17</sup>Ibid:526

<sup>18</sup>Ibid:526



experts working on individuals to change their behaviour to fit the system, to fit the norms. He refers, too, to experts operating in the 'wardship complex'; such experts—social workers, prison guards—seek, he argues, to normalise the situation by threatening to withdraw financial assistance, or a member of the family, or privileges. The latter, he suggests, work on people from the 'outside in,' whereas the psy experts work on changing a person from within.

Family is under so much stress that such experts are increasingly needed in the preventive or educative areas. Many are trying to empower the people with whom they work. Yet human dignity, choice, power to shape and control one's own life and that of the whanau, family or group can be diminished, can be tested and tried by such experts. See Appendix I.

... society has gone in directions which *replace* parents rather than support them. All families need support, not just 'the needy'. (Edgar 1988:4)

The difficulties become more pronounced when working across cultural boundaries. Betty Hunapo is cultural advisor at Middlemore Hospital, Auckland. She gave the following example, of a woman feeling powerless when she gave birth:

In Mangere to have a baby is quite normal (but) you have specialised on me—now I'm so confused I don't really know how to cope with it all. (February 1988)

Betty also spoke of hearing from Maori women:

Plunket nurses are more interested in weighing and measuring the babies than in them.

The women found it hard to understand that the nurse could not attend to Johnny, home from school with a sore ear and a runny nose, at the same time as she was attending the baby '... just 'cause he's six.'

Lorraine and Muru Walters, in their report to the Pihopatanga o Aotearoa—*Awhi Whanau* 1986, (also submitted to the Royal Commission on Social Policy) commented:

Within the whanau there is the potential for development and human concern. We should not have to depend on the objective, therapeutic, and medicalised methods of professionals. That is merely shifting the responsibility from one base to another which is illusory.

## 6 Royal Commission on Social Policy and Family Policy

Many people commented upon 'family' in their submissions to the Royal Commission on Social Policy. That change is needed is

apparent. Some argued vehemently from a particular viewpoint, others grieved for the 'stable and happy family of yesteryear.' Still others asked to be given a 'fair go'.

Family is central to human being, yet taken for granted except at times of celebration, such as birth, a haircutting ceremony, a bar mitzvah. And at times of crisis, or when an event such as a tangi, earthquake, flood, separation—anything causing disruption—is taking place. All sorts of family secrets, tales, links are likely to be shared and made on such occasions. These help form the glue which binds family—kin and relatives—together.

The Royal Commission on Social Policy was asked to discover what needed to be done to make New Zealand a more fair and just society. One of the critical steps in that aim would be to ensure that New Zealand develops a family policy or at least a coherent stance on family matters. People have shown in their responses to the Commission that the present fragmented, mischance policy arrangements should not continue.

## Part II

### 1 Demographic Picture

There have been fundamental demographic and sociological changes in New Zealand during the postwar period. In particular these changes have been marked by:

- (a) Access to contraception, abortion, sterilisation
- (b) The demise of the conventional New Zealand family of a wife, husband and dependent children as the main type of household in New Zealand. In 1986 this type of household accounted for only 37.6 percent of all households<sup>19</sup>

<sup>19</sup>1986 *New Zealand Census of Population and Dwellings*, Department of Statistics, 1987.



- (c) The movement of the large baby boom generation (born 1945–72) through their lifecycle stages
- (d) The aging of the population
- (e) The age-sex composition of the Maori, Pacific Island and Pakeha populations—affected by immigration, differing birth rates, ages of child-bearing and growth rates

Comparisons of statistics are made difficult by changing official definitions of what constitutes a household and a family. However it is clear that there has been a rapid rise in the number of single-parent households—from 70,000 in 1976<sup>20</sup> to 117,000 in 1986<sup>21</sup>—as well as a steady increase in households occupied by persons living alone. Statistics show clearly that a variety of living arrangements exist in New Zealand. This reflects changing values as well as social arrangements.

A more detailed and comprehensive demographic picture of New Zealand is readily available, see Appendix 2.

## 2 Variety of Family Experience

The richness, poverty, pain, and variety of family in New Zealand is reflected in submissions to the Royal Commission on Social Policy:

The power of family background remains the dominant force in the lives of most individuals. (1004)<sup>22</sup>

I chose to have a child. I want to be a parent. It seemed so easy for my husband to walk out the door. (1141)

According to Indian culture and traditional, elderly people are looked after by their children—they prefer to stay within their extended family rather than going to rest homes. (2717)

My feeling as a woman in New Zealand society is of a feeling of lack of control over my own life, my daughter's life. (2701)

... generations of our women and children have suffered from traumatic premature sexual awakening and violence from our men. (2569)

The family is based on a marriage—a natural institution freely contracted between man and woman. (2541)

<sup>20</sup>*The People of New Zealand* 1987. See Vol. I of this report.

<sup>21</sup>Family Statistics, pre-publication printout from 1986 Census, Department of Statistics, 1988

<sup>22</sup>These and similar numbers in extracts are Royal Commission on Social Policy submission numbers

The Indian family traditionally remains as a unit. A unit in which parents, brothers live together in one home . . . sisters are usually jewels of another family . . . Once married they become part of (the) husband's family.

(Thakor, Royal Commission on Social Policy 1988)

. . . she could be a fifth cousin removed, but the obligation is still there.

(Bunch, Royal Commission on Social Policy 1988)

Lesbian-centred families are often not recognised for the amount of time, effort and money involved in caring for our dependents. Our partners are not afforded the same rights as heterosexual partners in the instances of sick leave, parental leave, bereavement . . .

(Liz, Royal Commission on Social Policy 1988)

### 3 Issues

A number of issues appeared again and again in the submissions. These were:

- (a) Family and money
- (b) Parent education
- (c) Focus on the definition of family
- (d) Concern, confusion about family
- (e) Family and money

Many people commented about money. Some argued strongly about the need for individuals to cater for their own needs, about the dependency engendered by freely available state assistance. Others expressed concern; about the financial difficulties facing various groups—families with disabled, those with elderly relatives; about the limitations imposed by various departments; about the un-equal sharing of financial resources in New Zealand. Many of these matters have been taken up in other papers.<sup>23</sup>

A smattering of quotes shows the range of comment:

If a stranger can get paid for looking after your child why can't a family member? (2566)

The social welfare's policy is that no children of a parent may be paid as home helpers. But we as Maoris feel that this isn't right because our kaumatuas would prefer their own daughters' families to wash and clean. Many of our people are so very indepent (sic) that they do not allow outsiders in . . . (3784)

The family benefit may act as an incentive for some people to have more children when they might be better not to. (2535)

<sup>23</sup>See, for example, papers in Volume III: The Social Security System (Table 3), Families with Children, Housing Issues



Motherhood should be valued more . . . the recognition of the role of mother would be best achieved through some monetary recompense. (2536)

I feel that one of the greatest threats in our society today is the commercial pressure put on families. (2520)

Financial assistance should be given to families of elderly relatives who forgo financial employment rewards because they are looking after the needs of the elderly. (4657)

Families should be encouraged to care for children themselves and subsidies to child care facilities should not be developed. The money instead should be given to parents. (2337)

The family benefit must not be removed. It is the only income for many women and even a small sum is better than nothing. (2702)

The benefit system must remain a net . . . (1004)

There are a considerable number of submissions that could be considered anti-Domestic Purposes Benefit. They reflect suspicion about both the nature of the benefit and its abuse. Many feel that the Domestic Purposes Benefit should be abolished and that relatives should support the recipients. This is especially so for unmarried mothers, and mothers under the age of 18.

Those girls who get pregnant under the age of 18 should be supported by their parents. Perhaps then we would have more babies for adoption and better health statistics! How many young girls would keep their babies if they couldn't go on to the Domestic Purposes Benefit? And how many childless couples would have the opportunity to give excellent care of these babies. (2026)

There is also a strong feeling of accusation running through a number of submissions.

When girls of 14-16 years become pregnant under false pretences (that is, an income that replaces a job) and we encourage this by giving state support, we are reinforcing negative behaviour. (1981)

Gordon Campbell talks about this in a *Listener* article (13 February 1988):

In flat contradiction of the myths about lazy young solo mothers, it is the never marrieds who move fastest off the Domestic Purposes Benefit as their youngest child nears school age.

Some suggested that the existence of the Domestic Purposes Benefit encourages the breakup of the family.

A small number of submissions can be considered pro-Domestic Purposes Benefit. These too, are mostly critical, not of the benefit, but of the stigma associated with it; with the adequacy of levels of payment, the lack of additional support, the absolute lack of privacy which being on such a benefit involves.

There does not seem to be any recognition of the diverse range of people who receive the Domestic Purposes Benefit, nor of the reasons or situations that cause them to apply, nor of the contradictions. For example:

The Domestic Purposes Benefit reinforces dependency . . . because of the limits imposed on (a woman's) ability to earn extra money.

(3328)

Can parents of mothers under the age of 18 necessarily pay for their daughter and her child? Can they afford it? Do they want to? Should they?

If choice is to be a goal in a just society then the assumptions underlying such rhetoric need to be addressed.

## 4 Parent Education

There were nearly 200 submissions which mentioned parent education.

Many people considered that today's social problems, particularly violence, are largely a result of poor parenting.

I want the slack parents of street kids punished financially and made to shoulder their own responsibilities.

(2706)

Any woman with a child who does not have the sense to marry before she produces children may collect the benefit solely because she is a mother. I question the ability of any person to care for a child when that women/girl is incapable of or too lazy to bother to provide herself with adequate contraception.

(2554)

I propose a marriage course for young couples and a compulsory training programme for the premature mothers dealing with basic rules to live by.

(1981)

In a report published in February 1988, the Committee on Child Health said:

The extensive promotion of positive parenting is proposed as a most effective means of reversing the escalation of troubled children. Social indicators, such as the extent of domestic violence, or child abuse and neglect, of sexual abuse, or the rate of infant mortality, of hospitalisation, of children in care and of adolescent violent offending, all point to an urgent need to help troubled children. The well-documented needs of children require to be matched with competent parents to meet those needs.



That children suffer, that people are suffering, is a cause for alarm, and a demand for action. That the family is the most violent institution in the world is a fact often concealed. There needs, therefore, to be a focus on the structural dimensions of family rather than a focus simply on education, or a piecemeal or band-aid endeavour to pull parents into line.

The potential of the whanau to share the responsibility of parenting, of family, is captured in this quote by Joan Metge (1982:6):

When Maoris talk about 'our children' they mean not 'a maua tamariki' (the children of us two) but 'a matou tamariki' (the children of us many). The responsibility for bringing up children is not laid exclusively on their parents but is shared by adult relatives . . . other relatives are allowed and expected to act in relation to the family's children as need or opportunity arises, to rescue from danger, to feed, direct, comfort, correct, chastise and protect.

No decade, no century has escaped debate about family. The Fourth Lateran Council in Britain in AD 1215 struggled to find ways of regulating premarital sexual behaviour and marriage. In 1671 in *La Civile Nouvelle* (quoted in Ariès: 1962) parents were advised on how to punish children, when to start teaching them letters. This century has seen experts such as Truby King and Dr Benjamin Spock emerge with such a following. There have been parent effectiveness training programmes, numerous articles in women's magazines telling parents what to do, what not to do. The call for parent education is once again big news but it has been heard before.

The Johnson Report, published in 1977, recommended that:

The extension of education for parenthood (be) a matter of urgency throughout the society. (page 4)

And noted that:

. . . there emerged from . . . the submissions concern about education for family life . . . Education about marriage, parenthood, child rearing, home economics and the changing role of women were identified . . . (page 10)

Likewise the submissions to the Royal Commission on Social Policy. One person suggested that children be taught how to cope with a series of parent figures, a changing series of relationships. Many asked for parent education along the lines of role-people education, that is, tuition on how to become better fathers and husbands, mothers and wives, though others argued for a broader programme along the lines of life-skills training.

In the Curriculum Review (1984) both the community and Committee emphasised the need for developing skills for everyday living—including parenting, home-making, budgeting and safety as part of the essential programmes for all students. So too the Roper Report (1987).

That there is an urgent need for reflection, policy, and action in the area of relationships between adults, and adults and children is apparent, but there is a danger.

There is an underlying assumption that in the traditional, conventional or normal family there are no problems with parenting, with family, or if there are, that these can be attributed to individual causes. Such an assumption denies the presence of contradictions inherent in the structuring and experience of family. It is imperative that parent education programmes be examined for class, race, and gender assumptions/bias.

## 5 Family Law

Geoffrey Palmer, in a press statement of 8 March 1988 said that existing family law still reflected the patriarchal and property values which had underpinned family life for the past two centuries.

Legal institutions support the ordering of society on a gender role basis.

Married women are not autonomous individuals, but are defined in legal institutions in terms of marriage.

(Freeman 1984:57)

People writing submissions canvassed a number of areas in family law—adoption, fostering, marriage, step-parenting and property law. The ambiguity of *de facto* relationships, the confusion and contradictions inherent in family law—for example, naming of the next of kin by lesbian partners—were also cited. Surprisingly there was little debate about the new reproductive technology or legal rights.

Law is essentially about the ordering of power, and one of the chief tools it uses is the concept of rights.

That a child's interests are paramount has been a basic principle in British family law for a number of years. That this is being challenged in the *Review of the Children and Young Persons Bill (1987)* illustrates one such contradiction at the heart of family legislation—that of individual rights, vis-a-vis those of a relationship.



There is another contradiction. At the heart of whanaungatanga are people of all ages, yet a Youth Affairs Establishment Unit has recently been set up in New Zealand, designed to focus not on family or whanau but on a particular age cohort. That would seem a monocultural approach, and though not strictly within the orbit of family law, it captures the racism or monocultural blinkered vision so ensconced in state praxis. This leads to the treatment of Maori marriage as *de facto*, not *de jure*, relationships; to Maori adoption not being recognised. This monocultural definition of family has implications not just of insult, or non-acknowledgement, but denial of another culture's right to choose. It has practical effects, too, such as Maoris not being eligible for housing or Department of Social Welfare benefits.

## 6 Change and Family

That people are confused about increasing numbers of women going into paid work, about fathers and their role vis-a-vis housework, about child care, about dependency and individual and State rights is clear, for Maori and Pakeha alike.

In city life people can get lost—there's no fear of being ostracised—they can lose patterns.

There's no woman from across the field saying come in for a cup of tea. There's a hesitation to open the door to people. There's too many agencies pulling up at the house—DSW and the Visiting Teacher.

(Betty Hunapo March 1988)

Much of the focus on family in the submissions was on women. Many talked of the strain, particularly financial, common to women living in poverty, on benefits, and of the unequal distribution of money within families, and of marriage breakup. But women as mothers were placed on a pedestal. A number of people recommended that the role of motherhood should be more highly valued and given financial recognition. Several suggested that a Ministry of Family Affairs, and/or of Children be established.

Yet people-in-families, it seems, are expected to know how to live 'right and proper lives' and to cope: with unemployment, redundancies, financial insecurity, poor housing, sick people, worried people, confused people; with alcoholism, adolescence and depression, for these are interpreted as being 'private troubles' not 'public issues.'

That the family is still seen as private exacerbates the 'holding-on' of such stress within families.

The view that family life is private operates as an ideology of social control. It prevents people talking about their experiences and feelings and thus discovering common elements in apparently individual lives . . . The need to keep the domestic aspects of life private leads to a sense of personal guilt and failure while preventing people from working towards a social understanding of their situation.

(O'Donnell and Craney 1982:viii)

## 7 Family as it Should be, Could be

A flood of submissions were received from what has been termed the right wing. These people stressed the importance of the traditional family unit—two parents, father working, mother at home. This unit was seen to be the most desirable family structure and the one providing stability for society.

This family structure, it is argued, is based on Biblical belief, on Christian principles, and many argue that the State should protect and encourage this kind of family.

We believe that the Biblical family of husband, wife and children is, in God's plan for society, the basic unit in which children are lovingly cared for and, by parents' examples and training, brought up to love their God and their neighbours as themselves, thus contributing to a fair, just and happy society. (4319)

However an official body set up by the General Synod of the Anglican Church commented in 1985:

Jesus was in no significant sense 'pro-family'. He called people away from their family so they could move freely to build a new community of faith . . .

And arguing further against a narrow definition of family:

The first Christian communities grew around 'households' which included slaves and servants as well as the extended family. The . . . 'whanau' is a more accurate expression of the New Testament concept of the Christian family.<sup>24</sup>

Whanau is often rendered in English as extended family, but that does not capture the complexity of whanau, nor of whanaungatanga. Maori in discussion with the Royal Commission on Social Policy talked of family in the context of whanau, hapu and iwi, not

<sup>24</sup>Provincial Public and Social Affairs Committee, Anglican Church 1985, *The Religious Right* (Discussion Paper).



as isolated units. Whanau needs, too, to be seen in the totality of being Maori.

Every Maori comes from a 'whanau', a social structure based on 'whakapapa' . . . the whole whanau structure was and is still geared for. . . the protection and care, awhi, of its members. (Walters 1986:8)

All whanau are different—because of the uniqueness of individuals, their relationship to the land and to their tribe.

Manaakitanga, awhinatanga, wairuatanga are the energisers of whanaungatanga, though it has been said:

Kua ngaro te aroha, kua ngaro te wairuatanga. (Aroha has disappeared, and so has spirituality.) (Walters 1986:14)

Lorraine and Muru Walters address in this report, the status of tane and wahine, both in traditional and present terms. They stress the distinct but equal roles of both, but argue that wahine are being devalued today.

Women are still acknowledged as being Papa-Tu-A-Nuku, but:

The alienation of Maori women from the land . . . has contributed to the development of largely-urban-based, landless, wairua-less groups of Maori women, daughters, mothers and grandmothers . . . women . . . bereft of knowledge of themselves, of their tribes, of their mythology, of self-esteem and of the supportive systems once provided by their whanau.

(*Mana Wahine* in Part I of *Women and Social Policy* in Volume II of this report.)

This was heard through the submissions:

. . . the feminist movement is irrelevant for many Maori women, but . . . it has made an impact. In families where two incomes are demanded Maori women have to work harder and face more stress. The expectations of Maori women have changed and the demand on them by the dominant culture produces conflict between their roles in their paid job and their whanau. (697)

The role and status of the matriarch is being eroded and replaced by the state—it is not a good thing. The matriarch of the whanau had the first and last word in everything.

(Te Aue Davis, Royal Commission on Social Policy 1988)

The importance of kaumatua was emphasised; those who have the power, the mana to guide and direct younger lives, as well as give knowledge of the past. So, too, the importance of mokopuna or tamariki, for they are taonga.

Two women in Rotorua also told of Maori taking on nuclear family roles, and the stress and alienation of Maori, coupled and

single, trying to raise families shorn of kin support—material, spiritual, emotional and physical. There was a sad, keen acknowledgement of the travail of Maori 'family' in current times in that conversation:

Whanau clearly experiences severe problems both of disadvantage and neglect . . . Many Maori individuals have learned to cope effectively with modern requirements and expectations. However there are disturbing reports regarding the growing rate of parental negligence, increased divorce rate, large numbers in prison . . . (Walters 1986:8/9)

Family violence was discussed a number of times, but:

We feel that the government should recognise the whanau's ability and resources in dealing with the problem ourselves. (2566)

They are Maori issues and only Maori can put them right.

(Walters 1986:15)

It is hard for Pakeha to grasp what being Maori means—what whanau means. One instance, told by a friend, captures the huge gulf between the two cultures.

Mark, 14, was asked to appear before the school board of governors with two of his friends. The three boys had been caught attacking someone in the playground. Suzanne, Mark's mother, acknowledged the right of the board to discipline her son, but felt, rather than understood that for the other two women:

. . . the thing they were in front of was a totally alien imposition on their children. They had absolutely no hesitation of solidarity with their children. Total togetherness.

It was spelt out by this friend that the two Maori women identified more totally with their children than Suzanne, the Pakeha woman, could do.

Another instance:

Maori parents go with their children into the present via the past. Pakeha parents go with their children into the present via the future.



## Part III

### 1 Contradictions

They cared but never praised.

(Sally, 47)

I was going to be the perfect father: loving, caring, nurturing, soft . . .

Tonight I see how scared I am.

(Steinberg 1977:13-14)

I never discussed having the baby . . . yet from the moment he was born I felt marvellous . . . I just felt that I'd done something noone else had done before.

(Anna, 42)

When I was 12 I used to spend a lot of time over the back fence with a single man—he was arrogant and overpowering and used to say things like Lumsden's been here again but I used to eat there and spend as much time as possible because I could ignore all that about him.

He was a parent to me. When he died I didn't think society allowed for me to grieve or miss him in a proper way. My parents were terribly competitive about him. They used to restrict my hours—the time I could spend with him.

(Kevin, 37)

Family is like that. Not rational or logical but full of surprises, joy, pain, grief, laughter, commitment, obligations, exploitation. Contradictions there are aplenty, not just in individual lives but in the very shape and experience of family. That is, contradictions are part of the definition of family praxis, of family process.

These contradictions are fundamental to the way we structure and organise society in New Zealand. They are paradoxical in the Pakeha or liberal democratic world but not necessarily in the Maori one. But their importance lies in the fact that we fail to acknowledge them, deny their existence or, at best, try to cover-up or 'heal' their effects with the professionalisation of family and ever-increasing financial juggling of taxes and income benefits.

### 2 Individualism

Family implies relationships, yet individualism—meaning self-help, self-support, self-sufficiency, self-respect—is the central ethic of modern capitalism.

Children have a special place in this society, but not because they are individuals. They are valued as taonga, the future generation, some might say as the fodder for the future labour market. They

are granted special privileges because of their future, and their dependency, and, therefore, their vulnerability.

Children need one now . . . The very fact that these are real needs, that one feels them as one's own (love, not duty); that there is no one else responsible for those needs, gives them primacy. (Olsen 1980:18/9)

The state enters very reluctantly into the provision of any services which are designed to relieve women substantially of their child-rearing responsibility. (Cox, in Baldock and Cass 1983:200)

Anne Summers talks of family life being for men:

. . . part of an assumed background. It is just one stopping place in their landscape of experience.

Men can be frozen out of family because of their own expectations, and those of others. For example, if the mother is the natural parent, or the primary one, does the father take secondary place? People write of the caring mother, the supporting father. Are these terms exclusive, complementary, limiting?

Feminists have made an impact on society in the past two decades particularly, and forced many to reassess what relationship there is between women and family. This has led to a rising self-consciousness among women, reflected in their efforts to grow—mentally, socially, emotionally, spiritually.

Many men, bound by the job and business, do not have similar opportunities for development, and experience threat, self-doubt, lack of understanding and resentment at change.

(Royal Commission on Human Relationships, Vol. 5:18)

However, in their submissions to the Royal Commission on Social Policy people left no doubt that women are still doing the major work in family—the familying and familywork. This and paid work, voluntary work and/or community work.

Women are central to family process: women have known that for a long time, and the submissions confirmed it.

I'm just teaching Matthew how to develop a relationship with his brother, they have a role relationship; not a true relationship.

(Julia, March 1988)

Women are often defined 'in-relation-to': as wives, mothers, partners. The single status carries relationship connotations.

They were my parents. I depended on them for warmth, security, love—I grew up. I married, had children, I depended upon them—I never learnt to stand alone. (Gwen, 25)

So much of the nurturing—in paid work situations as well as in family—is done by women.



The paper *Social Provision: Access and Delivery* (Vol. II) talks of the problems incurred because of this, especially burn-out, stress. There is often little chance to catch up—on oneself, one's family, one's job, career or leisure.

Women's power is often unacknowledged and under-used, because:

... women have a legal right to do almost anything, but they are in fact hedged in with invisible barriers which keep them as it were on the outer of national life. (Summers 1975:20)

This is one of the key contradictions that must be addressed if New Zealand truly wants a fair and just society.

For Maori, the issues are different, but the problems are there.

Maori women have suffered ... Duties and responsibilities once shared and exchanged by many have been channelled to lie almost solely on their shoulders. They are now expected to be mothers, homemakers, socialising agents, wage-earners, good citizens (members of school committees, church groups, fund-raising groups), good wives, voluntary workers (Maori women form the backbone of the Maatua Whangai, Tu Tangata, Kohanga Reo and Maori Warden activities ...).

In many cases, this is without the support of a partner and or whanau members. (Whanau, Hapu, Iwi Vol. III)

How can such an unequal share of responsibility be carried by women and yet at the same time women have imposed upon them the:

... responsibility which all people have to be independent and self-reliant to the best of their ability.

(Royal Commission on Social Policy: Terms of Reference)

One of the standards set by the Royal Commission on Social Policy for a fair society is that there be:

Genuine opportunity for all people, of whatever age, race, gender, social and economic position or abilities to develop their own potential.

Genuine opportunity ... recognises that ... some people start off with real disadvantages and ... action may be necessary to overcome them.

(*A Fair and Just Society, A Guide to the Terms of Reference of the Royal Commission on Social Policy* page 3)

Such disadvantages are usually seen in terms of income or race or gender inequality in the paid workforce, but the argument has not yet been taken into the realm of family, as a matter of public debate.

The requirements of 'the role' inhibit women's development as individuals, inhibit choice. A woman, it has been said, does housework not because women are good at it nor necessarily like it but:

... it's just that if she doesn't do it, no one else will.<sup>25</sup>

A mother who lacks a sense of self, will tend to merge with her child in a way that prevents both from developing. (Dally 1982:199)

There is a tool used in family therapy called eggs-in-the-basket. People are asked to put labels on each basket and then to place a number of eggs in each of the baskets, representing their investment of themselves.

Mike and Judith, an imaginary couple, had 40 eggs each to distribute. Their baskets might be filled as follows: Judith, as self 2, wife 9, mother 19, paid worker 10; Mike, as self 10, husband 5, father 10, paid worker 15.

Few women place eggs in the self basket; when they do, according to one wit, they are called selfish.

This is a deliberate structuring of society, one key aspect of the gender division of labour.

### 3 Equality

Another central ethic in liberal democratic ideology is equality. There is little equality in family. By definition key relationships are unequal, for example, between adult and child. What many writers of submissions claimed was that relationships between adults—adult partners, ex-partners, were unequal, in monetary terms especially. Few raised the issues of inequality or equity in the sharing of familywork, or familying. Or of equity.

Maori sense little equality in terms of the partnership guaranteed by the Treaty of Waitangi. Family law is Pakeha law. Government agencies are only now starting to address institutional racism. Non-understanding—of different values, underlying principles; misunderstanding of spirituality, of whakapapa, of whanau, of things Maori—prevails.

### 4 Rationality

Another plank in Western ideology is that of rationality, defined as 'the reproduction of certain practices to achieve certain ends'.

<sup>25</sup>Gilling, op cit 525



Family is one of the most a-rational areas of human experience. People in family need to be embroiled; need to be loved, accepted—warts and all; to be needed—regardless of good and bad habits, physical appearance, health, constancy of behaviour.

... a child needs ... the care of someone for whom she is a 'miracle'. (Rich 1977:247)

So, too, do people need to belong, to care, and be cared for; not as a means to an end, but simply because.

Family then, might be seen as the glue in society, or a structural fault line—a jagged deep thread running through the earth 'holding' society together. Such fault lines absorb other cracks, gaps, contradictions in the surface. But they need attention, otherwise they fracture, or erupt.

The first step in family policy development in New Zealand could be and should be to examine these fault lines.

## Part IV

Families have a unique and special role in achieving a fair society. They must receive special consideration when social policy is being set. (1004)

### 1 Family and Social Policy

In New Zealand there is no explicit family policy, though implicit policies affecting family are through every pore of the body politic.

Decisions about housing, about eligibility and levels of benefits; about taxation, child care, leisure activities, education, health, labour policies; decisions and judgements made in law—all reflect and embody assumptions about the definition and nature of family.

For instance:

If a de facto partner is not mentioned in the will they cannot apply under the Family Protection Act 1955.

A baby born to a married couple by in vitro fertilisation may be baptised, said the Auckland Presbytery last evening. (*The Press*, 10 October 1984)

... the true nature of female unemployment is largely concealed by the fact that women married to working men are not eligible to receive the unemployment benefit. (3328)

At present we have what might be called a mischance/mismatch policy in the area of family, constructed from piecemeal legislation, actions, decisions and value judgements, with no monitoring or impact studies undertaken on a regular basis.

The notion of a separation between family and State—of private and public worlds—is still present yet the State has been involved/embroiled in family for centuries.

1BC If ... you give birth to a child, if it is a boy let him live; if it is a girl, expose it.

AD315–329. A law shall be written on bronze or waxed tablets or on linen cloth, and posted throughout all the municipalities of Italy, to restrain the hands of parents from infanticide ... if any parent should report that he had offspring which on account of poverty he is unable to rear, there shall be no delay in issuing food and clothing.<sup>26</sup>

The Poor Laws in Britain in the eighteenth and nineteenth centuries were efforts made by government to care for the less fortunate, but interestingly:

The ... Poor Law continued in its policy of not seeking out the children for whom such care was needed; its purpose being only to relieve a need when actually required to do so.<sup>27</sup>

## 2 Definition of Family Policy

Policy in the area of family can be narrowly defined, or considered across the spectrum of human activity. Family policy is one of those 'too hard' areas, ignored, deliberately forgotten or delayed. Perhaps because of the assumptions, beliefs and value judgements which developing such a policy, or raft of policies, would cause to be spelt out. These challenge the foundations of society—individualism, equality ...

Perhaps this area of policy concern reflects a more generic refusal to look at the possibilities and potential of planning in our society. Planning appears to have been confused with control, with erosion of individual and group liberties. (Royal Commission on Human Relationships Vol 4:25)

The rhetoric and myths surrounding the area of family spoke louder than the reality prior to the Royal Commission on Social

<sup>26</sup>Gilling, op cit 462–463

<sup>27</sup>Ibid 462



Policy. People in their submissions to the Commission have, however, indicated their concern about family and their urgency that something be done.

Policy dealing with 'family' may reveal:

- (a) The relationship between the State, family and the labour market
- (b) Notions of State definition, intervention, practice
- (c) The assumptions underlying the distribution and allocation of income and benefits
- (d) Assumptions and thinking about the relationship between male and female
- (e) Definitions, status of male and female in law, out of law; of couples—heterosexual, homosexual
- (f) Rights and obligations of male and female to each other, to their offspring, to the State
- (g) The inequality, inequity of family structure, and allocation of tasks
- (h) The difficulties of dealing with an individual in the context of a group
- (i) The a-rationality of family: how does policy deal with emotion, spirituality, commitment, trust, aroha?

### 3 Overseas Experience

Family policy can appear in many guises. In the United States a decision was made to develop a 'family perspective' rather than a national family policy. Other countries have opted for family-oriented perspectives. Still others for example Australia, tried one scheme then moved to another.

Family-impact statements have been chosen by some governments as a means of monitoring policy relating to family.<sup>28</sup>

### 4 Who Makes Policy

Who makes policy is always a key question, so too in the area of family policy:

<sup>28</sup>Social Advisory Council; *Meeting the Needs of Families*, 1987:32–37.

Of special importance . . . is the capacity of people playing their parts in the ruling apparatus to think about people, to think about social relations, to think about social action, in terms of systems and in terms of social processes external to individuals.<sup>29</sup>

Family policy allows no such distancing. This can be painful, threatening and liberating, but the blinkers of class, age, race and gender can blind.

The Ministry of Women's Affairs in their submission to the Royal Commission on Social Policy said:

The decision-makers, that is, those who hold the power, are the same people who design the systems and they also decide the criteria for eligibility to enter them and to operate and to succeed . . . they base these decisions on their value systems and beliefs about what is important and what is not. (Submission 64)

This is of real concern. Don Edgar, Director of the Australian Institute of Family Studies, said in 1983:

What we have discovered . . . is that Australia's policy makers frequently hold views similar to those shown on television.

Families portrayed on television . . . had a traditional conservative aura to them with middle class males in white collar jobs and full-time housewife spouses. (*The Age* 25 May 1983)

## 5 Focus

Who and what to focus on is a problem in family policy.

Koopman-Boyden and Scott (1984:20) define family policy as:

. . . institutional arrangements which determine how responsibilities for the economic support and nurture of dependents are shared among the family, community and the State, including the assignment of caring roles within the family.

Often there is difficulty in deciding on a unit of analysis in family policy. Their focus is on the relationship between independent and dependent people, and they are concerned primarily with dependent children:

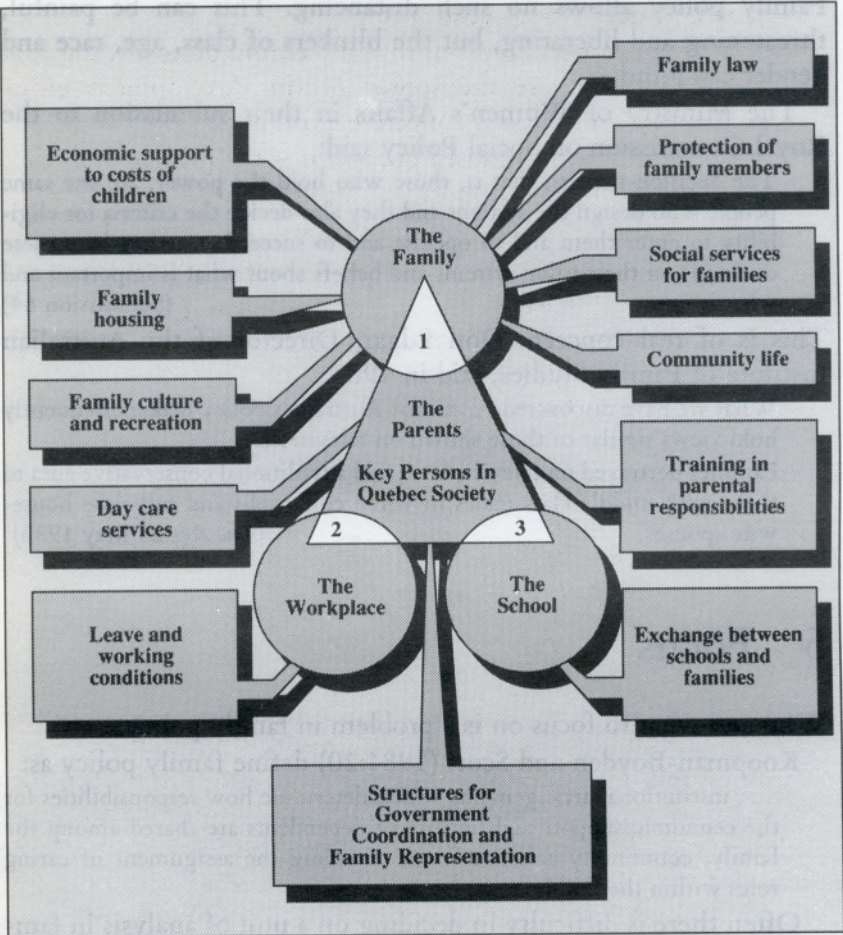
Such a policy . . . would give greater insight into the capacity of familial and non-familial groups to provide economic support and nurture to dependent children. (Ibid:26)

This is considered to be a narrow definition and use of family policy. Family policy, or that aspect focusing on the lifecycle stage of parent(s) and children, has been developed in Quebec.

<sup>29</sup>Gilling, op cit 581



FIGURE 1: Quebec family policy framework



Source: In Edgar 1988 : 5

In Quebec, however, family policy is generally seen in broader terms, as the centrepiece

... in the gouvernement du Quebec's range of social policies.

(Cliche, 1984:29)

There was concern in Quebec that:

- (a) Recognition be given that the family performs the functions that are the source of the development of our people and of our collective existence;
- (b) Family be recognised because it is the primary vehicle of solidarity and support among individuals;
- (c) The State acknowledge the family as a unit of community life, and not simply a juxtaposition of individuals;
- (d) Family be viewed as a social partner, an indispensable intermediary in government's relation with the individual;
- (e) The family be perceived as more than a client requiring services;
- (f) Family policy be used to enhance the quality of life, not merely to increase population;
- (g) The government's action was fragmented.

## 6 Assumptions

All policy rests on assumptions. The tangata whenua in this country have a different underlying philosophy, a different starting point for family, and this has critical implications for family policy.

The State has invested time, money and effort in schemes designed to 'help' Maori—Maatua Whangai, Papakainga housing, MACCESS (Maori ACCESS). Maori have been asked to deliver on these, but not been given sufficient funding to do so.

John Rangihau is quoted in one of the submissions:

The Maori has become the most analysed human being in the Pacific. We seem to be able to review, report on, analyse, measure and inspect but that is where it all ends. When we give you the solutions, those solutions are either thrown out, downgraded or killed off through being under-resourced. (5067)

The Treaty of Waitangi promised/promises partnership. So many policies, including those in the area of family, have been culturally insensitive and Maori have been denied any form of genuine partnership. This could indicate paternalism:



The care of others is the authority's gift and he will bestow it only so long as it serves his interests. (Sennett 1981:84)

## 7 Danger

There is a danger in looking at a beast such as family policy for it deifies family, makes of it a thing apart from its context, apart from community. But the haphazard hit-and-miss solution, or policy by default, which passes for policy in the area of family in New Zealand, cannot be allowed to continue. It is not rational or logical. Neither can assessments be made of whether planning, policy implications and development, and overall strategies are contributing towards a more fair and just society.

We must realise . . . that in the nature of modern industrial society, no government . . . can avoid having policies that profoundly influence family relationships.

Any survey of wealth is, of necessity, a survey of families and their relative wellbeing. (Edgar 1988:18-19)

## 8 Situation in New Zealand

There have been a number of moves made in New Zealand to try and establish a basis for family policy or launch such an effort. The Social Advisory Council report, *Meeting the Needs of Families*, published in 1987, is very clear in its goals and recommendations about family policy. Koopman-Boyden and Scott in their book, *The Family and Government Policy in New Zealand*, take a comprehensive look at policy issues, and the arguments for and against developing a specific family policy.

There already exists in New Zealand both a wealth and dearth of information, research, literature on family but it is not co-ordinated. Such studies can form the basis of social policy, or at least fire the debate.

They include university research, including two South Island-based longitudinal child development studies, postgraduate research; private research—especially genealogical; and research from groups such as the Society for Research on Women, Urban Research Associates, Te Ropu Wahine Maori Toko i te Ora.

But there are gaps in the research—and the lack of a family policy and studies centre which can coordinate, stimulate, educate,

monitor and evaluate research on family exacerbates the situation. Australia, Britain and France have such centres and there is one at Minnesota in the United States.

## 9 Necessity of Family Policy

That policy is necessary to guide, co-ordinate and evaluate action is a truism. To tackle policy in an ambiguous area such as family is ambitious and hazardous. Regardless, the underlying assumptions, beliefs and value judgements need to be revealed, and this in the area of family can be painful and threatening.

There are other dangers in developing a policy to do with family. Many of these have already been spelt out in the paper:

- (a) Policy built on top of assumptions, practices, contradictions which conceal inequality especially of gender, and/or dependency
- (b) Cultural insensitivity
- (c) Unwillingness, inability to see beyond individualism
- (d) Beliefs about the privacy of family
- (e) Unwillingness to look at family in structural terms
- (f) Failure to recognise the dynamic, fluid nature of family
- (g) Policy to be developed but with no teeth.

This is but one concentrated effort to try and initiate interest and debate and action. The interest was amply demonstrated in the submissions to the Royal Commission. There was also a call for action.

New Zealand is at a crossroads. There is no way that a healthy picture—physically, spiritually, mentally—of family could be gleaned from the submissions made to the Royal Commission on Social Policy. Most emphasised stress, confusion, areas needing change, and inequality. So often in New Zealand and elsewhere, such stress has been concealed or given the band-aid treatment.

That the family and family policy need urgent attention is clear. The conceptualisation of family as a structural fault line is a graphic one. Tension builds up along fault lines and then they erupt.

Social policy dealing with family is needed. This must be flexible, able to cope with the complexity, ambiguity, fluid nature and definition of family. It must also be able to cope with the centrality of family experience in most people's lives—the richness, poverty,



bitterness, celebration and burden of family; and be able to cope with people of different age, gender, race and geographical locality.

Development of policy in the area of family will lead to fundamental change in New Zealand, for some of the contradictions at the heart of social thought and practice will be revealed and therefore need to be addressed.

The cost of turning away from such a move is too high. The challenge presented to the Royal Commission on Social Policy was to search for a means to achieve:

A more fair, humanitarian, consistent, efficient and economical social policy which will meet the changed and changing needs of this country and achieve a more just society. (*A Fair and Just Society* A Guide to the

Terms of Reference of the Royal Commission on Social Policy page 2)

To continue lurching from crisis to crisis, responding to strident cries from one quarter, being pulled this way, that way; subject to vagaries arising from economic expansion and/or contraction, to personal viewpoints—unedited, unmonitored, unexamined—does not seem a logical or efficient way to continue. Family is too important to be left to chance and mismanagement. Urgent attention needs to be given to policy formulation, co-ordination and implementation.

What holds us back is not the pressure of reality, but the absence of dreams.

## Appendix I

### *Consultations*

With general practitioner; gynaecologist; obstetrician; paediatrician; registered nurse; district nurse; Plunket nurse; family planning consultant; orthodontist; optometrist; kindergarten teacher; health nurse; speech therapist; child psychologist; educational psychologist; primary school teacher; psychiatrist; school counsellor; dental nurse; social worker; minister/priest; lawyer; youth aid officer; principal; secondary school teacher; child protection team officer; Parentline counsellor; Family Court officer; marriage guidance counsellor; budget adviser; Housing Corporation officer; judge.

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PERSPECTIVES  
ON THE ELDERLY  
IN NEW ZEALAND

Peggy G. Koopman-Boyden





# 1 Theoretical Perspectives on the Elderly—Myth and Reality of Ageing

## 1.1 *Introduction*

1 In order to maintain and improve the lifestyle of the elderly it is important to establish at the outset the philosophical basis for an adequate policy. Currently there are a number of various perspectives on the elderly held by health professionals, social scientists, the helping professions, the business world and the public. Such views have been shaped by the lifestyle of current and past cohorts of the elderly, by government policy, by the amount of contact with the elderly and most importantly by the demographic transition (their numbers, life expectancy and dependency ratios). It will be argued in these papers that a singular perspective of the type that characterised past government policy on the position of the elderly is no longer appropriate. This view has for too long categorised the elderly as a homogeneous group which is dependent and non-contributing to society. Interestingly enough, even the elderly do not have one view as to their role and status in society.

2 This chapter sets out eight perspectives on the elderly. It is followed by a chapter which focuses on the specific issues arising within each perspective. A summary viewpoint is presented in the third chapter.

## 1.2 *Medicalisation of the Elderly*

1 Historically, the elderly (or those over the age of 60 years) have been seen as an age-group that is likely to experience a disproportionate level of poor health, poverty, and low income. They have been depicted as being physically and mentally incapacitated with



little to do and nothing to contribute to society. Such a problem oriented view has traditionally been adopted by the welfare and medical professions, with the elderly being seen largely as a medical problem calling for medical and welfare responses. This medicalisation approach to the elderly has been viewed as a process in which the medical community attempts to create a *market* for their services by redefining certain events, behaviours and problems as diseases (Lock, 1984; Mishler, 1981). Medicalisation is thus seen to take place on two levels with respect to the needs of the elderly. Firstly, the medical needs of the elderly are more likely to be recognised than any of their other problems with greater attention from public policy. Secondly, due to the availability of these health-related policies, professionals are more likely to redefine non-medical problems in medical terms in the interests of their elderly patients getting services (Azzarto, 1986:194).

2 Accordingly, the major concern of this approach is to identify and solve the immediate problem on a casework basis, by applying the medical model while overlooking long-term strategies in administering preventive measures, be they structural or personal. This view also incorporates the idea that the elderly can best adjust to their so defined geriatric state by withdrawing from society, that is by decreasing their level of involvement in work, recreational activities, etc.

3 The effects of the medicalisation of old age are now becoming clear in New Zealand. Apart from infants under one-year-old, people over the age of 65 have the highest rate per 1000 population of hospital admission (Report of the Health Benefits Review, 1986, Figure 3.1). Large numbers of older people are in institutions—9,122 in old people's homes and rest homes in 1981; 7,293 in geriatric private and public hospitals in 1984 (Social Monitoring Group, 1987). Also, many of these people were inappropriately admitted. King, et al. (1985) in their study of institutional provisions for the aged noted that many assessment and rehabilitation unit patients were admitted on the basis of their social needs rather than medical needs. Ideally such needs would be better resolved through non-institutional and non-medical care. Besides, the escalating cost of pharmaceuticals in New Zealand, as revealed by the Health Benefits Review (1986), can also be directly related to the tendency to define patient problems as medical ones requiring medical solutions. Studies by Jack, et al. (1981) and Kendricks

(1983) have also indicated the overuse of medication in private hospitals.

4 In general, the medical and welfare perspective has dominated almost all the research on the elderly in New Zealand over the last 30 years. A 1987 bibliography on New Zealand research on the elderly 1972–1985 (Wither and Hodges, 1987) lists a third of the published entries as being clearly on medical topics with a further third focusing on social service and housing provision (Kendricks, 1987).

5 Beginning with the six classic urban and rural surveys by Victoria University's School of Social Science in the 1950s, successive community based research has usually been problem oriented by emphasising the needs and/or problems of the elderly. While usefully contributing to an understanding of the living conditions, physical and mental health problems and the standard of living of the elderly, McCreary critiques his own work in a summary statement of the 1950s surveys by noting that,

no attempt has been made to judge the degree of satisfaction older people have in their present life when they compare it with their past . . . it is not known if the process of adjustment could have been aided, nor if older people are living to full capacity  
1954:76–77

Similarly, almost two decades later, the Department of Health's national survey of almost 5,000 people over 65 years provided detailed information on the accommodation and service needs of the elderly, with little attention given to non-medical aspects. Only in the occasional multidisciplinary study (Canterbury Aged People's Welfare Council, 1979) or in small-scale studies initiated by the elderly themselves have wider recreational, educational, social and economic aspects been included and integrated with medical and welfare concerns (Kaiapoi Aged Welfare Co-ordination Council, 1978).

6 The general public has further perpetuated the medical model of the elderly by actively discriminating against them on the basis that they are likely to experience health deterioration and are therefore not worthy of employment or inclusion in day-to-day affairs. Likewise, arguments for compulsory retirement often include reference to the declining efficiency and deteriorating physical abilities of older workers, with the fear of a higher accident rate among them.

7 Interestingly, the impact of these societal expectations has made the elderly themselves come to accept the medical model.



Many believe that they can expect declining health in their older years, and are concerned about the overwhelming expense of future medical bills. A Christchurch study revealed that while almost all of the newly retired respondents were fit and healthy, they expressed a concern for their future health status. After retirement several had taken out medical insurance, or continued work-based medical insurance schemes that were offered at reduced rates when they worked in the private sector (Koopman-Boyden, 1986). The 1980–81 Social Indicators Survey revealed that 13 percent of New Zealanders aged 66 and over had private medical insurance (Chetwynd, Fougere and Salter, 1983:1053). It seems that the pessimistic forecasts of increasing numbers of older people likely to suffer from degenerative diseases have obscured the fact that the majority of older people will live in good health throughout their older years. Unfortunately this negative attitude adopted by older people has forced them to live with an incongruity between their current good health and their anticipation of future physical deterioration.

8 A medical perspective on the elderly has been the dominant perspective in New Zealand. This view has also been recognised internationally given its usefulness in identifying biological underpinnings of ageing and the appropriate medical responses to physiological problems. The medical model has however become overemphasised by the medical profession and institutional arrangements in being concerned solely with the identification and response to medical problems.

9 Currently the medicalisation of the elderly is being challenged by successive cohorts of the elderly who are fitter and healthier than ever before.

### 1.3 *'Welderly' Approach—a Health Promotion Approach*

1 An alternative, and more recent, perspective recognises that the majority of the elderly are fit and healthy, and that they should be encouraged to actively promote their own good health rather than be concerned with the possibility of ill-health. Health promotion strategies go beyond traditional health practice to include 'attitudes and activities which improve the quality of life and expand the potential for higher levels of functioning' (Mullen, 1986). Such a perspective includes the possibility of increasing wellness among

those experiencing disease or disability and acknowledges the potential for improving the health status of all individuals. Health promotion programmes are seen as ways of maintaining the goal of good health by the efforts of the elderly themselves. This is in contrast to the medical approach with its concern for ill-health dealt with by the intervention of health professionals. The emphasis here is on positive health strategies which:

regenerate interest in community participation programmes of health education, and actively strive to empower individual efforts to make genuine informed decisions about healthy lifestyle. (Tome, 1983)

2 Health promotion begins with people who are currently healthy and seeks to develop community and individual initiatives which will foster lifestyles and environments that maintain and enhance wellbeing. Potential areas of health promotional activity in the elderly have been identified as 'physical fitness, nutrition, injury prevention, safe use of medicines, smoking cessation and use of preventive services' (Gilbert, 1986). In New Zealand the health promotion perspective has only slowly been used in relation to the elderly. The Department of Health has mounted considerable health promotion publicity concerning smoking and physical fitness, but it is not specifically targeted to the older age group. Current research programmes, however, include the establishment of general health status indicators and their application among an elderly population in Christchurch (Barnett, 1987). The gradual establishment of rehabilitation and assessment units at public hospitals is probably the best on-going example of the health promotion perspective. However, because of the overwhelming demand for their services, almost all the work in these units is directed to older people whose admittance is related to some precipitating disability or illness. As a result, the units are rarely able to assess the well elderly and promote their better health.

3 At best, a health promotion approach entails many difficulties and criticisms, and particularly so in relation to the elderly. The major argument holds that health is to be viewed as the ultimate goal embracing all of a person's activities. This ideology, sometimes called *healthism*, can lead others to prescribe what individuals should do for themselves and how they should behave. Paradoxically, this is in contradiction with the principles of health promotion. These health programmes may be inappropriately directed at individuals at the expense of tackling economic and social



problems. It is often implied that people have the power to completely shape their own lives and those of their families so as to be free from the avoidable burden of disease. Thus, when they are ill, they are blamed for this and discriminated against (World Health Organisation, 1984).

4 Significantly, in relation to the elderly, the welderly approach remains inadequate by failing to acknowledge the key characteristics of the elderly population—the numbers who live alone, differences in longevity between men and women and ethnic groups—factors which are crucial in affecting responses to health promotion campaigns. In addition, the impact of this approach is also weakened by problems associated with the co-ordination of teamwork at the level of primary health care. Furthermore, many elderly people have low expectations about what they can achieve in the area of health, feelings which may be reinforced in their encounters with professional carers. Promotion involves self-care and the application of self-health skills. Such procedures may disturb the power relationship between the patient and the professional, with the latter perceiving any change as a threat to their status (Phillipson, 1985).

## 1.4 *Institutional Perspective*

1 Like other colonial countries, New Zealand has a tradition of institutional care for its elderly, despite early legislation forcing families to care for their elderly relatives (1846 Destitute Person's Act). New Zealand has one of the highest rates of institutionalisation in the world and currently three-quarters of the older population die in institutional care. Along with the intellectually handicapped and the physically disabled, the elderly have historically been seen as a different group who require special care in separate institutions. Such a perspective ties in with the deviance model of the elderly which depicts old age, in a youth and health occupied society, as a *deviant* condition and places 'the victim in a separate category in order to ease the psychological difficulties of those having to deal with him' [sic] (Berger and Berger, 1976:360). It is argued that institutionalisation can be a direct result of the process of stigmatising old age as a deviant status (Russell, 1981).

2 Generally speaking, institutionalisation involves the process of separating elderly people from family and community by isolating

them in separate physical arrangements in which they are the predominant, or only occupants. Institutions offer specialist full-time care that is usually not possible in the family or community. Such care can be for an acute medical diagnosis or treatment, long-term care, rehabilitation and assessment or hospice care for known terminal conditions. A measure of the success of such institutions is seen with the rehabilitation and assessment units. For example, at the Otago Regional Unit at Wakari hospital, despite a significant level of dependence among the people admitted, half the patients are discharged into the community (King, et al., 1986).

3 The effects of long-term institutionalisation on residents have become of increasing concern to health professionals, for the elderly usually have little involvement in the day-to-day decisions concerning meals, available activities, routines, etc. Consequently, they are rapidly made dependent on institutional staff. Recent New Zealand research bears out the possibility of the negative impact institutions can have on residents. In a Canterbury study, for instance, it is shown that:

34 percent of the sample of general medical hospital patients aged 70 years or more suffered from symptoms of depressed psycho-physiological functioning (confusion, falling, not eating and incontinence) which were related to acute medical diagnoses or treatment, but which appeared to be the direct side effects of acute hospitalisation per se.

(Higgins, 1985:649)

4 Unfortunately there are no statistics on the number of older people who have spent time in a New Zealand institution in any particular year. Instead, in line with the medical perspective, statistics are kept on the number of medical resources available for older people, that is the number of geriatric bed places and their occupancy rates. Such statistics indicate the increasing provision of beds for acute long term care (in 1978 there were 4,673 available *geriatric* beds, or 160 for every 10,000 people aged 65 or more, compared with 7,263 in 1984 or 221 for every 10,000 people aged 65 or more). This increase is due solely to an expansion of private geriatric beds (Social Monitoring Group, 1987).

5 In the same period, 1978-1984, the public sector has steadily increased the number of assessment and rehabilitation units from six units with a total of 273 beds in 1978 to 19 units providing 642 beds in 1984. The numbers of licensed old people's homes have also increased by more than 30 percent between 1981 and 1985 (from 410 to 552) with the result that 13,000 elderly people live in



such institutions, mainly in religious and welfare homes, or in privately operated rest homes (Social Monitoring Group, 1987).

6 The huge increase in the number of beds for older people, particularly in private and voluntary welfare hospitals, and in old people's homes, shows a continuing interest in the institutionalisation of older people. It is difficult to judge, however, whether such an increase is in response to the greater incidence of medical or social conditions requiring hospitalisation, coupled with demographic increases in the *old old*, or whether the demand for institutional care has been stimulated by the increasing supply, particularly in the private sector.

7 Government policy has also had a role in perpetuating such institutionalisation. This is clearly seen with the Geriatric Hospital Special Assistance Scheme (1977) in allowing Hospital Boards to place patients who require public hospital care, into private hospitals when no public beds were available. Such placements do not require continuing assessment of patients in private hospitals receiving the subsidy. This practice has meant that patients received significantly longer periods of care in private hospitals than in public hospitals—87.3 days compared with 30.1 days (Hyslop et al. 1983:192). Yet many geriatric patients in private hospitals are less dependent upon institutional care than those in public hospitals (Jack, 1981).

8 Given that people will continue to be institutionalised for acute medical conditions and the type of care offered in institutions (such as geriatric hospitals and assessment and rehabilitation units) cannot be matched elsewhere, a substantial increase in the numbers of institutional beds raises some critical questions in regard to the appropriateness of the institutional perspective.

## 1.5 Community Care

1 Community care comprises help and support given to individuals, including children, people with disabilities and elderly people in non-institutional settings. Such care may be provided by familial, informal or formal helpers or by a combination of all three. Community care can be distinguished from institutional care in its physical arrangement. In order to cover both formal and informal care it becomes necessary to include care *in* the community and care by the community (Walker, 1982a:5).

2 Interest in the community care perspective has burgeoned in recent years regarding the provision of all social services, especially in relation to the elderly. There are four main reasons for this. In the first place, an ageing of the population suggests that the demand for social services will increase significantly at the beginning of the next century. The increase in the elderly population is especially marked amongst those groups most likely to require care. In the 1986 New Zealand census there were 47,412 people aged 80 and over; but between 1981–2011 the population aged 75–84 is projected to increase by 64 percent, and that over 85 years by 170 percent (Population Monitoring Group, 1986:59).

3 In the second place, there are cost factors, and particularly the rise in cost of residential care. This has always been an expensive option, but in an economic climate that questions investment in the non-productive sector, the construction and maintenance of residential care facilities have required even more legitimization than usual.

4 In the late 1970s, there has been a related change in political attitudes towards public expenditure with the then Deputy Leader of the Opposition, David Lange, promising the substantial strengthening of the 'financial accountability of government departments and of the government through parliament' (Lange, 1980:8). This received the fullest endorsement with the election of the Labour Government in 1984 (Treasury, 1984; Gregory, 1987). These two factors together have created *cost effectiveness* criteria in the implementation of social policy planning.

5 Finally, there has been a long standing critique of residential institutions (see for example Goffman, 1968; Townsend, 1962). This is also reflected in New Zealand research (Salmond, 1976; King et al., 1986). Such studies have shown that residential institutions for the elderly involve a loss of rights and independence, and that with minimum support a minority of residents would be able to care for themselves in the community.

6 Such factors have encouraged local agencies to initiate new policies within the community care perspective. For example, since 1986 Presbyterian Support Services (Canterbury) have funded a social worker to undertake community care of the psycho-geriatric elderly. Also a national body has been established for those concerned with Alzheimer's disease and related disorders (ADARDS). However, despite pledging the value of community care, few initiatives have originated from government policy.



7 It must be noted, of course, that many welfare and religious organisations have always adopted a community care philosophy. 94 percent of the elderly, for instance, live in the community and for many of them, this is only a possibility because of the availability of volunteers from such organisations. But by its very nature in being locally and (often) informally organised, community care has not been given the formal recognition of more publicly organised care. In New Zealand, as with other western societies, the community care perspective in practice largely involves family care—in the first instance, care by the spouse, and beyond that, care by the female relatives, usually daughters and daughters-in-law (Koopman-Boyden, 1978). The family is the caring group that the elderly value the most because of its emotional bond and its ability to cope with the unexpected and the widest variation of need. This is not to imply that community organisations are not valued. They are heavily relied upon where there are no family members available (especially the elderly living alone) and where the family's load can be lightened by undertaking the more routine and regular tasks (Koopman-Boyden, 1981).

8 The community care perspective is, however, being currently challenged largely from the providers' point of view. For the past decade community groups have encountered various problems in maintaining their activities. For example, agency funding takes an ever increasing portion of the volunteers' efforts, members' household incomes are failing to keep pace with expenses incurred doing community work, and volunteers are hard to recruit. In addition voluntary groups are having difficulty finding new committee members, complaining that the 'mainstays were getting old' (Morris, Wilkinson and Dowland, 1982). Society has yet to face both the difficulties of maintaining community care and the opposing trends in the growth of the potentially independent population with the simultaneous shrinkage in the pool of female kin and community carers. This pool of carers is rapidly declining through the increasing participation of women in the paid workforce and the smaller cohort of 40–55 year olds.

9 What the demographic and employment trends do not reveal is the onerous nature of the burden placed on many family members who support and care for elderly relatives. Many of the carers are themselves older people, so that when intensive care is required, this can have severe effects on the carer's health and emotions, particularly when the effects of her/his own ageing are being felt.

10 The longstanding assumption that a community care system can be sustained with a minimum investment from the state is also now being questioned in relation to these social and demographic changes. When the full cost of community care (including hidden costs such as the opportunity costs of family members, additional home heating and lighting in the family home and transport costs of the carers) are compared with the publicly available costs of institutional care, the costs of the two forms of care are now being shown to be very similar (Green, 1987). The extent to which the community, and particularly the family, will continue to bear these costs without further state support is the central question facing the community care perspective.

## 1.6 *Dependency Perspective*

1 It has been argued that there is no necessary relationship between chronological age and dependency (Walker, 1980). Some very old persons continue to enjoy good health, may benefit from a high standard of living and can therefore lead an independent life. Others may be severely disabled, bedfast and live in poverty, thus becoming totally dependent on others. In New Zealand, for instance, the 1972-3 Department of Health survey of the elderly recorded that:

nearly half of the population over 80 are in some way disabled and one in five are nearly blind, very deaf, mentally disturbed or otherwise seriously disabled. (Salmond, 1976: 25)

Alternatively, these figures also indicate that:

Over half the population over 80 are in no way disabled and four out of five are not blind, very deaf, mentally disturbed or otherwise severely disabled. (Barker, in Salmond, 1976:vii)

Obviously the level of dependency among the elderly varies greatly.

2 There is a need to distinguish between conditions which are inevitably associated with old age and others which, while associated with ageing in many societies, are not physiologically linked but rather socially and/or economically determined. Society itself, through its attitudes, economic arrangements and social policies, can deny independence and self esteem to the elderly. Walker (1982b) suggests that there are four forms of dependency: life-cycle, physical/psychological, political, and financial/economic dependency, all of which are manifestations of structurally created



dependency. Life cycle dependency is the most widely used concept of dependency. It usually covers a crude distinction between those in the paid workforce, or *productive* sector, compared with those outside, classed as the *dependent* population (the old and the young). Taking into account only the dependent elderly (in this case all those over 60 years) in comparison with the population aged 15–59 years, the dependency ratio in New Zealand was 23.1 in 1984 and is expected to rise to 24.9 in 2001, and 29.0 in 2011. Such an increasing ratio often causes alarm among policy-makers. However, it should be noted that in 1981, half of the 60–64 year age group (46.7 percent) were still in the paid labour force so that this dependency ratio is likely to be an over-estimate in the future (Population Monitoring Group, 1984:28).

3 More specific concepts of dependency are called for, including that of physical and psychological nature, where disability is seen as the major cause in attaining a dependent status. As an example, elderly residents in institutions are often classified on a *dependency* scale according to their control over self-care, mobility, continence, etc. But residential staff may underestimate the capacity of residents for self-care and the management of their own affairs, thus limiting individual freedom in order to achieve an orderly routine (Walker, 1982:119). Physical and psychological dependency can also be the product of social relationships which are bound by social forces in an institution or group, or by social values and policies.

4 Similarly, political dependency refers to a curtailment or restriction of freedom of an individual to determine his/her own actions. Residents of an old people's home may be totally dependent politically in that almost all of their actions are determined by the routines of the institution. Consequently, they have little or no role in making the decisions concerning the institution's organisation. Such a situation can lend itself to the abuse of individual rights.

5 Furthermore, partial or total reliance on the state can mean financial dependency. Such phenomena exist in all western countries where a large proportion of the elderly depend on a state provided pension. Such dependency usually raises questions from other age groups as to the rationale for such income maintenance, especially where it is provided as a universal benefit. Consequently, the elderly find themselves having to legitimate such a pension either by emphasising their relatively low income or by demanding

the benefit as a social right and a reward for their past contribution to society.

6 All four dependencies, categorised by Walker, can be seen as a function of the social organisation and distribution of resources, status and power. They are manifestations of structural rather than personal or psychological changes. While the creation of dependency among the elderly may not be an explicit goal of government or voluntary agency policy, it has become the unintended consequence in many instances. Policies ranging from mandatory retirement to the unavailability of assessment procedures have all contributed to a perspective which sees elderly people as being necessarily dependent on others. In particular, the growth of retirement has meant that an ever increasing proportion of older workers have become dependent on the state for income maintenance. The lack of provision for the continuing assessment of patients has engendered longer periods of time spent in private hospitals with consequent dependencies caused by such long-term institutionalisation.

7 A dependency perspective ties in with the disengagement theory of ageing (Cumming and Henry, 1961), which suggests that the best adjustment to ageing occurs when the elderly disengage or withdraw from active involvement in society. The theory states that:

the society and the individual prepare in advance for the ultimate disengagement of incurable, incapacitating disease and death by an inevitable, gradual and mutually satisfying process of disengagement from society. (Rose, 1968:65)

In this view, the withdrawal of older people is to be encouraged in the interests of the least disruption to society. Such withdrawal, be it from the workforce or from social activities, obviously entails increasing dependency.

8 The creation of dependency has typically been regarded as a somewhat undesirable social achievement, for it makes reciprocity almost impossible and reduces a person's power in the relationship (Gibson, 1985). Typically, the dependent person in the relationship has a greater need for exchanges of goods and services to occur but lacks control over the form and content of the exchange itself. The dependent person is forced to accept a benefit or services on whatever terms are offered or go without. It is this lack of power over the nature of the benefit or services offered, along with the



failure to allow for any reciprocity, that makes the position of the dependent person inherently undesirable.

## 1.7 Empowerment—Life Enhancement

1 The empowerment perspective seeks to maintain the independence of older people as far as possible, and to view old age as an age of opportunity where elders can determine their own life course. This perspective has similar strands to the health enhancement approach but takes a more global view in that it sees the continued independence of the elderly as involving not only health enhancement but also life enhancement. Good health is defined in the widest sense to involve the maintenance and promotion of the physical, mental, recreational and spiritual wellbeing, with promotional programmes advocating medical, educational and cultural strategies. This view holds that in so far as this *third stage* of life has been socially created, society can similarly create a variety of roles for people of this age. Through life enhancement programmes the elderly are encouraged to undertake new or forgotten roles, thereby widening their physical and social horizons.

2 A further aspect of the empowerment perspective is that changes in the structure of society are called for as a way of improving the quality of life. Outlawing the discriminatory practice of mandatory retirement, along with the elimination of other ageist practices and introducing representation at decision-making levels concerned with the elderly, are seen as necessary structural changes. The provision of adequate income through income maintenance programmes to the elderly is seen as an effective empowerment mechanism in that it gives them guaranteed access to goods and services to a particular financial level. There is the risk, however, that income maintenance can become a mechanism of control and dependency rather than a mechanism of empowerment and enhancement.

3 This approach has only begun to gain acceptance in New Zealand in the last five years. It is reflected in the title and theme of the Social Advisory Council's document *The Extra Years* (1984), and in the promotion measures encapsulated in most retirement education courses. The Social Advisory Council noted that:

research has shown that the intellectual and learning abilities of the elderly remain strong and diminish through ill-health and under-stimulation more than because of age. (p25)

It also pointed to the opportunities for the elderly to participate in community service, suggesting that in so doing:

older people not only find satisfaction for themselves, but are seen by society in a different light—not as superannuitants dependent on the state, but as older people making their distinctive and important contribution to society. (p27)

4 The effectiveness of this perspective is documented in a publication of the Board of Health's Standing Committee on the Elderly on health enhancement and empowerment (1988), and in the increasing politicisation of the elderly through a number of recently formed associations calling for their greater role in society. To a large extent, the life enhancement (or empowerment) approach ties in with the 'activity' social theory of ageing (Havighurst, 1963), which suggests that the best adjustment to old age will be where the older person continues to be highly involved in the social networks and actively engages in forms of behaviour which compensate for formerly lost roles. The difficulty with this theory, and in turn with the life enhancement perspective, is that social networks and access to life enhancement agencies among the elderly are largely based on those developed in the person's earlier lifestyle. While some older people may be able to pursue new friendships and opportunities, it is still the case that many are bound by constraints of inequalities and unequal opportunities experienced at an earlier age.

## 1.8 Social Construction of Old Age and Retirement

1 In critiques of the medical models of old age, writers have recently suggested that '*most of the problems of ageing are not biological, but (are) social*' (Riley and Waring, 1978:63). Alex Comfort (1976) has suggested that the elderly were suffering more from boredom and grief than from illness. Riley has highlighted different aspects of ageing by pointing to the social structure such as age stratification, age inequalities, and the loss of status and roles as major causes of the problems of the elderly. Generally these writers have argued that the socially created problems of the elderly are as significant as the biological ones. Furthermore, given that the majority of those over 60 years have few if any serious health problems, the social problems of old age can be seen as the most influential.

2 This new perspective focuses on retirement as a form of socially created dependency in old age. For example, poverty in old age is unlikely to be seen as a *natural* result of old age. Instead, it is



viewed as a function of low economic and social status prior to retirement, which restricts access to a wide range of resources. The depressed social status of the elderly is argued to be an outcome of retirement from the labour force rather than as an outcome merely of ageing. According to Walker, to dismiss the depressed social status of the elderly simply in terms of their age, 'is to ignore the complex, dynamic relationships between elderly people and the social organisation of production and employment' (1981:89). According to Phillipson, the emergence of retirement and 'the growth in the number of people aged 60 and over is exclusive to the present century' (1982:38). In so doing sharp boundaries have been created, separating working life from childhood on the one hand and from retirement and old age on the other. Retirement has become a new stage in the human life cycle.

3 In a society that measures productivity by a person's contribution to the paid workforce, and where large numbers of old people are compulsorily removed from this workforce, old age is being increasingly structured as a period of non-productivity. Through retirement and age stratification, the virtual separation of old people from those in the paid workforce and younger age-groups has further reinforced negative stereotypes. With the current major economic restructuring, older people are often the first to become unemployed through euphemistically called '*earlier retirement packages*'. Compulsory retirement policies are also increasingly the cause of large numbers of older people becoming compulsorily unemployed. In New Zealand, for instance, a continuing downward trend in the labour force participation of older people means that in the 1980s of those over 65 years almost 90 percent of the male workforce and 98 percent of the female workforce are retired.

4 The effects of social constructions other than that of retirement are also equally far-reaching for the elderly. The social structures of income inequalities and differential access to jobs, gender stereotyping, ethnic differences and age stratification carry over into retirement.

5 In New Zealand there is relatively little information as to how social constructs influence the quality of life in old age, or the extent to which the virtual separation of older people from the workforce has an impact on their life satisfaction and social attitudes. The social construction perspective has raised the awareness of the social creation of the problems of old age, but it has yet to delineate a clear set of social actions to rectify them.

## 1.9 Continuity and Integration Perspective

1 The continuity perspective endeavours to portray the elderly as capable of being totally integrated into society, and sees old age as no different from other age-cohorts. It accepts the argument that since old age is socially defined (rather than chronologically or biologically defined), such a social construction can also be avoided. This perspective notes that if it is debatable that old age is reached at the age of 60, or 70, or 80 years—after all, many people at this age do not see themselves as *old*—then may be there are no unique aspects of old age to set it apart from other age-groups.

2 At its most radical, this perspective would deny that the older age-group has any special needs determined simply by age, and that therefore they should not be considered as a separate group or a group with special needs. Instead, their needs are seen to arise, as with all age-groups, from limited access to employment, health promotion and prevention programmes, educational and recreational programmes and to adequate housing. Thus health and welfare provisions within this perspective would be provided according to the criteria of functional need, with no attention given to any life-cycle or age-cohort differentiation.

3 As a critique of perspectives separating the elderly from other age groups, the continuity perspective also notes that such categorisation perpetuates the isolation of the elderly and contributes to negative stereotypes. As long as the elderly continue to be distanced from younger people, then stereotypical views will arise from a lack of contact with them. Alternatively, by viewing old age as part of normal ageing continuous with one's earlier life, a more developmental approach can be pursued.

4 The continuity perspective ties in with the activity theory of ageing with its emphasis on maintaining activities developed over a lifetime. It also reflects the general thrust of developmental theory, which has attempted to construct a set of adaptive tasks that must be accomplished if a person is to age successfully (Clarke and Anderson, 1967). While Clarke and Anderson originally set out such developmental tasks as being those of old age, it has become obvious that tasks such as *the redefinition of physical and social life space* and *the reassessment of criteria for evaluation of self* are continuing tasks throughout life. In endeavouring to pursue the uniqueness of developmental tasks in older age, many writers in developmental theory have instead noted the similarities with other age-groups.



5 The continuity perspective not only provides a rationale for those who would wish to ignore old age as a distinct stage of the human life cycle, but also offers a set of adaptive tasks that can be integrated with other life stages.

## 2 Specific Issues Arising from Submissions and Research Findings

### 2.1 *Introduction*

1 Each of the perspectives detailed in Chapter 1 views the elderly in a broadly unique way: each defines the reality of the elderly differently. In turn each of these perspectives gives rise to particular issues which ultimately need to be addressed by policy. It was these specific issues with which the submissions to the Royal Commission on Social Policy were largely concerned. Furthermore, as most of the research on the elderly in New Zealand has been of an applied nature, the findings of these studies have equally addressed these issues.

2 This chapter gives an overview of the specific issues arising within each perspective, taking into account the research findings and the submissions to the Royal Commission.

### 2.2 *Medicalisation*

1 At a time when lives can be saved or lengthened through advances in medical science and technology, many patients, carers and professionals are beginning to question the quality of life lived under sedation or surrounded by high technology. There is no doubt that the medical profession and allied professionals have been able to increase the survival rate of countless elderly people, as witnessed by the advances made with hip replacements, cardiac surgery and more effective drugs. Such medical advances have, however, often been accompanied by impersonal, technology-based care and consequently seem to engender an intimidating atmosphere in some hospitals. As one submission put it:



We see no point in spending large sums on high-tech to prolong life (often for no more than a few months) if the patient is denied a reasonable quality in the life than remains. With a limited budget we feel the priority should go to developing and maintaining routine services to improve the comfort and happiness of the many, rather than concentrate on the more spectacular and expensive surgical operations for the few. (60s Up Movement, 1987:4)

2 Because the medical model is designed to do things to people, resources are expensive and people are consequently passed through the system as quickly as possible. In this situation where the emphasis is on curing physical ailments, patients who exhibit similar symptoms, or share common medical conditions are automatically subject to similar medical treatment. While this medical approach may be necessary in some situations, it does not provide adequate treatment since it fails to attend to individual differences. These are best dealt with through psychotherapy or counselling, in an unhurried manner and preferably in a social setting.

3 Medicalisation of the elderly also encourages a concentration on the *old* old, the heavy users of health and hospital services. As a result, the needs of this group are often imposed on the younger age-group, the young old, who are then subjected to unnecessary medicalisation (Kendricks, 1987).

4 Recent years have seen the recognition that while the elderly should have access to the best care possible, including the latest technological advances, this should not be at the expense of their quality of life, especially if there are only a few months left. A more appropriate balance is now being pursued between the provision of medical care and that of social and psychological support. For instance, it has been recommended that a standard of 4-5 hospice beds per 100,000 population over 65 years should be adopted as a guideline for provision. Such hospices provide terminal care for the elderly (and others) where the emphasis is more appropriately put on the quality of the last few months of life rather than endeavouring to lengthen it through technological intervention. In fact it has been shown that such personal care inevitably prolongs life.

### 2.2.1 *In summary, concerns in this area are:*

- (a) That the elderly be entitled to the benefits of all advances in medical science and technology, but that this not jeopardise their quality of life through *overmedicalisation*.

## 2.3 *Welderly Approach—Health Promotion*

1 It is indicative of the increasing acceptance of the health promotion approach that many submissions to the Royal Commission not only discussed the value of this perspective, but also put forward concrete strategies for its implementation and ways of reorganising the administration to enable such.

### 2.3.1 *Health Promotion Programmes*

1 Examples of national health promotion programmes targeted to the elderly are very few. However, submissions to the Royal Commission provided a number of suggestions as to what such programmes should include. Most of them saw health promotion in the widest of terms, involving physical, mental and spiritual health. Thus, the health promotion programmes suggested included not only strategies on the prevention of physical problems such as osteoporosis, incontinence and falls, but also strategies for widening the intellectual and social horizons of the elderly.

2 The Ageing and Education Working Party has made a strong case for the better educational and recreational opportunities for older people by stating that:

life-long learning in an appropriate, accessible form is a right which should not be denied to older people. (1985:33)

However, this does not necessarily mean the provision of special educational courses for the elderly, for, as revealed in a 1984 survey of educational institutions, the provision of separate courses could be seen as discriminatory (Battersby, 1985). Emphasis should more importantly be placed on ensuring that elderly people have adequate access to existing health promotion courses through appropriate publicity and easy physical reach.

3 Many submissions noted that while such health promotion programmes should be primarily in the interests of the elderly themselves, it was pointed out that the community would also benefit. For example:

improved educational opportunities for older people can have economic pay-offs. . . It may encourage them to maintain their independence for as long as possible, thereby reducing pressure on health and social welfare budgets. On the other hand, if we as a nation neglect the educational, social and recreational needs of those in later life, we do so at our peril, for we will face a mounting economic and social burden because of the



decline of older people's physical and mental health through their isolation, inactivity and lack of a recognised social role.

(*Ageing and Educational Working Party, 1987:33*)

4 Associated with any health promotion programme must be some form of evaluation. This involves the establishment of health status indicators and the careful monitoring of improvements in the health of the elderly. Health status is likely to vary between communities and regions because of differences in income distribution, access to services and cultural factors. Exactly what is monitored will depend upon the level of health acceptable to the elderly themselves. The evaluation methods would need to be multidisciplinary to account for the social, physical, mental and spiritual aspects of health. The New Zealand Department of Health is moving towards the establishment of health status indicators, which would be best co-ordinated by Area Health Boards or similar regional units.

### 2.3.2 *Administrative Changes*

1 Given the inherent effectiveness of health promotion programmes, it is difficult to comprehend why more of them have not been established. As many submissions noted, the barriers lie in the current fragmented administration of hospital and community services for the elderly, and in the lack of a tradition of a multidisciplinary approach to the concerns of the elderly. As long as the health system is based on '*payment by curative result*', there will be little incentive for doctors or medical staff to prevent illness. Furthermore, as long as the curative health services (the hospitals, etc) are financially separated from the more preventive community services, there will be no sharing of resources to become more cost-effective overall.

2 Submissions were strongly in favour of Area Health Boards which offer the possibility of integrating curative and preventive services through the co-ordination of all the services for the elderly (for example 4349, 4384). While there are existing examples of co-ordinating centres, they usually concentrate on co-ordinating either institutional or community services (for example the Canterbury Co-ordinating Centre). The Area Health Boards in integrating the institutional and community services will more properly fuse curative and preventive approaches, and in doing so provide a financial incentive for health promotion programmes. Nevertheless, to be the most effective, the elderly will need to be directly represented on such boards.

3 The same type of integration is seen as necessary at the personal level too, where a health promotion approach can work best in association with a curative and preventive approach. Ideally, health promotion programmes would maintain the health of the elderly at an optimal level throughout their older years. Realistically, however, '*fences at the top of the cliff*' are useless in an '*ambulance*' situation, so that a health promotion approach needs to be a multidisciplinary one, including the expertise of doctors, therapists, counsellors and family members. Such an approach is part of assessment and rehabilitation practice, but needs to be applied much more broadly in institutional and medical practices.

### 2.3.3 *In summary, concerns in this area are:*

- (a) Providing better access for the elderly to health promotion programmes.
- (b) The need to orient health services more towards a health promotion approach.
- (c) The need to integrate the curative and preventive approaches at all levels of administration.
- (d) The need for a multidisciplinary approach in health promotion.

## 2.4 *Institutional Care*

1 Concerns in the area of institutional care focus around the funding and provision of institutional care, assessment and standards of institutional care.

### 2.4.1 *Funding and Provision of Institutional Care*

1 Less than 6 percent of the elderly in New Zealand (aged 65 and over) are accommodated in institutions, and certainly not for all of their older years. Such people are usually not in an institution by choice, but are there as a result of an acute episode, a terminal disorder or severe disability requiring special care. They are likely to be frail, heavily dependent on others and least able to assert their right to the best quality of care possible. Those who might be expected to act on their behalf, relatives and friends, are also often elderly themselves and fatigued through long-term caring for the now-institutionalised person.

2 Such a situation explains the paucity of public submissions on institutional care—there were very few on this topic from those



who were in institutional care, or from lay members of the public. Nonetheless, professional and community groups acting in an advocacy role provided several well documented submissions, which clearly pointed out the inadequacies of the present system. It was noted that the provision of institutional care and access to appropriate care is severely hampered by an '*irrational*' funding system, which has created distortions of provision, with the private (profit-making) sector being encouraged to establish institutions much faster than public or religious and welfare institutions (N.Z. Returned Services' Association, 1987). The funding system was also seen as creating enormous inequalities between the elderly who are 'lucky enough to be allocated a public bed', as opposed to those who are forced to enter a private hospital where their income could be totally used to pay the costs (Parkes, 1987).

3 Residential institutions available to the elderly in New Zealand include public hospital care (in the form of acute hospital care, long-stay, assessment and rehabilitation, respite care and rest home care), private institutional care (mainly long-stay and rest home care) and institutions operated by religious and welfare organisation (rest home and long-term hospital care). During 1984, about 116,000 people aged over 65 years were residents of one of these three types of institutions. About 20,000 lived in the institution on a long-term or permanent basis, with three-quarters of them residing in old people's homes, and the remainder living in private and psychiatric hospitals (Social Monitoring Group, 1987).

4 Since 1977 the Department of Health has suggested guidelines for the number of long-term hospital beds which should be available in any region. The current recommended level for long-term hospital beds, from both public and private sources (including voluntary agencies) is 18 per 1,000 population over 65 years, with a further 5 per 1,000 acute general beds, 5 per 1,000 assessment and rehabilitation beds, and 4-6 per 1,000 psychiatric beds. For rest and residential care beds (from all sources) the guideline is 30 per 1,000 population over 65 (Department of Health, 1986:22).

5 With regard to hospital beds, there are three interacting policies which encourage these guideline levels of hospital beds to be achieved or alternatively restrain growth beyond this level. Firstly, the Department of Health may grant or withhold approval for capital developments by hospital boards or for the licensing of private hospital beds when any increase exceeds guidelines.

6 Secondly, the Geriatric Hospital Special Assistance Scheme (GHSAS) allows hospital boards to fund the difference between personal funds and the level of fees in private hospitals for people assessed as in need of hospital care. The number of places available in any area is limited to the difference between the available public beds and those allowed by the guidelines. The shortfall is thus filled by the provision of private beds.

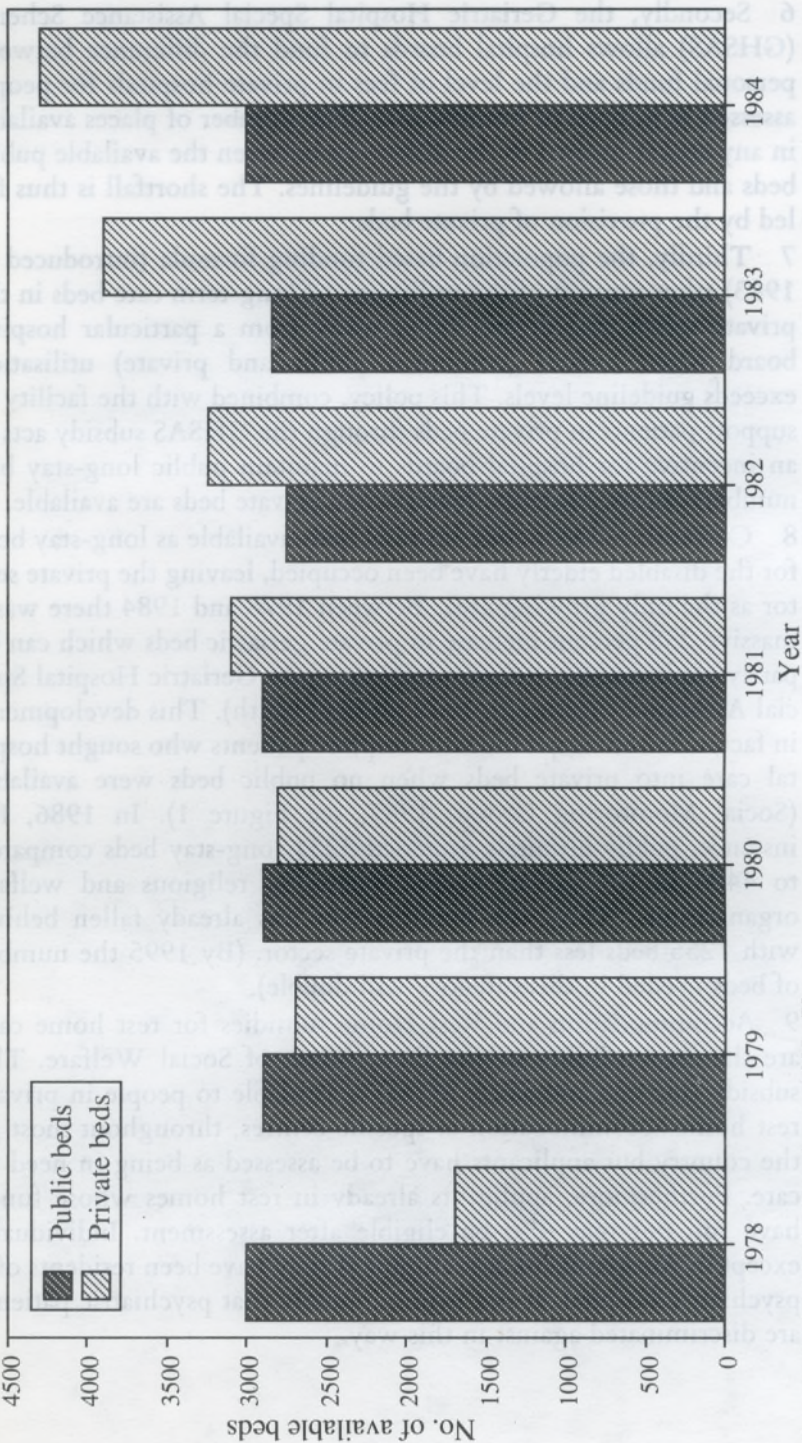
7 Thirdly, the population based funding formula (introduced in 1983) takes account of the utilisation of long-term care beds in the private sector and diverts funds away from a particular hospital board when overall (combined public and private) utilisation exceeds guideline levels. This policy, combined with the facility to support patients in private beds through the GHSAS subsidy acts as an incentive for hospital boards to maintain public long-stay bed numbers below guideline levels when private beds are available.

8 Currently, most public hospital beds available as long-stay beds for the disabled elderly have been occupied, leaving the private sector as the only growing area. Between 1978 and 1984 there was a massive 258 percent increase in private geriatric beds which can be partly explained by the introduction of the Geriatric Hospital Special Assistance Scheme in 1977 (Vote: Health). This development, in fact, allowed hospital boards to place patients who sought hospital care into private beds when no public beds were available (Social Monitoring Group, 1987, see Figure 1). In 1986, for instance, public hospitals provided 3231 long-stay beds compared to 4486 in the private sector, including religious and welfare organisations. Thus, the public sector has already fallen behind with 1255 beds less than the private sector. (By 1995 the number of beds needed in this category will double).

9 Accommodation and Rest Home subsidies for rest home care are the responsibility of the Department of Social Welfare. The subsidy (income and assets tested) is available to people in private rest home accommodation at specific centres, throughout most of the country but applicants have to be assessed as being in need of care. Furthermore, applicants already in rest homes whose funds have run out may also be eligible after assessment. Individuals, except in Auckland, are not eligible if they have been residents of a psychiatric hospital. It is a major anomaly that psychiatric patients are discriminated against in this way.



FIGURE 1: Available hospital beds for geriatric care 1971-1984



Source: Social Monitoring Group, 1987: 70

10 At present, there is a large difference between the financial provision for an elderly person in a public hospital bed and for that in a private one (including religious and welfare). There is also a large difference in the financial impact on the patient. After 13 weeks in a public hospital bed, National Superannuation is reduced to \$21 per week and after a further 13 weeks, it may be stopped altogether if the patient is unable to use the \$21 pocket money. This effectively reduces individual patients to a 'non-person' status, but all other income and assets remain untouched—possibly accumulating many thousands of dollars over the years to come.

11 In the private sector, however, the patient's National Superannuation will go towards the fees as well as any income from their estate until the fee level is reached. If National Superannuation plus the income does not reach the fee level, patients will then become eligible for the government subsidy to make up the shortfall (the Geriatric Hospital Special Assistance Scheme). This subsidy is income tested (not assets tested as is the private rest home subsidy). Consequently, over a period of years a patient in a private bed will have paid out thousands of dollars for care that would have been free in a public bed.

12 The individual (and family) has no choice over which system will provide care for the patient. When a public bed is not available in the district, private beds will then attract the GHSAS subsidy. As a result, the question of a subsidy becomes a matter of luck in deciding whether future long-stay care will be paid by the state or the family. Furthermore, given that the bed may be occupied for several years, the difference in cost could be enormous.

13 Similar anomalies also exist in the provision and funding of rest home accommodation. In both hospital board rest homes and religious/welfare homes, a lower average fee is charged (but one that is always above the National Superannuation level) so that all the elderly person's income will be used and any shortfall is written off. In the case of hospital controlled institutions, this shortfall can be charged against the estate after death. In the same situation, a private sector rest home would be granted a compensatory special Rest Home Subsidy (provided by the Department of Social Welfare). However neither hospital board rest homes nor religious and welfare homes are eligible for the rest home subsidy so that any financial loss becomes entirely the responsibility of the hospital (area) board or the religious and welfare organisation. The lack of



sufficient funding may force the institution to close down, economise in providing the required services for their residents, or take lower dependency residents.

14 The impact of such a complex and muddled funding system on the institutions themselves is equally complicated. Private hospitals receive the GHSAS subsidy from the Department of Health regardless of the level of patient dependency. Yet the cost of caring for individual patients varies significantly. To some extent, there will be a compensating effect on costs arising from the patients of high and low dependency to be found in the 'mix' of patients within a hospital. But if a hospital cares for patients whose dependency on average is higher than those of patients in other hospitals, it will face higher than average costs. Besides, there is no mechanism within the present system of funding from the Department of Health to provide additional public funding. The extra costs can be recouped only via the patient fees (that is, by charging higher than average fees to all patients or differential fees to patients of differing dependency), or by avoiding patients with high levels of dependency.

15 Furthermore, the system of funding of private hospital geriatric care has implications for geriatric care in public hospitals. In some regions the average level of patient dependency in private hospitals is similar to that of public hospitals, but frequently, the average level of dependency is lower in the private sector (King, et al, 1985; Sainsbury, Fox and Shelton, 1986). There is thus a concentration of high dependency patients in public hospitals which has implications for staffing requirements at a time when public hospital budgets are constrained. This may also have an effect on staff morale.

16 It is obvious that the system of funding accommodation for the elderly has not been planned as a whole but has evolved over time, being modified to take account of changing economic and political circumstances. The result has been a system which lacks cohesion and efficiency. Funds are directed to both providers and consumers, and there are several funding bodies: the Departments of Health and Social Welfare, and the Hospital Boards. Capital funding is provided for some modes of care, while operating cost subsidies apply in others. Bed numbers and subsidised places are restricted for hospital care but not for rest home care (Barnett, Green and Fox, 1986).

17 Major inequalities in funding are therefore being experienced among the various institutions providing care for the elderly. This has resulted in an unequal financial burden being placed on some elderly residents, who often find themselves allocated to a private institution, with no real choice over the type of institution they enter. The funding system has also been a major incentive for the disproportionate growth of private sector provision, while being a disincentive for the greater allocation of public hospital, religious and welfare places for the elderly.

18 The case is obvious for the provision of institutional care and a funding system to be based on the needs of elderly people rather than their ability to pay. Following on from this, they should be cared for in a setting most appropriate to their needs, and the system should be able to adapt to the changing circumstances of the elderly person.

19 A proposal which takes into account all of these criteria has been put forward by the Board of Health Committee on the Health of the Elderly (1987). In the Committee's proposed scheme, the distinction between rest homes and long stay hospital levels of care would be replaced by an integrated system of institutional care. Within any institution there could be residents with different levels of dependency (assessed as grades 1 or 2), but institutions wishing to care for 'subsidised' clients would have to be assessed. The number of approvals for grades 1 and 2 care would be limited in each area according to the guidelines based on the population 65 years or over, or preferably to revised guidelines for the population aged 75 years or over. The proposed scheme suggests that clients only be admitted to an institution with beds available for subsidy following assessment of need and priority. A subsidy for high levels of domiciliary care as an alternative to institutional care is also proposed, to enable a real choice to be available for those willing and able to remain at home, and for their carers. All subsidies would be administered by the Hospital Board, Department of Health or Area Health Board.

20 The proposed scheme has much to commend it, and with due safeguards as to the various assessment procedures (of the older person and the institution), could overcome the inequities of the current system.



### 2.4.2 *Assessment*

1 Regardless of the availability of various forms of institutional care, the effectiveness of institutional care is dependent on targeting those most in need according to the assessment procedure. But, if assessment and admission criteria are not appropriate and facilities are limited, not only will those for whom the care is inappropriate continue to be admitted, but also those who require care will find it unavailable.

2 Assessment and rehabilitation can fulfil three objectives: the clinical objective of determining the elderly person's problems by a full medical, functional and social evaluation including planning of future management; secondly, a funding objective in terms of assessing the older person's need for a subsidy provided by the taxpayer through the Departments of Health and Social Welfare; and thirdly, a priorities objective in determining that those people who are most in need of institutional care are the first to receive such care (Campbell, 1984).

3 Assessment and rehabilitation (A and R) procedures are also a valuable means of ensuring that the most cost effective care is provided. In a submission to the Royal Commission, Friedman gives an example of this:

Consider a typical problem we face of a 78 year-old man with emphysema and Parkinson's disease, who suddenly deteriorates. Despite the best efforts of the general practitioner and district nurse, his elderly wife simply can't manage him at home. If the health service fails to provide effective A and R, he will be forced to leave home and enter an institution. Being severely dependent he would require hospital level care. Taking the average private geriatric hospital fee in Hamilton (\$670) and subtracting \$140 as the patient's contribution towards fees from his National Superannuation, the state must subsidise \$530 per week to meet private geriatric hospital fees. If he survives one year this cost skyrockets to \$27,560! The scenario is somewhat better if the man is only moderately dependent and can be managed in a rest home. The category 3 private rest home subsidy would cost the state a mere \$12,740 per annum. Now consider an even better scenario—the health system provides effective A and R and the man returns home, able to do most of his own self-cares. New Zealand hospitals are just acquiring the type of cost accounting systems to give true costs for A and R. Preliminary figures from Waikato Hospital suggest a cost of approximately \$170 per day. At this rate several weeks of effective A and R would be real value for money for this individual.

(Friedman, 1987:2)

4 The lack of assessment previous to admission to an institution was a major theme of the submissions from professionals. Many

institutions do not require assessment before admission: admission to religious and welfare residential home care has always been at the discretion of the individual organisation, and it is often arranged to meet the needs of the home itself rather than the wider community (Campbell, 1986). In some localities assessment and rehabilitation facilities are unavailable. Guidelines as to the public provision of A and R services were laid down by the Department of Health in 1984 and 1986, but no single hospital or Area Health Board fulfils these guidelines. As an example, Waikato Hospital provides only 39 percent of the medical and 28 percent of the psychiatric A and R beds for the elderly as suggested in the Guidelines (Friedman, 1987). At the moment, A and R facilities are only provided within public hospitals. There are no community based units, or mobile units.

5 Yet geriatric assessment and rehabilitation is a powerful tool for managing medical and psycho-social impairment among sick older people. According to the geriatrician at Waikato Hospital:

for every 100 severely dependent people we admit (that is requiring 24 hour hospital care) we can return 60-70 home; only 30 remain so dependent that they require long-term geriatric hospital care. (Friedman, 1987)

### 2.4.3 *Standards of Care*

1 There is obviously an urgent need to investigate the standards of care provided in old people's homes and rest homes, judging by the large proportion of the submissions on the elderly who commented on this. The submissions drew attention to the inadequate care many residents received (for example 2237, 2620, 2945, 3389), particularly in relation to the high fees being paid (for example 3418). One submission commented that:

Fees vary from \$120 to \$520 or more per week but there appears to be no attempt made to control the standard of care given for a particular cost. (N.Z. Returned Services' Association, 1987:2)

Several submissions drew attention to the lack of staff on duty during the evenings, the poor meals, the lack of stimulating activities, and the dependent position of residents who are rendered powerless to complain. Such inadequacies are poignantly summarised in the following case presented in a submission:

Last year an old lady of 82 to whom I used to deliver meals on wheels was taken into Hutt hospital for an operation and stayed there for 3 months. When she was discharged it was decided she could no longer look after herself. The social worker looked for a vacancy in a home. The patient had been on the waiting list at Woburn Home for 3 years



but they had no vacancy. The only place available was some 13 miles away from Lower Hutt and she went there away from all her friends. I used to visit her and she felt very cut off. She only had National Superannuation and was subsidised by Social Security. She didn't settle down well. She is an asthmatic and couldn't watch television because there were always people smoking near it. She had been in hospital for a digestive ailment and was supposed to be on a restricted diet but says no effort was made to provide for this. She was worried at the treatment given to incapacitated people who needed help to wash and dress; frequently they were being left until nearly lunch time before being attended to. She is afraid of becoming incapacitated herself. There weren't enough staff and they were being over-worked. Some of the staff she found considerate and helpful but others just the reverse.

One grievance was the telephone. Well-to-do residents have telephones in their rooms but the others are grudgingly allowed the use of the office phone. (In general subsidised residents tend to be treated as 2nd class citizens). She began to get a name for complaining and she probably is a bit forthright. But caring people see her for what she is, an intelligent alert old person whose body has collapsed on her (arthritis, asthma, dropsical, overweight and in pain because of her digestion and going blind) and they have compassion.

One day she rang me up. She had suddenly discovered she couldn't see at all out of one eye and was in great distress. She had asked to see a doctor but they wouldn't send for one and said she must wait until his next routine visit. She was in fear that her eye might need urgent attention and that delay could reduce any hope of recovery and was beside herself. I went out to see her and when I got back reported the matter to the duty officer at Social Security who phoned the Medical Officer of Health. In due course the Health Department got on to the home. But my interference only made matters worse.

The management were furious. It took about a fortnight for them to find another home that would take her and then they put her out. In the meantime they moved her belongings from her present room to one at the far end of a new wing that had just been opened. Her former room had had a pleasant outlook and was near the common rooms. The new one looked out on a blank wall and there were only two other rooms occupied in the wing. I visited her in both rooms so I know her story is true. She told me she was forbidden to visit her friends in the old wing and was made to take her meals by herself at a separate table. Utterly vindictive.

One of the staff turned on her and said, 'What right have you to complain? You are only a pauper—it is the taxes I pay that go to keep you here'.

I wrote this all down and sent it to the Medical Officer of Health but I never got a reply. If she hadn't moved to the new home I would have

taken the matter further. But I didn't want to prejudice her start in a new situation.

She is a bit better off where she is now but still finds the meals meagre and lacking in variety and quality. She augments her diet by buying fried fish and fruit when she gets taken out for a drive. She is still over 10 miles from her friends in Lower Hutt. The same shortage of staff exists and lack of adequate attention.

The pocket money allowed her by social security is mainly spent on visits to the doctor and the podiatrist. She gets an occasional visit from a social worker who is hopeful of getting her a place in Woburn Home, before too late. (60s Up Movement, 1987:9)

2 While the above case points out the inadequate standard of care in a particular rest home, it also shows the impossibility of allowing 'the market to decide' against such rest homes. In a situation where there is no choice, or little legislative control, consumers are forced to take up any residential opportunity. Unfortunately, the dependent elderly as consumers are likely to be the least able to spend time shopping around. Such problems were also a major theme of the submissions to the Ministerial Taskforce on Social Welfare Services, and in its report the Taskforce called for greater control over the quality of services provided in private rest homes (1987).

3 Currently, standards in old people's homes are governed by the Old People's Homes Regulations, 1980. Because of their very basic requirements, the Department of Health in its *Standards of Care in Old Persons' Homes* (1982, updated 1987) has encouraged rest home proprietors to further improve the quality of care, but these are standards only, not regulations. However, by July 1988, the higher standards listed in new legislation, the 1987 Old People's Homes Regulations, will need to have been complied with by rest homes. Under these regulations, managers of rest homes must have a recognised qualification and those persons considered unfit for the task can have their license cancelled by the Director General of Health. The Regulations also prescribe powers and procedures for issuing licenses, minimum standards of accommodation, duties of licenses and powers of inspection. It is hoped that such regulations will result in the upgrading of the standards of care in such institutions.

4 For the most part, elderly residents' days are dominated by the activities of physical care, but care should also involve social, recreational and spiritual care. Many submissions were concerned about the lack of activities provided in institutions for the elderly and



how the horizons of elderly residents were consequently very limited. In a study of dependent elderly residents of psychiatric hospitals, Dowland and McKinlay comment that while the residents received physical care of a high standard, this was 'achieved at some cost', in that residents did 'not always get the individual attention important to meet social and psychological needs' (1985:43). A similar situation often characterises other types of institutional care, with elderly residents not always getting the physical exercise and mental stimulation which they require to keep them mobile and alert for as long as possible.

5 Part of the difficulty in providing an adequate standard of care stems from the poor physical facilities, the lack of training available for the carers, and the increasing dependency levels among the residents that make the provision of adequate facilities and nursing care even more difficult. The poor physical facilities in private rest home accommodation is justified on the basis of profit over services. Owners of small rest homes argue that it is uneconomic to provide a range of facilities for only a few residents, yet the traditional role of rest homes is changing rapidly from one of providing supervision of the elderly to that of providing a considerable amount of nursing and medical care (Taita Home Trust Board, 1987). The increasing dependency of the elderly residents is making further demands on the provision of adequate facilities. Several submissions commented on this issues. For example:

Dining rooms were often of sufficient size for residents to come and sit around the table, but now that many of the residents have wheelchairs or walking frames, etc, the dining rooms are no longer big enough. Some of the Homes are forced to make extensions to their dining rooms.

*(Working Party on Residential Care of the Elderly, 1985:17)*

Yet, other submissions noted the quality most appreciated about accommodation for the elderly is space—space to move, room to avoid feeling hemmed in—and individual privacy—for ablutions, for rest and contemplation and for displaying individual items representing their existence and individuality (Porirua Hospital, 1987).

6 It has always been presumed that the public sector will adhere to minimum standards and is above inspection. However, according to one submission, 'the reality is that in very many instances the public sector is performing below the minimum to the detriment of the clients and staff' (Parkes, 1987). Examples are given of old acute medical and surgical wards being converted into geriatric

wards with poor or inappropriate toilet and washing facilities, inadequate day room space and overcrowding with respect to beds. Where the unit is part of a general hospital, staffing levels are often eroded by the needs of the hospital's acute departments, so that they are often below the minimum level allowed in the private sector.

7 The quality of care in institutions largely depends on how well the carer understands their role and the nature of the disability involved. Unfortunately there is a commonly held, misinformed, belief that anyone can undertake this role, particularly where the elderly person is not very dependent. Many submissions commented on the youth, inexperience and lack of trained staff employed particularly in the private rest homes (for example 0545). As a result the professional status of all carers is eroded by the ignorant attitude that caring for the disabled elderly is an unspecialised task.

8 Instead, it is a highly specialised and very demanding task physically, emotionally, intellectually and spiritually. Such information is however only gradually being incorporated into training courses for nurses, therapists, doctors and support staff. Again, the increasing dependency levels of the elderly residents needs to be taken into account, and training courses must equip staff to recognise increasing frailty and be able to rehabilitate the elderly person or teach them how to manage the disability.

#### *2.4.4 In summary, the concerns in this area are:*

- (a) The needs of the elderly not always being the first priority in admission to an institution;
- (b) Inequities of the funding system, creating distortions in the public and private/religious-welfare sector mix of institutions and hardship among some elderly residents;
- (c) Changing dependency levels of the elderly necessitating more flexible funding and institutional arrangements;
- (d) The lack of adequate assessment and rehabilitation facilities either within institutions or in the community; and
- (e) The need for higher standards of care, especially in rest home accommodation.



## 2.5 *Community Care*

1 In the area of community care special concern for improvement in policy focuses around the provision of community support services, support of the carers, availability and training of the carers and housing for the independent elderly.

### 2.5.1 *Provision of Community Support Services*

1 There is a myriad of community support services available to the elderly in New Zealand (and the public in general), either through community services (services in the community) such as housing, volunteer and health programmes, or through home support services (services by the community in the home) such as meals on wheels, home help and domiciliary physiotherapy. Community welfare and religious organisations such as the Aged People's Welfare Council, Nurse Maude District Nursing Association (Christchurch) and Presbyterian Support Services have a long history of either providing services themselves, or co-ordinating existing services, sometimes in conjunction with the provision of social facilities. More recent groups such as ADARDS and the Stroke Club focus on assisting persons disabled by a particular illness or circumstance, and provide information and support networks. Other groups, such as 60s Up, Probus Clubs and National Superannuitants' Association, provide a social and political orientation largely for the well and more active elderly.

2 The state contributes a large share of the community support services through the provision of hospital board services. These include the services of district nurses, home help, laundry, chiropody, occupational therapy, physiotherapy, respite care and day care. The provision of such services is based on need, although some require a financial contribution. For example, 1985 recipients of Meals on Wheels in Christchurch contributed \$1.10 per meal (59.8 percent) toward the cost of the meal (Bonner, Fox and Williams, 1985:43).

3 The major concern arising from public submissions to the Royal Commission was that of the insufficient provision of such services. Submissions commented frequently on the inadequate provision of day care centres, home help and community care services in general, particularly in relation to the policy of moving elderly people out of institutions to live in the community (for example 0863, 2648, 2750, 2925). Inadequacies of provision were

seen particularly in rural areas (for example 0053). This was particularly distressing given the government's policy to move the institutionalised elderly into the community.

4 Research also bears out the insufficient provision of community services, along with the mismatch of the services. Calculations have been made of 'essential' need requirements of domiciliary care services on the basis of a 1973/74 survey of the incidence of disability among the elderly (Salmond, 1976: Hospital Board Service Planning Guidelines, 1986). 'Ideal' need requirements have also been estimated (Campbell, 1981), and a comparison of these is set out in Table 1.

TABLE 1: Comparison of guidelines for 'ideal' and 'essential' services for the elderly

Services per week per 1,000 age 65+	<i>'Ideal'</i>	<i>'Essential'</i>
District nursing	159	21
Home help (hours)	192	60
Meals on wheels	152	72
Laundry services	8	13

Note: Assuming 1 district nurse visit, 3 hours home help, 4 meals per week and 1 laundry visit.

These figures are based on Service Guidelines of Services to the Elderly (1986).

Source: Holmes, 1986: 23

5 Such guidelines have recently been compared with the actual situation in the Canterbury Hospital Board area, along with a comparison of the 1981 and 1986 position (see Table 2). Table 2 shows that the level of service provision in Canterbury in 1981 was better than 'essential' but only about half of the 'ideal'. By 1986 the level of provision had fallen, especially with respect to district nursing (Holmes, 1986:23). In a census of recipients of services in the Wellington Hospital Board (1985), reported levels were 75 visits per week per 1,000 for district nursing, 78 hours for home aid, 116 meals and 18 laundry visits. This level of service is comparable to that of Canterbury, although slightly higher (Wellington Hospital Board, 1985).

6 In the Canterbury area, Holmes has estimated that:

it would cost about \$1.9 million to upgrade the present services to the level provided in 1981, \$4.3 million to reach the 'ideal' level. (p.23)

Holmes' comments relate to the financial stringencies of hospital boards now coping with population based funding. Similarly, welfare organisations are facing financial difficulties in providing services (0310).



TABLE 2: Rate of provision of services—Nurse Maude District Nursing Association 1981–1986

		1981	1986
District nursing	Visits per week per 1,000	96	71
Home aid	Hours per week per 1,000	40	35
Meals on wheels	Meals per week per 1,000	89	89
Laundry service	Visits per week per 1,000	6	4

Source: Holmes, 1986: 22

TABLE 3: Input of agency and carer compared with dependency levels

Mobility category	Agency input	Informal carer input
Unaided	21	53
With stick	24	70
With person	3	74
Chairfast	26	101
Bedfast	12	108
Average	24	69

Source: Green, 1986: 31

7 Recently, research has questioned the targeting of available community services in that little relationship can be established between the level of service provision and disability levels. For example, Green has shown that while increased disability among the elderly living at home is matched with a parallel increase in the services of the family 'carer' (informal carer input), there is no similar increase in the community services provided (see Table 3). Community services would appear to be provided with little regard to the extent of need (Green, 1986).

8 Holmes noted that a rationalisation of district nurse visits in the Canterbury Hospital Board area meant that in 1986 12 percent of all visits were longer than 30 minutes, while 40 percent involved less than 15 minutes, implying that such care is now better targeted (1986:22). As one submission suggested:

'that better organisation of public community services may be of benefit without adding large expense' (0683).

9 In its report on Home Support Services for the elderly (1987), the Board of Health Committee on the Health of the Elderly made a strong case for the provision of a range of home support services.

However, it pointed to the problem of the 'multiple invasion' where there were many helpers visiting one household, and called for greater integration of home support services with community and institutional services. The option of a disability benefit to provide full home support care as an alternative to hospital care was also suggested.

### 2.5.2 *Support of the Carers*

1 Many of the submissions to the Royal Commission on community care commented on the need for greater financial and psychological support of the carers: the unpaid family and community based carers. A need was seen for financial assistance ranging from a wage commensurate with the market income of similar workers to the remuneration of expenses (for example 2825). A special case was argued that where values of particular ethnic groups precluded having the elderly cared for in an institution, an allowance should be made to the family member caring for the person at home (2719). Many submissions commented on the relatively low status accorded such carers along with their isolation, but few gave suggestions as to how this could be alleviated. A particular concern relating to the increasing age of carers was that many carers of intellectually handicapped children are elderly (parents) themselves, and care after the parents' death is an obvious worry (0954, 3552).

2 Considerable satisfaction was expressed with the availability of relief for the carer under the Disabled Persons' Community Welfare Act. Under this scheme the spouse, parent or guardian of an elderly or severely disabled person can be relieved of this responsibility for up to 28 days in any one year. Such time may be taken in units as short as half a day if that is the most convenient. However, the inadequate provision of day care facilities hampers many carers in taking up this provision. Furthermore, in setting a ceiling on the daily rate allowed for such respite care, any discrepancy between the allowance and the actual cost has to be borne by the carers. In 1988 the daily rate is set at \$40 (\$280 per week), but the carers are forced to pay an extra \$170 per week to cover the actual cost.

3 The concerns relating to financial compensation of unpaid carers, their low status and the provision of reliable respite care is borne out by research showing the often overwhelming financial and psychological burden placed on the carers of the elderly (and



others). Green found that among a group of community-based elderly requiring considerable home-care, the 'informal carer' (family and friends) provided on average approximately 5 hours of personal care and 8 hours of domestic care per week. Supervisory care, where no specific task was required was also provided, but was not timed. The imputed cost of this informal care (valued at the home sitter and home aid wage rates in 1983/4) was \$69 per week on average per elderly person (Green, 1986:29).

4 While there is some research to show that family carers do not expect to receive *full* compensation for such labour costs (Koopman-Boyden, 1978), the increasing participation of women in paid employment provides a comparison with a more independent and financially rewarding lifestyle, so that fewer family members may choose to be unpaid carers in the future.

5 The psychological burden placed on the carers has been reported at numerous conferences involving such people and their support groups. For example:

It was a lonely role, being stuck at home, trying to cope with a sad, frightened, confused parent. And it seems that nobody was prepared to do anything to help. We were alone. (Millen, 1986).

6 A Christchurch study of 190 carers of the elderly showed that two thirds (66 percent) had experienced some effect on their health, with fatigue and anxiety accounting for the greatest deterioration. Most of the problems arose from aspects of the patient's physical and mental health, with the carers facing the common problems of conflicting demands between the pressure of family commitments and the inability to devote time to their own work. A tenth of the carers gave no satisfying aspects of caring for their elderly dependent (Koopman-Boyden, 1979).

7 While the psychological 'cost' of caring was of considerable concern to family carers, the financial costs were of particular significance to community carers. In a report by the Social Advisory Council (1987) it was noted that 'car operating costs are the greatest volunteer expenses'. Other expenses mentioned in the report included toll calls (in rural areas), childcare and baby-sitting, training costs and parking fees. It was further argued that while several government departments and community organisations do pay volunteer expenses, it is provided only on request (p9).

8 For both family and community carers, however, reimbursement is generally seen as less important than the recognition of their worth by the agency and by society (Social Advisory Council,

1987). In the case of family carers, this might be best achieved by continuing the respite care provision and expanding its availability with better access to day care. Such care has been shown to benefit both the carer and elderly person in health and morale by providing contact with professional and others in a similar position (Grant, 1986).

### *2.5.3 The Availability and Training of the Carers*

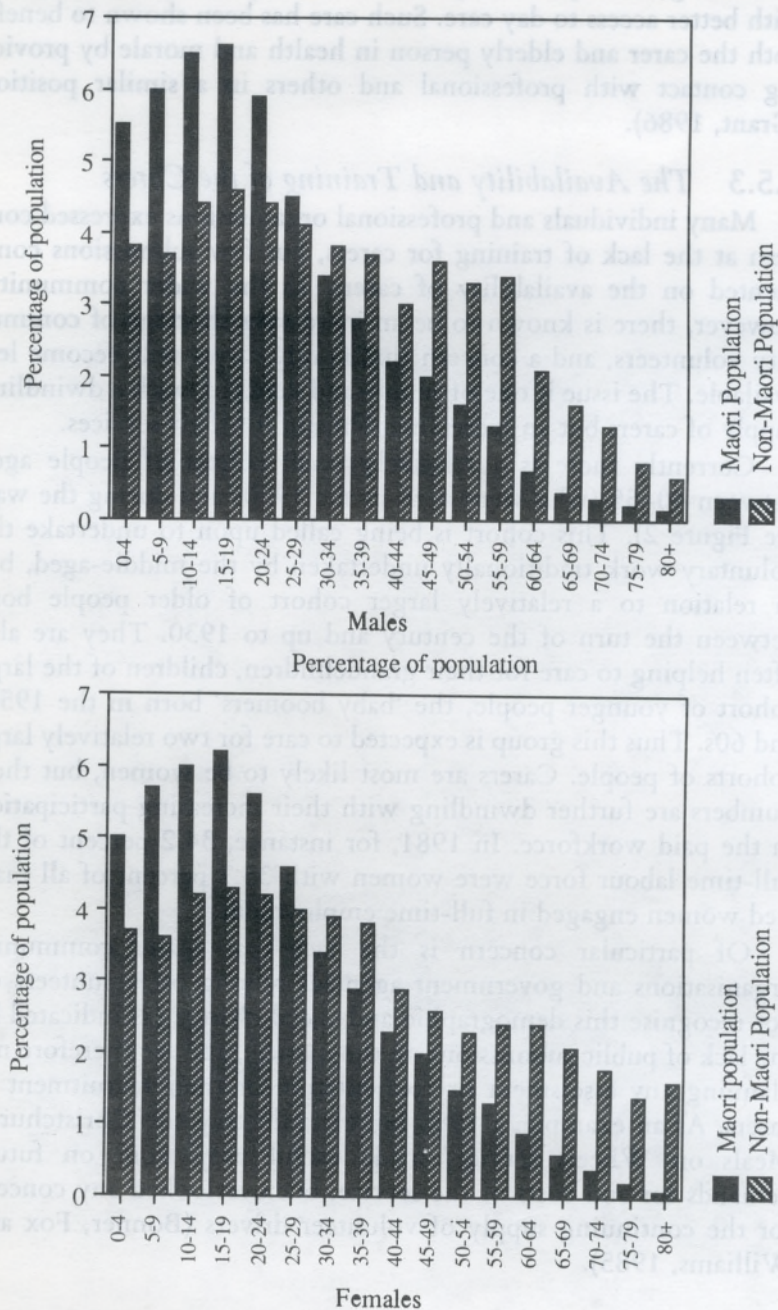
1 Many individuals and professional organisations expressed concern at the lack of training for carers, but few submissions commented on the availability of carers. In the wider community, however, there is known to be an increasing shortage of community volunteers, and a concern that family carers will become less available. The issue is one of supply and demand, with a dwindling supply of carers but an increasing demand for their services.

2 Currently there is a relatively small cohort of people aged between 40–55 (who were born in the 1930s and during the war; see Figure 2). This cohort is being called upon to undertake the voluntary work traditionally undertaken by the middle-aged, but in relation to a relatively larger cohort of older people born between the turn of the century and up to 1930. They are also often helping to care for their grandchildren, children of the large cohort of younger people, the 'baby boomers' born in the 1950s and 60s. Thus this group is expected to care for two relatively large cohorts of people. Carers are most likely to be women, but their numbers are further dwindling with their increasing participation in the paid workforce. In 1981, for instance, 34.2 percent of the full-time labour force were women with 35.7 percent of all married women engaged in full-time employment.

3 Of particular concern is the fact that many community organisations and government agencies relying on volunteers do not recognise this demographic and social change (as indicated by the lack of public submissions on the matter), and are therefore not planning any assessment or reorientation of their recruitment of carers. As an example, a 1985 report evaluating the Christchurch Meals on Wheels service, made useful projections on future demands for and costs of the service, but overlooked any concern for the continuing supply of volunteer drivers (Bonner, Fox and Williams, 1985).



FIGURE 2: Age-sex structure of New Zealand population: 1985



Source: Population Monitoring Group, 1986: 20

4 The New Zealand Federation of Voluntary Welfare Organisations has recently recognised the increasing difficulties in recruiting and retaining volunteers by publishing a set of guidelines on personnel practices for volunteers (1987). While not making suggestions as to how to locate volunteers, the Federation does make valuable suggestions in relation to their training and support. Other efforts to facilitate recruiting are currently underway at the Dunedin Volunteer Centre and newly formed Christchurch Centre.

5 Many public submissions called for better training and the proper certification of carers (for example, 2498). A 1985 study by the National Council of Adult Education found that only 8 of the surveyed 23 tertiary institutions offered training courses for carers, with half of these courses being restricted to employees of rest homes. The courses varied widely in length, cost, format and content and no 'model course' had at that time been adopted nationally. The report indicated that 'few opportunities are available to 'carers at home' and that courses currently offered may not meet the needs of people caring at home' (Gordon, 1986:10).

6 This is backed up by the Social Advisory Council's observation that:

access to appropriate training is considered to be the key to ensuring that volunteers are only used to carry out appropriate tasks. (1987:8)

In arguing the case for more carer education, one submission also noted that:

by establishing ongoing educational programmes at all levels the status of the role will be recognised and the quality of the care given will be raised. (Parkes, 1987)

## *2.5.4 Public Sector Housing for the Independent Elderly in the Community*

1 The above issues relate primarily to the provision of personal social services by the family and the community. Also a major concern of the elderly who live in the community is housing. Many submissions commented on the high interest rates (up to 23 percent in 1985-87), the high rents and the general unavailability of reasonable standard housing (0170, 0336, 0522). Several submissions related specifically to Housing Corporation policies, suggesting that the income limit was too low (0089) and that more housing with suitable ramps, etc, should be available (for example



0105). However, satisfaction was expressed with the 'Granny' flat scheme (for example 3703).

2 The state's housing policy for the independent elderly is administered through local bodies, and covers subsidised pensioner rental units, subsidised pensioner purchase units, state owned pensioner rentals, the lease of granny flats, upgrading of pensioner accommodation and home maintenance/home improvement loans. Such housing and housing monies are available on the basis of need, which is determined in local authority areas by Medical Officers of Health.

3 There are no clear guidelines to the 'essential' or 'ideal' requirements for the provision of rental accommodation for the elderly. The Department of Health has suggested that 'an open ended provision of at least six pensioner units per 100 elderly is needed', but this could be an understatement in that need varies by region and 'could be ten or more units per 100 elderly in some metropolitan areas' (1976:98).

4 Furthermore, there is very little detailed research on housing need, although occasional local studies have been undertaken. For example, a 1972 study of pensioner housing in Auckland city established the average level of local authority rental housing provision in the 24 suburbs at 1:25. That is one pensioner place per 25 persons over the age of 65 years (Auckland City Council, 1972), with suburbs such as Henderson and Otahuhu having ratios as low as 1:5. A 1981 comparison of local authority rental provision for those over 60 years in the Bay of Plenty, Christchurch, Timaru and Dunedin revealed an average ratio of 1:35 places (see Table 4).

5 It is difficult to say whether the two ratios are comparable given the different localities and the slightly different age groups. However it can be seen from Table 4 that enormous variability exists in pensioner housing provisions even within the same city (compare the provision of Riccarton and Heathcote within Christchurch).

6 Inspection of waiting lists for local authority housing, traditionally an indicator of the demand for housing, cannot add to the debate, because of discrepancies and inconsistencies in the waiting lists. There is also little information on the demand for the other forms of housing or housing finance provided through local authorities (but see Campbell, Ny and Thorns, 1987).

### 2.5.5 *Private Sector Housing for the Independent Elderly*

TABLE 4: Local authority rental places available: 1981

Area	Places available (number)	60+ Pop. (number)	Ratio Places: Pop.
Mt Maunganui	40	2,016	1:50
Christchurch C.C.	137	29,634	1:22
Waimairi	297	9,690	1:22
Papanui	137	3,024	1:22
Riccarton	169	1,533	1:9
Heathcote	17	1,740	1:102
Lyttelton	14	519	1:37
Timaru	144	5,274	1:37
Dunedin	822	13,104	1:16
Mosgiel	27	1,422	1:53
Port Chalmers	24	447	1:19
Green Island	66	945	1:14
St Kilda	98	1,593	1:16

Note: Places available calculated from accommodation provided by single and double units.

Source: Campbell, Ny and Thorns, 1987: 76

1 In the last few years, there has been an increase in the private sector provision of retirement units and retirement villages. It is a growth industry, operating independently from state subsidisation or demographic demand. Such accommodation is usually for the younger and more independent elderly with rental charges in line with those on the open market. Retirement villages also require a high level of capital investment from prospective residents (Campbell, Ny and Thorns, 1987).

2 A comparison of special housing provided for the elderly in 1971 and 1984 in Auckland includes the provision of private sector flats (Hall and Joseph, 1986). The most notable feature of the data is the rapid growth of private sector flats and the relative decline of local authority housing (see Table 5). This is symptomatic of an increasing privatisation of special housing provision. For a true picture of the provision of such housing, the ratio of places to the elderly population should be obtained (as with local authority housing), but in this case, such figures are not available.

3 While accommodation in such retirement units and retirement villages is of a high quality (for those who can afford it), concerns have been expressed that such villages are spatially separating the elderly from the rest of society. Such development schemes are also



exaggerating the fears, insecurities and loneliness of the elderly living in their own homes with counteracting claims of companionship and a sense of community participation in the new complexes. Concern has also been raised about the adequacy of long-term care provision for the residents when they are possibly less active. Doubts have been expressed about

'such developments' ability to offer specialised care like physiotherapy and occupational therapy' (N.B.R. 1986:23).

However, there has been little research documenting the extent of retirement village provision for the long-term effects of such a lifestyle on the elderly occupants themselves.

TABLE 5: Special housing for the elderly by type: 1971 and 1984

Type	1971		1984		Percentage growth 1971-1984
	Number	Percent	Number	Percent	
1. Local authority flats	2,564	(38.5)	4,001	(34.3)	50.8
2. Private sector flats	276	(4.1)	931	(8.0)	237.8
3. Rest homes	2,685	(40.3)	4,948	(42.2)	84.3
4. Private hospitals	1,140	(17.1)	1,777	(15.3)	55.9
Total	6,665	(100.0)	11,657	(100.0)	74.9

Note: All values are in bed units.

Source: Hall and Joseph, 1986: 138

4 It is clear that in New Zealand the private sector is becoming more active as a provider of housing for the elderly. This has a positive side in terms of enhancing the choice of retirement housing for the elderly, but it has the disadvantage of polarising lifestyle options. Yet, the extent to which the elderly who are on low incomes are able to afford private accommodation remains largely unknown.

#### 2.5.6 *In summary, concerns in this area are:*

- (a) The inadequate provision of community and home support services.
- (b) The poor targeting of such services.
- (c) The cost of caring to the carers.
- (d) The psychological burden of caring.
- (e) The lack of recognition of the carer's contribution.
- (f) The decreasing and largely unknown future supply of carers.

- (g) The lack of support given to carers, particularly those caring at home, through inadequate education and training.
- (h) The inadequate provision of local authority housing for low-income elderly.
- (i) Lack of research on demand for low-rental housing.
- (j) Lack of information on the long-term effects of retirement villages on elderly occupants.

## 2.6 *Dependency*

1 Dependency can be of a financial, psychological/political or physical nature. It is usually seen as a negative status, for it implies a lack of autonomy on the part of the dependent person, which in turn imposes constraints on the lifestyle of family members and friends called upon to care for them.

2 Many of the submissions to the Royal Commission reflected society's often portrayed stereotype of the elderly—as being that of dependent and non-productive members. Given such helplessness, several submissions suggested that the elderly should be helped, thereby implicitly perpetuating the stereotype of a dependent status.

### 2.6.1 *Physical Dependency*

1 The possibility of increased physical dependency is an often expressed concern of the elderly. Most surveys of the elderly have established that they are particularly anxious about maintaining their physical independence. To this end, they prefer to live in their own homes (rather than an institution), or with their family and manage their own garden and household arrangements (Koopman-Boyden, 1978). Such physical independence tends to ensure the autonomy of older people for as long as possible.

2 Conversely, however, the institutionalisation of the elderly often hastens a dependent status, for once the responsibilities of independent living are lost, so too is the expectation of independence. For example, old people in an institution do not have any shopping responsibilities, so they do not expect to go for a walk to the local shops. While there is little New Zealand research to illustrate this point, studies overseas show that institutionalised elderly people are likely to become physically and socially dependent more



rapidly than those with similar disabilities living in the community. As argued:

Many (institutionalised) old people remain mentally alert to the end. They find it very distressing to be placed in the company of mentally sick, disturbed or senile people for long periods.

Trained psychiatric nurses find their duties very demanding. How much worse then is it for elderly infirm residents who can only escape by retiring to their rooms. Some alert residents degenerate rapidly in such company and in a short time become demented too.

*(60s Up Movement, Hutt Valley, 1987:3)*

3 Alternatively, considerable independence can be maintained by expecting elderly residents to take responsibility for personal care and some domestic tasks, along with participating in some decision-making and social activities at the institutional level.

### 2.6.2 *Psychological/Political Dependency*

1 Concern was also expressed in several submissions about the loss of psychological and political (or social) independence. It was noted that because older people are outside the paid workforce, 'they cannot withdraw their services from the workplace, nor can they go on strike. They have no power and no voice' (Byers, 1987:2). Furthermore, elderly people who have become forgetful, or who suffer from a form of senile dementia are often made totally dependent psychologically or politically upon others. Such a situation, along with physical dependency, often renders an elderly person powerless and makes them subject to potential abuse and exploitation.

2 Abuse of the elderly, in being victims of maltreatment, discrimination and neglect, has recently received attention in New Zealand from health professionals, carers and academics. In 1984, the issue of elder abuse was raised for discussion at the New Zealand Geriatric Medicine and Gerontology Conference in Auckland. Similarly, in a paper presented to Board of Health Standing Committee on the Health of the Elderly, Bailey (1987) expressed concern at the increasing incidence of abuse against old people. Examination of this phenomenon indicates that elder abuse is not an isolated and localised problem involving a few cases of frail, dependent and sick elderly. Instead, it has become a wider social problem operating at institutional and personal/familial levels.

3 The forms of abuse, whether institutional or familial, may be covert or overt, and include physical, financial, psychological/emotional, intellectual, nutritional and pharmacological types

of behaviour. Such definitions of elder abuse are internationally agreed upon, along with the need to establish social policies that protect the elderly from the vulnerable situations to which they are being frequently subjected.

4 In New Zealand, a number of the submissions made to the Royal Commission on Social Policy expressed concern about the various types of abusive behaviour against the elderly, particularly those in institutions (Board of Health, 1987; Kendrick, 1987; Bailey, 1987). Criticisms of nursing and rest homes centred on the loss of independence and privacy, boredom, and mental and physical decline. Similarly, several submissions indicated the existence of actual abuse and exploitation of the aged where moral laws had become secondary to economic laws with institutional management operating on the basis of a profit oriented approach. Several submissions suggested that the only way to ensure that the system itself was not open to abuse was to make it the responsibility of central or local government (Auckland District Council of Social Services, 1987).

5 In the face of a call for greater accountability of residential homes for old people along with the need to ensure that the rights of all elderly people are being upheld, the establishment of a separate agency or department exclusive to the affairs of the elderly has been strongly emphasised by a large number of the submissions (Department of Internal Affairs, 1987; Age Concern-Wanganui, Auckland, 1987; Rest Homes Association, 1987). It is suggested that protection of the elderly against their often disadvantaged situation can best be served by legal and political empowerment. Such measures would provide the opportunity where incidence of abuse, neglect and discrimination can be reported, heard and consequently curtailed. Advantages for establishing this type of agency are seen from the elderly person's position, in having an impartial advocate(s) who can explain to them their rights and ensure they are fairly treated. A 'grievance' committee, for instance, becomes particularly significant for those who are not in a position to advocate for themselves—institutionalised elderly people, including those who are frail, disabled or intellectually handicapped.

### *2.6.3 Financial Dependency*

1 It is a well known fact that New Zealanders, including the elderly themselves, are divided on the question as to whether the elderly have a right to financial dependency on the state (regardless of



income), or whether only those who need support should thereupon be dependent. While financial dependency among the elderly does not bear the same social stigma in New Zealand as that of solo mothers or the unemployed, there is still public debate over the cost of such financial support and the legitimacy of supporting those who 'do not need it'. In addition, there is a long standing, though lesser, debate over whether the low income elderly should also be provided with subsidised material goods.

2 A large number of submissions to the Royal Commission on Social Policy reflected the impasse of this debate, with conflicting ideas as to whether National Superannuation should be a universal benefit, paid to all people over a certain age, or whether it should be income tested. The tension is neatly summed up in a submission from the Wellington Old People's Welfare Council affirming:

that superannuation is a right, not a benefit, but ... it was wrong to supplement already very adequate incomes. (1987:5)

The former statement implies a universal benefit, the latter an income-tested benefit.

3 Currently all people over the age of 60 years are eligible for National Superannuation. However the benefit varies with the marital status of the superannuitant. The married rate is paid at \$260.36 a week, being set at 80 percent of the average net wage, while the single rate is 60 percent of the married rate (\$156.18). The benefit is taxed (like all other benefits), but has an additional tax of 18 cents in the dollar imposed after \$13,000 of extra income for a married couple (\$7,800 for a single person). This additional tax has led to the accusation of imposing 'double' taxation on the elderly which is seen as discriminatory and unjust.

4 Elderly people with an income of National Superannuation alone, and with few assets, are also eligible for a diverse number of other benefits, many of which are rarely publicised. These include financial assistance with hearing aids (but less so for spectacles), telephone rentals, funeral expenses, electricity, mobility aids and visits to the doctor. Many of these subsidies remain, however, very small.

5 Organisations such as the Returned Services' Association, the 60s Up Movement and New Zealand National Superannuitants' Federation, along with individuals (For example 0491, 1783, 4145, 4301) made a clear case for maintaining National Superannuation as a universal benefit. The following was a typical comment:

So far as older citizens are concerned, a universal superannuation scheme is an essential feature of the social policy of any modern, sophisticated society. The idea of an individual having to identify him/herself as poor compared with his/her fellow beings belongs to the thinking and social awareness of the Victorian and earlier ages. Means testing is not acceptable. (60s Up Movement, N.Z. 1987:10)

6 Alternatively, other submissions, largely from individuals (for example 0596, 1895, 2323) noted that National Superannuation should be means tested, 'so that those who need more get more and those who do not need it do not receive it' (Douglas, 1987), and that 'the old system of means testing the pension was fairer and less of a burden on society' (Heafey, 1987).

7 There was, however, some unanimity over the fact that should National Superannuation remain income tested, such testing should be undertaken in a less punitive way than the present condition, where the surtax, as a disguised income test, appears to directly penalise those who continue to work. Also there seemed to be some agreement on the fact that the availability of National Superannuation should not be accompanied by the assumption of mandatory retirement.

8 A large number of submissions commented on the inequity of the single rate of National Superannuation, currently set at 60 per cent of the married rate. For example, many individuals and organisations representing the elderly noted that compared with married couples, single superannuitants have also the need to maintain similar accommodation, electricity and telephone expenditure, but at a lower income level (for example 0976, 1101, 1755, 1861, 3018). The fact that costs of living are basically the same, but the income greatly reduced for a single superannuitant is a situation more likely to affect women, particularly those who have no additional income to compensate for this (for example 1389). Accordingly, submissions suggested that the difference between the married and single rate be reduced and the single rate be increased to up to 80 percent of the married rate (Auckland National Superannuitants' Association, 1987; 60s Up Movement, N.Z. 1987).

9 Several submissions made a plea for the greater portability of National Superannuation, especially in relation to Pacific Islanders who, in their old age, want to return to their country of origin (Combined Beneficiaries Union, 1987).

10 Overall, the rate of National Superannuation caused some concern, but in general, the submissions related any income shortfall to particular expenditures. The overwhelming plea here



was for a free health service. Repeatedly, the submissions commented that the adequacy of National Superannuation is mainly dependent on the cost of healthcare (and on housing). Many submissions noted the high cost of visits from the doctor and for prescriptions such as laxatives and anti-histamines, and argued for the free availability of at least general practitioner services for the elderly (for example 1161, 2925, 3414, 3528, 4730).

11 There is a large body of research and documentation on the following issues: the legitimacy of providing a benefit to a group of people solely on the grounds of age, the adequacy of such a benefit, the projected cost, given the ageing society and the implications of such a large intergenerational transfer. The Royal Commission has had access to this information, and has set out its own ideas in its Working Papers on Income Maintenance and Taxation (March 1988). In this overview, there is neither the space, nor necessity to repeat this material or to pursue the debates. Suffice to set out the major parameters within which a decision will need to be made with respect to further financial support of the elderly.

12 As with all income maintenance payments there are two aspects to National Superannuation—funding and distribution. Many would argue that because old age and the absence of a market income is an anticipated event, people should be expected to save for their own old age through investment, insurance and/or superannuation schemes. It can be argued that this is already the case, for every New Zealander in the paid workforce contributes on average \$1,900 per year in tax to the funding of National Superannuation for the current generation of those over 60 years. In turn, they expect the next generation to fund their National Superannuation payments.

13 It seems however that such intergenerational transfers will become unduly burdensome when smaller cohorts have to support the large birth cohort of the post-war baby boom. Additional income through separately funded superannuation schemes (or a cut in expenditure) may be necessary and even made compulsory. However, while such a scheme would only marginally extend the element of compulsion, it would obviously decrease discretionary income. Furthermore, it would compound future income differentials between those in the paid workforce able to contribute and those without such access. Whether such a scheme should be publicly or privately administered and the degree of portability within any scheme are also questions to be resolved.

14 On the distribution side, the future intergenerational imbalance, coupled with the increasing survival rates, has brought a questioning of the equity of paying a benefit to some older people who are in excellent health and financially better off than many others in society. Most people agree that a benefit for the elderly should be available as of right to those in need, but it is the age and grounds of a universal payment that is at issue. It is doubtful whether a benefit should be paid for a past contribution to society. The elderly are more likely to maintain respect if the benefit is paid on the basis of their current contribution to society, in maintaining social cohesion and continuity through community roles.

15 The age at which a selective or universal benefit is paid is likely to be arbitrary, and largely for administrative purposes. The decision can be based solely on the affordability of the scheme, or estimates of the prevalence of need. Increasingly there is tension between the forced retirement of older people particularly in a period of unemployment, on the one hand, and the increasing health of older people fitting them to continue longer in the workforce, on the other. The provision of an age benefit in the future must allow for trends in either direction.

16 However the issues surrounding the age benefit are resolved, the criteria of need and affordability must be central. Future policy must also be agreed upon within a bipartisan approach so that long-term planning for retirement may occur among current generations of the future elderly.

#### 2.6.4 *In summary, concerns in this area are:*

- (a) That inappropriate restrictions often lead to the aggravation of the physical and psychological dependency of elderly people.
- (b) That the dependency of elderly people may leave them open to abuse and exploitation.
- (c) That the financial dependency of older people not be subject to the uncertainty of changing government philosophies towards National Superannuation.

### 2.7 *Empowerment—Life Enhancement Approach*

1 It is often noted that elderly people are not allowed to make decisions for themselves. Frequently, family members or institutional staff will decide what clothes they are to wear, what routines



to observe and what visitors to have. While the carers of the dependent elderly must impose some constraints over the elderly person's autonomy in the interests of the wider community, such restrictions are not always legitimate and are certainly inappropriate for the independent elderly. Accordingly, the elderly are often seen as being dependent and controlled by what others think is appropriate for them. Hence, in order for the elderly to gain greater control over their own lives with better access to various opportunities, two necessary ingredients of change are called for. These are changes in attitudes towards the elderly themselves while at the same time empowering them with ways of enhancing their self-determination.

2 Empowerment of the elderly is a process of life-enhancement that aims to provide them with the necessary skills to realise their full potential in daily life activities, which in turn allows them to exercise full control over their own lives. Unlike the aforementioned conditions of status dependency, empowerment of the elderly is viewed as a desirable and cost effective social phenomenon, since it enhances not only a person's ability to participate more fully in daily activities, but it also promotes the freedom to choose, or alter, a particular way of life.

3 The desire to see elderly people exercising increased control over their own lives and wellbeing was a common theme of many submissions to the Royal Commission. Frequently comments were made such as:

The empowering process . . . must allow individuals and groups the right to effective participation in the developing of policies, decision-making, distribution of resources, and appropriate planning strategies and access to funds.  
(*N.Z. Council of Christian Social Services, 1987:3*)

4 Yet many features of New Zealand social and physical environment discriminate against elderly people, for example, compulsory retirement schemes, physical barriers to mobility and ageist stereotypes. Such obstacles need to be changed if elderly people are to attain the highest possible quality of life.

### 2.7.1 *Empowerment through Education*

1 The Board of Health Standing Committee on the Health of the Elderly (1987) has set out three mechanisms enabling empowerment of the elderly. Firstly, it suggests that the elderly be given ready access to information and knowledge, particularly to enable their improved health and wellbeing, to widen their social horizons and to satisfy their emotional and psychological needs. This

notion has been reiterated by various reports and submissions to the Royal Commission, calling for the widespread establishment of adult educational courses including retraining and learning skill courses, pre-retirement and counselling courses, along with the greater dissemination of information about available services for the elderly (Scotts and Koopman-Boyden, 1979; Age Concern, 1987; 60s Up Movement, 1987). Greater educational opportunities are viewed as a viable means for the elderly to engage in productive social activities and to achieve a healthy lifestyle, embracing a positive attitude towards themselves and the community.

2 This has been further confirmed by a study on lifelong learning in New Zealand (Ageing and Education Working Party, 1987) suggesting that the majority of the dependent elderly have suffered from under-stimulation, be it intellectual, social, educational or emotional. A 1975 recreation survey by the New Zealand Council for Recreation and Sport showed that while elderly people may participate in a range of activities, they tend to be involved in fewer activities than younger people. These activities tend to be more home-based and less physically demanding. Furthermore, elderly women were found to have a higher level of arts-related activities than men.

3 The reasons for such a differential participation rate could be due to a 'normal' decrease in involvement with age, or to the fact that these people have had generally lower levels of involvement throughout their lives. Such lower involvement could be caused by different work and financial circumstances or different attitudes to recreational and cultural pursuits (Koh, 1982). Within the empowerment perspective, however, lifelong learning as a basic human need, is seen as a right not a privilege for older people, since it empowers them to enjoy a better life and meaningful existence.

### *2.7.2 Empowerment through Participation in*

#### *Decision-making*

1 Extensive research studies both nationally and internationally show that the situation of any minority group in society requires a form of political/legal empowerment as an avenue to overcome their often disadvantaged position. In the case of the elderly, their need for political representation (empowerment) is even greater, given both their disadvantaged position and vulnerable situation which make them an easy target for abuse and exploitation by others.



2 As a second strategy for the greater empowerment of the elderly, the Board of Health Committee has suggested that elderly people take a more active part in decision-making which affects their lives. Such an involvement would not only enhance the lives of the elderly themselves, but the wisdom and experience of the elderly would thereby benefit society. As one submission put it 'need for consultation with old people and the input of their ideas is paramount' (Age Concern, 1987:2). Empowerment of the elderly could be enhanced through their greater participation in decision-making organisations such as Area Health Boards, government departments and national advisory committees. The principle is that elderly people should participate in all decisions likely to affect their wellbeing.

3 As well as empowering the elderly through representation at decision-making levels, many submissions suggested that the dependent elderly should be empowered by an advocate, be this an individual (a guardian or a trustee) or an agency. A large number of submissions saw the need for a Commission, an ombudsperson, or Ministry, which would act as an advocate for the elderly in upholding their rights. The elderly, especially those in small rest homes who are particularly powerless, could turn to such an agency for advice or support when they have a complaint, knowing that there is an inbuilt authority to enforce a fair and proper solution. Such an agency would also be responsible for the co-ordination of services for the elderly, so that through better provision of services they could be further empowered (for example 0307, 0408, 0646, 1980, 2007, 4439, 5129).

4 At a more personal level, several submissions commented on the need to empower older people in relation to accepting medical treatment and the right to die with dignity. It was noted that both the sick and dying elderly have a right to be consulted over their medical treatment and a right to refuse it altogether. Moreover, the dying elderly have a right to die without pain and to know that they are dying, so that they can settle their affairs in their own way (Voluntary Euthanasia Society, 1987). Carers must also be aware of the cultural and religious observances that the dying person might request (Department of Health, 1986).

### 2.7.3 *Empowerment through the Elimination of Age Discrimination*

1 A third avenue for empowering the elderly, as suggested by the Board of Health Committee, is through the elimination of discriminatory policies and practices. The most obvious example is that of mandatory retirement, a feature of the public service, and an increasing phenomenon in the private sector. Furthermore, age-based criteria are becoming not only a means of retiring people, but also a barrier to the hiring of older people.

### 2.7.4 *Empowerment through Access to Adequate Income and Social Services*

1 In addition to the three mechanisms of education, political representation and the elimination of discriminatory practices, empowerment of the elderly can best be advanced through the provision of adequate income and social services. As already stated, adequate income can function as an effective health promotion strategy—it also functions as an empowerment mechanism, providing the elderly with financial opportunity to undertake educational, recreational and political opportunities already mentioned.

2 Access to adequate social services, such as health, welfare and personal services, can be similarly empowering, but administrative practices often act as barriers to this. The Board of Health Standing Committee on the Health of the Elderly commented that:

We consider the current complicated spread of services and benefits across government and quasi-government agencies (for example, Health Department, Social Welfare Department and A.C.C.) is a major block to elderly people taking control of their own care. It saps the energy of people seeking access to such resources and services by the very complexity of policies and practices operated by different departments. It also reinforces the real power which rests in institutional structures and policies rather than with elderly people themselves. (1978:4)

3 As noted in the discussion on health promotion, mechanisms for the greater empowerment of the elderly will need to entail better integration of social service provision at the national level through the better co-ordination of departmental services to the elderly, and at the local level through the better co-ordination of publicly provided services and community services.

4 The need for greater empowerment of the elderly is strongly reflected in the submissions. The effectiveness of the life-enhancement approach is seen in terms of making elderly people far less



dependent on others or the state, more productive in carrying out social and economic activities, more confident and self-reliant in decision-making with a strong, positive self-concept about their social and personal identity. If empowerment is occurring, an increase in the activity of the elderly, and of groups representing their interests should occur. Hence, by advocating participatory democracy for senior citizens in institutional settings, educational programmes and social service systems, better integration of the elderly into society can occur and their status can consequently be improved.

### 2.7.5 *In summary, the concerns of this area are:*

- (a) The lack of empowerment mechanisms such as educational courses for older people.
- (b) The absence of older people on decision-making boards of institutions for the elderly and similar groups and organisations making decisions which affect the elderly.
- (c) The need for an individual or agency to act as an advocate for the rights of the elderly.
- (d) The elimination of discriminatory practices against the elderly, for example, mandatory retirement and other age-related practices.
- (e) The need to maintain adequate provision of income and social services to the elderly because of their value as empowerment mechanisms.

## 2.8 *Social Construction of Old Age and Retirement*

1 While the medical model of old age has emphasised the physical status of the elderly, the social model has pointed to socio-economic factors which determine the quality of their lifestyle. Thus, according to the former model the elderly are prone to declining health which has medical solutions, while the latter model portrays the elderly as being prone to income inequalities with the solution lying in wider structural changes in society.

### 2.8.1 *Retirement*

1 The social model focuses on retirement as being the major cause of the inequalities faced in old age, and notes that this phenomenon has been socially created through legislation, policies and attitudes held by members of our society. In so far as compulsory

retirement usually only affects older members of the workforce, it is seen as an ageist policy and as such is discriminatory.

2 Currently, the retirement age in the public service is set at age 60 years, or after 40 years of service, whichever is the sooner. However, the Police Force has recently lowered its retirement age to 55 years. In a period of economic restructuring and high unemployment, the private sector is also increasingly introducing mandatory retirement policies and early retirement packages. As a consequence, National Superannuation is being used to offset redundancy payments or the payment of the unemployment benefit, with some of the social costs of unemployment being transferred to the retired (Koopman-Boyden, 1986). There is a growing danger that this trend will be formalised into a lowering age of retirement for all workers, but without accompanying changes in National Superannuation. Such a move can only result in the further depression of the living standards of the elderly, relative to the rest of society.

3 Thus, increasingly retirement at older ages has become the result of a mandatory requirement, rather than any wish to retire or because of ill-health (Koopman-Boyden, 1986). Such a pattern is part of a general decline in the numbers of older workers in the paid workforce (see Figure 3). In a relatively short space of time retirement has become a social phenomenon of immense importance: in 1926 over half of the men over 65 years were in the paid labour force, in 1956 the figure had dropped to a quarter, and by 1981 this figure had halved again to less than 12 percent (for women the decline was not so obvious due to their low participation rate). Coupled with the increasing longevity, the years spent in retirement are rapidly becoming a significant period of people's lives: for women retiring in 1984 at the age of 65 this can be on average 18 years, for men 14 years.

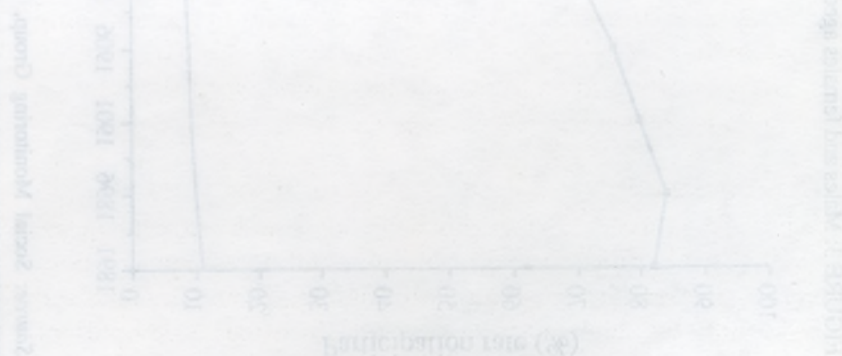
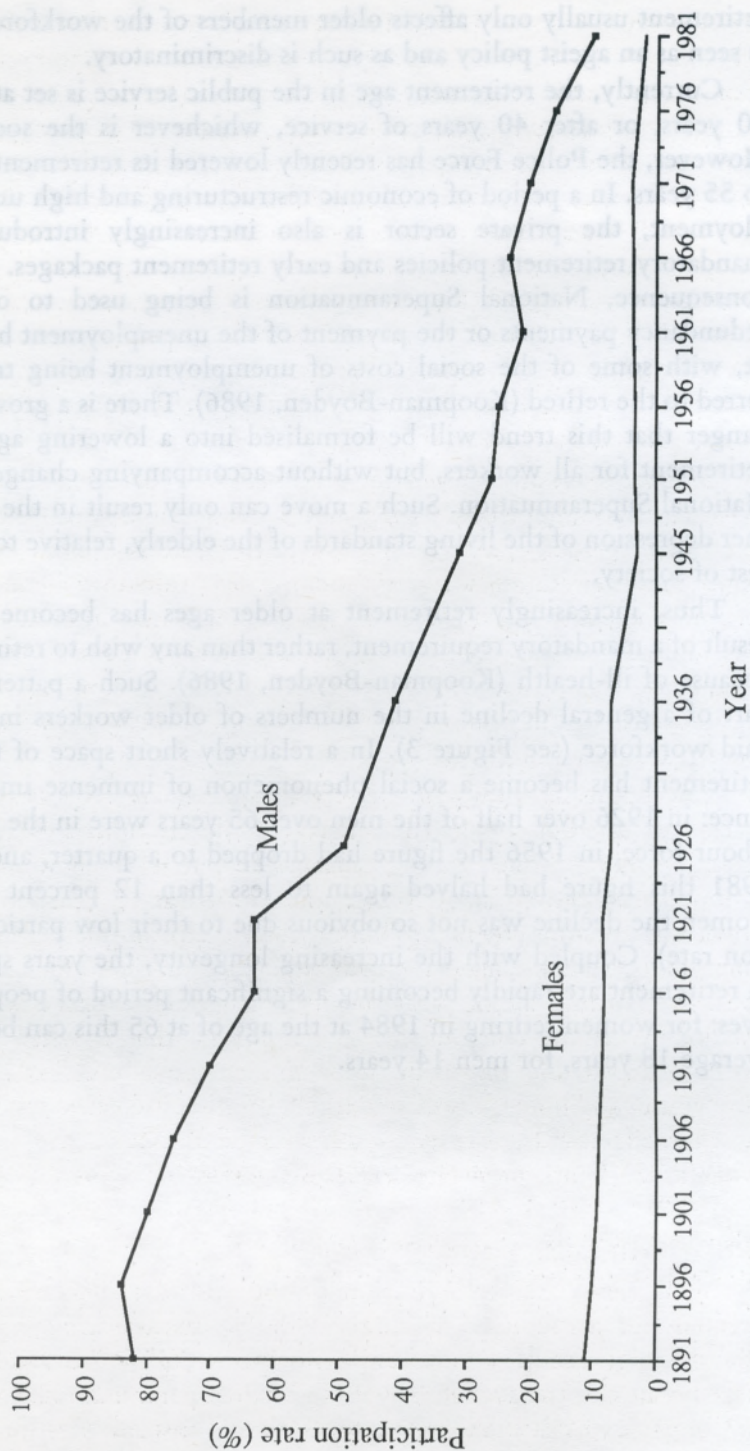




FIGURE 3: Males and females aged 65 and over actively engaged in the labour force, 1891-1981



Source: Social Monitoring Group, 1984: 95

4 Yet there is also evidence in this country to suggest that, where the choice to continue working is possible and where job satisfaction exists, individuals may defer retirement. If, for example, we assume that self-employed people have a choice about retirement, it is interesting to compare their retirement patterns with those of people who are employees. This can be seen in Table 6, where in 1976 and 1981 proportionally more self-employed workers than wage or salary earners retired late in life. The proportion of wage or salary earners generally decreased with each year of age after 59 years. This implies that employers' retirement policies are a major factor in the move towards earlier retirement. Self-employed workers however have few constraints on their choice of retirement age and work to an older age (Rochford, 1985).

5 Submissions on retirement were divided between whether retirement should be compulsory or not. Many organisations representing the elderly argued that access to work is a basic human right, and that compulsory retirement is discriminatory against old people, since it is solely based on chronological age rather than ability and competence. Moreover, mandatory retirement also means systematic loss of such expertise and knowledge, coupled with a nation-wide loss in productivity (for example Presbyterian Support Services Christchurch, 1987).

6 The opposing view, put largely by individuals, was that in a period of unemployment the elderly should be retired early (for example 3281, 3856). As one submission put it, 'men should be compulsorily retired at 60 years, and women at 55 years to help solve the unemployment problem' (3860). The implicit principle that younger people have a greater right to a job than older people was very strong, along with the idea that older workers should work only at the convenience of employers, that is when there were jobs available, not as of right. Yet, as one submission put it, the 'young and unemployed are largely unskilled workers who will not be affected by earlier retirement of those in the skilled workforce' (Palmerston North Hospital Board, 1987:4).

### *2.8.2 Attitudes towards the Elderly*

1 Such views are an indication of the attitudes that are being created and perpetuated about the elderly. Because a majority of the older age-group are not in full-time paid employment, and perhaps because of the availability of National Superannuation, society no longer expects older people to work and instead questions the



TABLE 6: Comparison of full-time self-employed and wage/salary earning males, aged 50-75+ years, 1976 and 1981 (in percentages)

Age in years	1976			1981		
	Self-employed has employ-ees	Self-employed has no employ-ees	Wage or salary earner	Self-employed has employ-ees	Self-employed has no employ-ees	Wage or salary earner
50	12.0	10.3	77.7	11.0	10.8	78.2
51	11.7	10.6	77.6	11.0	10.2	78.7
52	11.3	9.8	78.9	10.8	9.8	79.3
53	11.4	9.5	79.0	10.3	10.3	79.2
54	10.4	9.5	80.1	9.9	10.3	79.8
55	10.1	9.3	80.5	9.7	9.9	80.2
56	9.9	9.2	80.9	9.3	9.7	80.9
57	10.1	10.0	79.9	8.9	9.9	81.1
58	9.5	10.1	80.3	9.0	9.0	81.8
59	9.5	9.7	80.7	7.9	9.4	82.5
60	11.2	10.1	78.7	9.6	10.2	80.0
61	10.5	9.3	80.1	10.2	11.0	78.5
62	10.1	10.5	79.2	11.2	12.5	75.8
63	10.2	10.5	79.1	11.5	12.9	75.0
64	10.5	10.0	79.3	11.7	13.9	73.6
65	13.2	13.5	73.1	14.4	18.8	65.8
66	13.9	13.4	72.6	16.9	19.5	61.7
67	14.7	14.5	70.4	17.8	19.3	61.4
68	14.6	14.9	70.4	15.7	22.2	60.1
69	14.7	16.6	68.1	17.4	22.3	58.7
70	15.5	16.7	67.0	17.3	20.7	60.5
71	16.1	15.4	68.3	19.4	22.7	55.9
72	17.3	15.9	66.1	20.3	23.8	52.9
73	21.0	19.2	59.2	19.1	24.4	54.2
74	19.8	19.5	60.2	19.8	29.2	48.1
75+	22.2	21.3	54.9	20.2	25.0	51.4

Note: One small category, 'relative assisting' was omitted from this table

Source: Rochford, 1985: 20

motives of those who do. Thus older people have come to be seen as non-productive members of society, and thereafter given low status. The growing importance of retirement has become the single most important factor contributing to the depressed social status of the elderly, and as part of the general tendency to devalue the worth of elderly people.

2 Such a stereotype of the elderly was a concern of many submissions (for example 0912, 1135, 2848, 3831), although ironically several submissions themselves stereotyped the elderly as 'disadvantaged', as 'pensioners', or as 'immobile and poor' (2848). This has

been clearly documented in the literature on ageing, suggesting that the aged themselves (especially those who are institutionalised) have often accepted the stigma and behaved accordingly, resulting in a self-fulfilling prophesy (Ageing and Education Working Party, 1987).

3 Other submissions noted that people over 60 are not a homogeneous group and could not therefore be referred to in stereotypical terms. Based on national and international studies, it has been shown that elderly people are more likely to exhibit various individual differences based on accumulated sets of experiences, interests and activities, including factors such as social status, geographical location, etc. Indeed, 'the most significant single characteristic of older people is not their age, but their diversity' (Ageing and Education Working Party, 1987:6).

### 2.8.3 *In summary concerns in this area are:*

- (a) The increasing imposition of mandatory retirement policies.
- (b) The stereotypical view of the elderly as being unproductive members of society because of their retired status.

## 2.9 *Continuity*

1 The idea that a person's older years continue a previous lifestyle would seem a reasonable assumption. Elderly people have similar needs to other age-groups (physical, occupational and social needs) which are presumably met in similar ways to other age-groups. Furthermore, today's elderly people are fitter and healthier than previous cohorts, and are able to remain active to a much older age than previously. However, many of the submissions to the Royal Commission noted that the social and economic upheavals faced in the older years often severely strained the elderly's efforts to maintain their previous lifestyle and remain integrated into the mainstream of society.

### 2.9.1 *Transition to Retirement*

1 Submissions to the Royal Commission repeatedly commented on the upheaval caused by abrupt retirement be it brought about through mandatory retirement policies or redundancies. Such circumstances were described as being accompanied by a sudden decline in income and a feeling of losing one's self-worth through being removed from the productive workforce.



2 Many submissions favoured a more gradual transition to retirement spread over a number of years, accompanied by opportunities to become involved in complementary activities within the family and community. Research on retirement patterns confirms these comments. In a Christchurch study of newly-retired people in their early 60s, it was found that 'many saw part-time employment as a way of easing the transition to retirement' (Koopman-Boyden, 1986:100). In fact, part-time work, for the men at least was the most frequent 'retirement' activity. Such work provided continuity of activity and status, along with a more gradual transition to a lesser income. However, the lack of part-time work in general and the existence of ageist employment policies does not auger well for elderly people wishing to maintain continuity in their lifestyle through paid employment.

3 Pre-retirement courses were seen as a further way of ensuring lifestyle continuity (for example 4853). Yet, the Christchurch research showed that few of the newly retired had attended such courses. Those who had attended pre-retirement courses praised the courses very highly, and had obviously benefited from the wider discussion of retirement lifestyles. For the others, preparation for retirement consisted largely of making financial arrangements regarding both income and expenditure. Few of these retired men had either considered the need to widen their interests or activities for the retirement years or the implications for their marriage in the increased time they would spend with their wives at home. As a result many suffered a lack of purpose in retirement, and in a variety of often bizarre ways endeavoured to maintain the status and power of their previous work roles (Koopman-Boyden, 1986). Thus it can no longer be accepted that a one-day seminar on finance just prior to retirement is an adequate preparation for what might well be 20 or 30 years of living in retirement.

### 2.9.2 *Maintenance of Social Roles*

1 The benefits of maintaining older people in useful roles was a common theme through many submissions. Repeatedly, the submissions drew attention to the vast amount of talent and experience 'largely lying untapped in the lives of older people' (2236). Many submissions made suggestions as to how this resource could be used in schools, community groups and in work with young unemployed people.

2 A valuable contribution that older people could make was seen as that of teaching skills, cultural values and history to the younger generation (for example 2386, 2605). The example of Kohanga Reo, where older Maori people pass on Maoritanga in a classroom situation, was seen as a model that could be copied by older people from all cultures. The feeling that they have a duty to teach the younger generation aspects of marae etiquette and Maoritanga is strong among the Maori, providing a continuing purpose for them. Chinese, Indian and Jewish older people also remain part of their community by being expected to maintain cultural linkages and in return being given a respected status.

3 It was noted that older people could also remain part of the community by undertaking other voluntary roles, including caring for the disabled elderly. With increasing numbers of middle-aged women in the paid workforce, future recruitment of volunteers could come from among older retired people, particularly the men who have usually had less involvement than the women.

4 Research shows however that for most older people it is family activities which provide the continuity in their lives. The Christchurch retirement study showed that many retired people were in daily contact with their children, grandchildren, siblings or other close relatives (Koopman-Boyden, 1986). Such continuity in family roles was particularly strong for women, but not so for many men who had never had a close relationship with their children, or spent much time with them. These men often found themselves without the support of their family, and coupled with their isolation from the social networks of the workplace found adjustment to retirement difficult. Contemporary moves towards more sharing of family roles may provide future generations of both women and men with family ties into their older years. However, the implications of multiple marriages and stepfamilies for providing continuing family relationships, including caring for a dependent older person is largely unknown.

### *2.9.3 In summary, concerns in this area are:*

- (a) The abruptness of the transition to retirement caused by the lack of part-time employment and ageist employment policies.
- (b) The need for better planning for retirement, and the greater availability of retirement courses to provide assistance.



- (c) The need to foster social roles which allow older people to pass on their expertise and experience.
- (d) The importance of family relationships to older people and the isolation of those who have neglected such relationships earlier in life.

2.9.3. In summary, concerns in this area are:

- (a) The abruptness of the transition to retirement caused by the lack of part-time employment and ageist employment policies.
- (b) The need for better planning for retirement, and the greater availability of retirement courses to provide assistance.

### 3 Summary Viewpoint— Towards a National Policy on Ageing and the Elderly

#### 3.1 *Introduction*

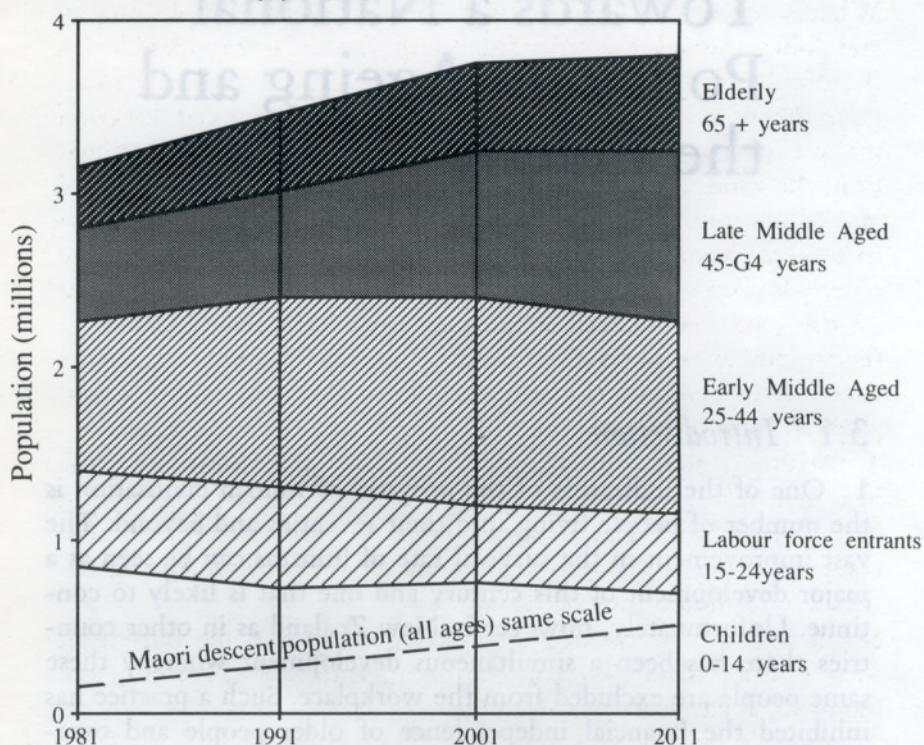
1 One of the indicators of the progress of human civilisation is the number of people living into their seventies and beyond. The vast improvement in the survival rate of humans can be seen as a major development of this century and one that is likely to continue. Unfortunately, however in New Zealand as in other countries there has been a simultaneous development whereby these same people are excluded from the workplace. Such a practice has inhibited the financial independence of older people and overlooked the special needs of this age-group. The European view of old age is a contradictory one—to die young is a tragedy, to be old is also seen as not a happy situation. A more consistent attitude towards the value of old age is required.

2 The demographic case for recognising old age is also a strong one. In 1981 those people over 65 years comprised 10 percent of the population (see Figure 4). By 2011 this group is expected to rise to 13.1 percent of the total population, with a numerical increase from 316,200 to 484,800. Such an increase includes a 40 percent growth in the number of 65–79 year olds, 121.7 percent in those over 80 years, and 300 percent in the total Maori population aged 65 and over (Population Monitoring Group, 1986:51–3).

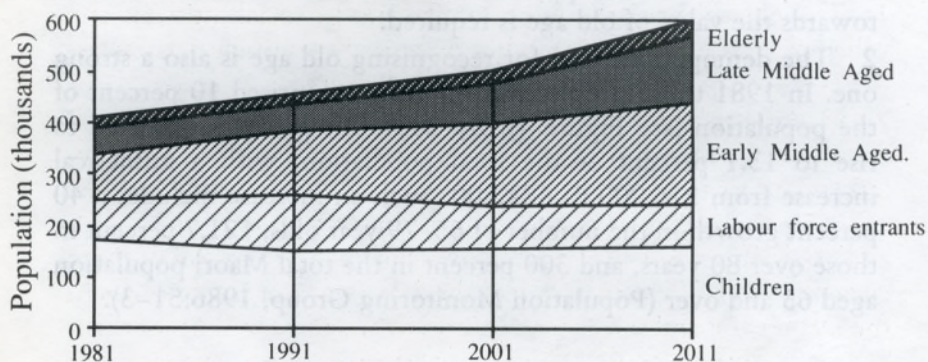


FIGURE 4: Population composition by age-groups: 1981-2011

(a) Total population



(b) Maori descent population



Source: Social Monitoring Group, 1986: 50

3 Given present-day estimates of mortality, employment and dependency rates, it is possible to project the future demands on resources that these people will make with reasonable certainty. What is not certain, however, is the future government philosophy and policy towards the older age-group. In the last two decades, as the numbers of the elderly in the population has gradually risen, government policy has seemingly panicked and changed direction many times, with respect to, for example, National Superannuation, the funding of institutional care and the mix of institutional and community care. Whereas other age-groups would be legitimately concerned about such policy changes, the impact on the elderly is even more distressing for they are often totally dependent on the state for financial support, while those needing care have few resources to oppose the policy. Policies for the elderly must therefore be carefully thought through so that they can be anticipated in long-term planning.

4 Arising from the submissions to the Royal Commission was the idea that, insofar as the elderly now form a sizeable proportion of New Zealand's population with a large proportion of government resources being assigned to them, a National Policy on Ageing and the Elderly should now be established.

5 As a way of presenting a summary viewpoint, the outline of such a policy is now set out, beginning with a description of the unique characteristics of the elderly.

### *3.2 Who are the Elderly?*

1 The elderly have the same human needs, social attitudes and values as all other age-groups, but they have two unique characteristics—those of maturity and diminished reserve.

2 *Maturity* in older people includes the wisdom, experience and survival skills that they have built up over their life. Such a characteristic relates to a person's life-history and to a cohort's life-history. Thus a particular old person may have a unique set of skills and experiences, but so also has a particular age-group. All of those currently over 65 years have had the experience of living through the Depression and the Second World War and have skills of thrift necessary in those times. Those over 80 years also have communication and social skills necessary before the advent of passive entertainment. Such experiences separate the elderly from other age-groups.



3 At an individual level, older people have the maturity gained from their own personal life history, and so carry with them various job skills, political and social skills.

4 Maturity also carries with it a deeper understanding of cultural values. Older Maori people particularly have this characteristic which is recognised in their role as kaumatua and kuia.

5 *Diminished reserve* in older people is the increasing inability to cope with change, both externally and internally. Such diminished reserve can be in relation to biological, medical, social and political factors. It can be seen in a diminishing physical capacity (a slower walk, a shaky hand) or the declining capacity to cope with social change (less tolerance of changing societal attitudes). Older people can also have a financially diminished reserve or a diminished reserve with respect to political influence.

6 The range of diversity among older people in relation to these two characteristics is immense. While some older people may experience little decline in their physical reserve, others may become physically dependent. Similarly there can be a vast difference in their level of maturity, or in their social, financial and political reserve.

7 Thus older people can be seen as having the most diverse characteristics of all age-groups. Nevertheless, it is argued that the characteristics of maturity and diminished reserve are not only universal among the elderly but also differentiate them from other age-groups.

### 3.3 *Objectives of a National Policy*

1 In outlining any national policy on the elderly these two unique characteristics of the elderly, maturity and diminished reserve, must be recognised. Thus the objectives of a policy on the elderly would be:

- (a) To ensure that the maturity of elderly people is recognised and passed on to other age-groups for the betterment of the individuals concerned and for society.
- (b) To enhance the level of maturity and physical, mental and social reserve of older people.
- (c) To care for those elderly whose physical, mental and social reserve has been greatly diminished.

2 It will be noted that such objectives see the elderly as having an on-going productive role in society (objective a), as requiring

affirmative strategies to maintain such a societal contribution and their own independence (objective b), and as needing adequate care when such independence is no longer possible (objective c). A three-fold set of strategies is therefore envisaged, involving maintaining the continuity of older people's lives, promoting life-enhancement, and the provision of care.

3 Each of these strategies is now briefly outlined. A more detailed coverage appears in the two previous chapters. The main point here is to recognise the inter-relationship of the three strategies, as a means of enabling the elderly to live a healthy and a happy life.

### *3.4 Strategies for Recognising the Maturity of Older People: Continuity and Integration*

1 Most older people wish to remain integrated into society, recognised as members of clubs, the family, the community, the workforce. Most older people also wish to be accorded a positive status, as people who have experiences and skills to share, and can therefore be considered as making a useful contribution to society. This sharing of knowledge, especially of social values and skills, ensures cultural continuity and strengthens social ties between the generations.

2 To facilitate the recognition of the skills of older people, various strategies will need to be introduced and changes made in policies. These strategies come within a continuity perspective and include:

- (a) The acknowledgement of the right to employment for all people regardless of age. This would require the outlawing of mandatory retirement policies and would allow older people to continue to contribute their expertise to the nation's productivity.
- (b) The provision for older workers to move from full-time employment to part-time employment before their retirement, if they so choose.
- (c) The elimination of old age discrimination practices, including hiring practices.
- (d) The active recruitment of older people into decision-making arenas which can benefit from their personal and generational experience.
- (e) The active recruitment of older people into voluntary positions. Such positions would particularly draw on



their work experience and skills, social and cultural knowledge, all of which would serve to maintain cultural and community continuity.

### 3.5 *Strategies for Enhancing the Maturity and Reserve of Older People: Life-Enhancement*

1 Because of the negative stereotype of old age that is generally shared in our society, it is often difficult for older people to continue their involvement in the community or to maintain a positive view of their own existence. Misconceptions of old age have often engendered a dependent status of the elderly, involving heavy reliance on medication, excessive provision of institutional care and socially created barriers to their participation.

2 Alternative strategies are needed which enhance the maturity of older people and maintain their physical and social reserves as long as possible. These strategies fall within a health promotion and life-enhancement perspective and include:

- (a) The fostering of a positive attitude to old age—most older people are active and healthy for most of their old age.
- (b) The participation of older people in continuing education to maintain their intellectual, emotional, social, and political involvement. Such participation might include formal and informal learning in the arts, recreation, pre-retirement courses, personal relationships, etc.
- (c) The encouragement of a health promotion perspective where older people recognise that their continued good health can be promoted through their own life-style practices.
- (d) The empowerment of older people through representation at decision-making levels, including those of institutions and organisations providing services for the elderly.
- (e) The maintenance of older people's independence through the provision of adequate income support. Such support should be universal, in recognition of the universal characteristic of the elderly, that of maturity, and with it the continuing contribution that they make to society.
- (f) The maintenance of older people's independence through the provision of adequate social services, and access to housing at a reasonable cost.

### 3.6 *Strategies for Caring for Older People*

1 A small proportion of elderly people require full-time care, either at home or in an institution. It is not known how many receive such care overall. Nevertheless, it is this group of dependent elderly on whom most of the resources of the state, the community and the family are spent. In order to adequately care for these people a number of perspectives and a variety of sources of care are required. A national policy on elderly people will need to spell out the role of the various partners in this mix of approaches. It must also clearly set out a long-term policy framework, so that the planning of funding requirements, buildings, personnel requirements and staff training can proceed in a rational manner. Strategies for caring for older people are based on adequate medical care, institutional and community support services. They include:

- (a) The entitlement of elderly people to the benefits of all advances in medical science and technology.
- (b) Greater support for family carers of the elderly through access to support groups and training, day-care facilities, and the continued provision of affordable respite care.
- (c) A recognition that those whose needs are greatest receive first priority in the provision of community and institutional care. To this end, assessment and rehabilitation services must be provided not only to those who will eventually reside in an institution, but also to those who will remain in the community. This is both a most humane and cost effective practice and should be accorded the highest priority in any national policy.
- (d) The adequate provision of community services and home support services. This will require the more systematic planning of the funding of services provided by community organisations, monitoring the effectiveness of the services provided, and a reassessment of the future supply of volunteers and the need to reimburse volunteers.
- (e) The introduction of an equitable funding system, incorporating *all* forms of institutional and community care. It should be based on the simple premise that elderly people who are the most in need (physically and financially) receive the greatest funding. Such funding should be portable and flexible so that as dependency increases and with it the amount of care required, the funding can also



increase to allow the elderly person to move into accommodation providing more intensive (and expensive) care.

- (f) Standards in both private and public institutions for the elderly should be carefully monitored and continually upgraded. It must be recognised that the consumers of such services are least able to monitor the standards of care themselves.
- (g) the dependent elderly should be involved in decisions concerning themselves as much as possible. Where this is not possible an advocate should be appointed. This becomes extremely important where there is a possibility of abuse or exploitation.

### 3.7 *Administrative Strategies Facilitating the Implementation of a National Policy on Ageing and the Elderly*

1 New Zealand has never had a coherent explicit policy on ageing and the elderly, although in the last decade there have been many recommendations to that effect. Some policies on the elderly are however longstanding and well known (for example the old age pension). The above outline of a proposed policy embraces a far wider concept of policy for the elderly than has usually been envisaged in New Zealand, in that it acknowledges both the needs of the dependent elderly, and the health promotion and empowerment strategies applicable also to the well elderly. Such an approach will consequently involve a set of new administrative strategies. These include:

- (a) The need for integration of medical (curative) and social (preventive and promotional) strategies in enhancing the quality of life for the elderly. This will involve a greater input of health promotion programmes into medical practice, and the higher profile of multidisciplinary programmes in the community and within institutional care.
- (b) The need for integration of institutional and community care, so that resources can be more effectively and efficiently used. This will require the establishment of regional co-ordinating committees, but could best be served under the management of Area Health Boards,

provided they adopt the widest possible definition of 'health'.

- (c) The establishment of on-going research programmes to research the changing needs of the elderly and to evaluate the provision and effectiveness of policies. Basic research must also be undertaken on the health status of the elderly, the demand and supply of services, regional and cultural differences among the elderly, along with possible cohort differences as a basis for future planning.
- (d) There is an urgency to plan not only for the current elderly but also for future generations who will use potentially more of the country's resources. Such planning might best be undertaken within a Commission on Ageing, which would be charged with establishing a National Policy on Ageing and the Elderly. It would have a resource planning function, and would equally serve as an advocate for the elderly. The Commission would ensure that they are provided with adequate resources to enjoy life to the fullest, and that future generations have good reason to look forward to their old age.

### *Acknowledgements*

The contribution of Dr Nabila Jaber  
is gratefully acknowledged along  
with the technical assistance of Kath Fitzgerald.

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RANGATAHI  
YOUTH  
PERSPECTIVES

National Youth Council





# Rangatahi: Youth Perspectives

## National Youth Council:

Rūnanga Māori

Pacific Island Caucus

Pākehā Caucus

## Introduction

### *Kaupapa for Rangatahi Involvement*

The National Youth Council (NYC) has recognised the need for the development of a co-ordinated youth policy in New Zealand/Aotearoa for several years.

We believe, however, that the integrated way to improve the economic and social wellbeing of young people and to foster growth cannot be taken in isolation. A youth policy should be a component of a comprehensive social policy, and encourage response from all sectors of society.

The council sees its roles as stimulating the policy making process within the youth field and encouraging the recognition and support of the development of policies within the sectors. It will also be our role to ensure a commitment from Government to the policy once it is developed.

We see the Royal Commission as an ideal opportunity to initiate the process of developing a national youth policy.

Rangatahi are concerned about the issues and policies that affect not only their quality of life, but the quality of life for all members of society. We believe that our views have not been given the acknowledgement that they deserve, because there is still no, or limited, acknowledgement given to youth involvement in decision making and policy making. As the implications of decisions and



policies made now will affect us today and determine our course for the future, we need to play an active role now.

### *Brief History of the National Youth Council*

The council was established in 1962. It is a voluntary organisation funded primarily by Government through the Department of Internal Affairs. It works as an umbrella organisation for young people, youth workers, and youth organisations, networks and rūnanga.

The council aims:

- 1 To act as a representative of the interests of young people.
- 2 To foster work among young people which will promote their involvement in regional, tribal, national and international affairs.
- 3 To advise national organisations, Government, voluntary agencies and any individual or organisation active in matters affecting youth, on policies and administrative practices which will benefit young people.
- 4 To assist in the development of youth activities; and,
- 5 To promote and extend to young people educational programmes appropriate to their personal, social and cultural needs.

The council is valuable to young people because it is an organisation for young people run entirely by young people, which encourages participation by young people from every possible cultural, ethnic, socio-economic, and educational background.

### *National Youth Council Model*

The council has adopted a three-caucus structure as the most appropriate mechanism for representing the views and perspectives of young people in this country. They are:

- 1 Māori Rangatahi Caucus (Rūnanga Rangatahi o Aotearoa)
- 2 Pacific Island Youth Caucus
- 3 Pākehā Youth Caucus

The council believes that the establishment of three caucuses will reflect more accurately the needs, concerns, and methods used by young people to resolve issues relating to their development and growth. There are problems and issues that are common to all young people in this country, and there are ways of resolving these

problems which reflect the cultural values of the different peoples. We believe an acknowledgement of these differences is a very positive and enriching process which is beneficial to all people. The council also recognises the different priorities that Māori, Pacific Island and Pākehā communities have, and the need for them to address these themselves before being able to have discussions with the other communities. At the same time the council believes in the collective energy of young people, and the need for a united body of young people which can be a voice for all young people.

### *Consultation Process*

The council adopted the three-caucus model as the model for consultation. Regional contacts were identified within each of the three caucuses, which took responsibility for:

- 1 Organising hui on the consultation re Royal Commission;
- 2 Consulting their local, regional and tribal groups;
- 3 Collating and writing a report on the outcome of hui, questionnaires, verbal and written submissions.
- 4 Working parties were identified within each caucus to collate all the responses.
- 5 Three delegates from each caucus were to present their reports of the Royal Commission on Social Policy.

The Māori Caucus initially decided to withhold their submission, because of concerns about the use, presentation and censorship of material contained in it, and concern about the 'power' of the Royal Commission in light of Government statements re pre-empting policies. Further discussions enabled the NYC to prepare this paper for the Commission.

### *Without a Vision the People Perish*

*Proverbs 29:18*

### *The Vision*

We as young Māori, Pacific Island and Pākehā people believe that the basis of any social policy should be based on the theme of reconciliation—reconciliation of the Mana Atua, Mana Whenua, Mana Tupuna and the Mana Tangata. We need to adopt a holistic



approach to social reforms. Otherwise we will always remain the ambulance at the bottom of the cliff, picking up the pieces and not really coming to terms with the causes and effects. This reactionary attitude limits our ability to plan for the future.

Adopting a 'Visionary' approach would be more positive and meaningful.

### *'Without a Vision the People Perish'*

We believe the vision comes as a result of people being able to understand the past and present, to come to terms with it, and to learn from it.

The fabric of today's society is woven by policies which are made generally on the basis of political and economic expediency. They come and go as the political and economic climate changes, there is no real stability, and very little evidence of a 'light at the end of the tunnel'. This is a result of the limitations placed upon a society that does not recognise the spiritual and cultural dimensions of our essence, and denies the major role they should play in determining guidelines, resolving problems and providing a framework which can withstand the transience of our existence. We treat unemployment, housing, health and education in isolation, establishing policies for each without an overview, leaving the implementation of these policies in the hands of bureaucrats who are primarily responsible to the Government of the day, who are reacting to the economic and political climate of the day. It is a very repetitious, limited and vicious cycle, which lacks vision and denies young people a purpose.

We as young people believe that the vision must come first, before policies and processes are adopted and adapted to fulfill the vision. Our vision is one of reconciliation, being in touch with our spiritual base, in communication with the land, our history and those who have gone before us. Reconciliation between peoples needs to be based on our commonality and interdependency, as well as our uniqueness in our cultural diversity and status in Aotearoa regarding our relationship to this land. Only through this process can we determine a path for the future, which is a fitting and positive inheritance, 'Taonga tuku iho' for our children . . .

Te Hokinga Mai, Greetings

How my heart weeps

Stand tall, the prestige and awe of the ancestors

Bring back the true spirit of the people

To help heal those who cry out in the loneliness...

Those who seek the true path for all

The Tōtara haemata will never be the same as it was before the coming of the Tauīwi, and the scars of the impact of the Tauīwi will never be entirely healed or forgotten. However the split in the totara, which has been vulnerable and provided food for the adze, can be healed by the vines of reconciliation, which we as young people are committed to. This commitment to the reconciliation is the basis of our social policy.

'A cord of three strands is not quickly torn apart.'

## Te Tōtara Haemata

Mai i te ekenga o Tauīwi ki Aotearoa

ka timata te tōtara wāhi rua

o ngā ao e rua

te ao Māori me te ao Tauīwi

te tōtara wāhirua he kai mā te toki

e kainga nei tātou i tēnei rā mā te toki

ko te pūāwaitanga o ngā moemoeā

hei whakakotahi

te tōtara wāhirua

ngā tōtara haemata

o te waonui-tapu-o-Tane

## The Majestic Tōtara

With the coming of Tauīwi to Aotearoa

the tōtara began to split into two

two worlds

the Māori world and the world of Tauīwi

the divided tōtara food for the axe

to this day we are still food for the axe

the realisation of our dreams

is the unifying

of the divided tōtara

the majestic tōtara

of the great forest of Tāne



## Māori Caucus Vision

Our understanding of our world is tempered by our understanding of ourselves as young Māori, on the one hand always conscious of the treasures we have inherited from our ancestors and on the other hand conscious of the need to make our way in the world. Our vision forward is conditioned by our view of our past and of our present condition. We have tried to encapsulate that sense of continuity through time and our sense of an integrated holistic vision of our world with its many facets.

These facets are combined into the inter-related matrix expressed in Figure 1. We seek a future for Māori youth that will combine the temporal and spiritual components of our world, the spiritual laws and the human laws, the authority of the supernatural and the authority of the natural; land, ancestors and present-day human relationships. All the elements of our matrix are intertwined. They are explained in our terms. Our vision is based on our understanding that in unity we will find strength, in discussion we will reach conciliation, in sharing ourselves, our ideas and our dreams, we will find development. Our vision is of a better Aotearoa, a more fair and just society which pays heed to the dignity of all of us, Māori, Pākehā and Pacific peoples.

### *Te Māori*

*This section is taken from a speech by the late John Rangihau, presented to an assembly of High Court Judges, in Wellington on the 3rd of April 1987*

There were no Māori in New Zealand before there were Europeans or at least, there was no race of people called 'Māori', because there was no need to distinguish my people from others until the land was shared. The words 'Māori' and 'Pākehā' were used simply to distinguish, if you like, between fresh water and salt water.

It seems to me that what has happened is that the word Māori has become an all-inclusive term which embraces all Māori. However, the Māori are not one amorphous mass of people; we are a tribal people. At Pākehā gatherings, for example, I introduce myself as John Rangihau. I am the visiting director (cultural development) with the Department of Social Welfare and I live in Auckland.

Tribalism is the primary source of Māori social strength. The traditional Māori system, based on decentralised tribal autonomy and organic solidarity of kinship, consisted of four constitutional levels, all linked to a greater or lesser degree by a common ancestor or event. Forming the largest socio-political unit, the waka consisted of all those descendents of the ancestors who reached New Zealand on the same canoe; no co-operative form of government, however, existed among them.

Members of a tribe, or iwi, on the other hand, were linked by descent from a common ancestor who was on one of the canoes and whose name they took. Tribal feeling was strong and each tribe formed an independent, self-sufficient and self-governing set of groups under the leadership of the Ariki.

The tribes were divided into a smaller organisation, the hapū. Since members of the hapū could trace their heritage to an ancestor several generations back, it comprised an even closer kin group than the iwi. The hapū took the name of their common ancestor and built their society around their respect for their ancestors. Although they readily joined other hapū in times of war or ceremonial occasions, each hapū was responsible for its own government; autonomy was fundamental. The hapū were led by rangatira, the hereditary chieftains and leaders, who were expected to act wisely and with dignity.

The basic social unit of Māori society however, was the extended family or whānau. This consisted of up to about 30 people, under the direction or guidance of the kaumātua, the respected elder of the family. Children, grandchildren and great grandchildren, with their spouses, made up the whānau, which was responsible for making the basic day-to-day decisions. In all matters of concern to the tribe or hapū, there was discussion among the heads of each unit, (that is, the kaumātua represented each whānau, the rangatira represented each hapū) before a decision was made. In this way, all members of the society were able to contribute through their representative to the organisation of their lifestyle. Most decisions, however, were local decisions made by the whānau on the basis of kinship.

It must be remembered however, that this social system was not set in cement! From our earliest histories our tribes have mixed and divided and migrated and formed fresh relationships. The division and blending of our tribes is what Māori tradition is all about. Tribalism would not be viewed as a barrier to Māori unity. When



the need derives from within Māori; when our tribal communities want to co-operative, they have never found it difficult to do so. 'Māori factionalism' is a myth.

### *Te Pākehā*

There was a time in New Zealand's history when, to be Pākehā, was to enjoy a way of life that in succeeding decades has changed beyond recognition.

At the outset, for almost all of us, Britain was home, the centre of an empire of which our country was the most far flung domain. The visit of the reigning monarch was one of the highlights of our primary school years. Each sex was allocated a set of predetermined roles. Families were nuclear; mother and father were married with three or four children.

The age was one of opportunity when hard work and natural ability guaranteed a satisfying and rewarding career. It was an age of security in which a child could confidently expect a 'normal' world of comfortable homes fitted with modern appliances; of unlimited educational opportunities; of new clothes and presents and holidays by the beach or in the country; a family car and a feeling of being 'as good as everyone else'. It was possible to view New Zealand as a single culture society. The country's major institutions were based on European models, the system of Government and law derived from Britain, the dominant values were post-industrial revolution, western and christian.

Most of us accepted this package without question. New immigrants, such as displaced continental Europeans, were expected to conform; as were the Māori when they moved from their rural enclaves into the nation's towns. Māori who intended to behave like Pākehā were congratulated for doing so, whilst those who became All Blacks and soldiers were embraced. New Zealand was proud of her adaptable Māori people for their ability to leave behind their traditional ways which were no longer relevant, in favour of the modern and forward-looking ways of the Pākehā.

We prided ourselves on all having equal opportunity; God's own paradise to be modelled by the corrupt societies beyond our shores, for demonstrations and racial violence were things that happened abroad. Here at home; those who failed to achieve were viewed as responsible for their plight and told to make a go of it. And, when the children of Māori migrants swelled the ranks of the school

drop-outs, convicts, the unemployed and gangs, they came to be regarded as the *Māori problem*, for theirs was an inability to adapt and a failure to grasp the opportunities society offered them.

## *Young Pākehā and the Treaty of Waitangi*

We see the Treaty of Waitangi as the basis of Pākehā culture and the Pākehā place in this country. We are committed to structural change based on the Treaty of Waitangi with the treaty a central role in legal, social and political spheres.

The Treaty of Waitangi was negotiated as a partnership when the Pākehā population was vastly out-numbered by Māori. We see the equality ideal as still valid today when Māori are a numerical minority.

Since 1840 the Treaty of Waitangi has been breached, ignored and flouted, often in blatant ways. Land was taken from Māori by any and all means possible. The education process aimed at the extinction of Māori culture and language. New Zealand was seen as a white nation, part of the British Empire. The settler governments encouraged rapid immigration, mostly from the UK, but also from other European countries and some other areas. These new immigrants understood New Zealand to be a Pākehā nation. The 'New Zealand way of life' was assumed to be the Pākehā way of life.

As the Treaty of Waitangi faded from consciousness, so did the tangata whenua status of Māori people. The role of Māori was reduced to songs and dances at public occasions, a touch of colour which distinguished New Zealand from other parts of the British Empire. Ethnic minority status in their own land led to Māori being perceived as being in competition with other cultural minority groups.

Many Pākehā currently feel threatened by claims of tangata whenua status by Māori. They feel it is exclusive and denies their right to have a relationship with this land. Because we have become used to the New Zealand way of life being the Pākehā way of life, our people often feel angry and defensive when a group claim a status that we are not entitled to.

The Treaty of Waitangi is a document of equal partnership between the Māori and Tauīwi. Equality does not mean 'being the same', assimilation or integration.



For a partnership to work, both parties need to be free and able to consolidate their positions; able to identify their stand, their users; and be prepared to negotiate and know what is not negotiable.

There is a danger of Pākehā people entering the partnership, but being unable to identify our side of the partnership.

If the Treaty of Waitangi is to be honoured, young Pākehā will have to learn to make complex decisions and choices about their role in the partnership, where they stand, and what issues for them are negotiable or non-negotiable.

Many young Pākehā do not know what to do, to move from a position of dominance to autonomy. We support the recognition of the Treaty of Waitangi, but need wide education and skills training to facilitate this move.

## *Rangatahi*

*'The present journey'*

*'Ka pū Te Ruha, ka hao Te Rangatahi'*

Rangatahi is a stage of growth and development. It cannot be fixed by age or isolated from other stages (whānau, hapū, iwi) of a person's development.

Our role is to protect, enhance and ensure the survival of the whānau, hapū, iwi, waka.

We are the product of the past, formed by the present and developed for our future.

The reality of the present from which we are formed has given us a unique story to share and contribution to make to the development of Māori people.

We make our stand and statement on the strength of our story and journey, comforted by the strength of our knowledge of past journeys and inspired by future passages.

We seek to unite mokopuna tamariki, rangatahi, mātua, kuia, koro, kaumātua as whānau, hapū, iwi.

We recognise the reality of te Ao Tauīwi and that our people are now largely urban in nature.

Thus we seek to link up networks of Māori people locally, regionally and nationally—the adoption of 'taonga tuku iho' in a

form appropriate for the 'voyagers' of the present journey, encompassing the essence of the past and protecting and ensuring its survival. Our vision of Rangatahi development is that we will unify whānau, hapū, iwi, waka; ensuring the wellbeing of Rangatahi.

The Māori child is not the child of the birth parents under Māori tradition, the importance attached to the child's interest is subsumed under the importance attached to the responsibility of the tribal group, through the tribal traditions and or of inherited circumstances. The hapū or tribal group is bound to provide for the physical, social and spiritual wellbeing of the child and its upbringing as a member of a particular hapū. This responsibility would take precedence over the view of birth parents.

(From an address by John Rangihau to High Court judges, 3 April 1987.)

TABLE 1: Towards reconciliation

<i>Ture Wairua</i>	<i>Mana Atua</i> Kākano	<i>Mana Whenua</i> Ngā maunga Whakahi	<i>Mana Tupuna</i> Whakapapa	<i>Mana Tanga</i> Mana Motuhake
	I te Tīmatanga	Ngā Puke Kōrero Ngā Moana/awa hoehoenga Tūrangawaewae Tiakina	Ngā Ōhaki Ngā Taonga Tuku iho	Mana Atua Mana Whenua Mana Tupuna Mana Māori
<i>Ture Tangata</i>	Tohungatanga Hāhi Tapu Ngā Atua	Ngā Marae Papakainga Urupa	Whānau Rangatiratanga Te Reo Tiriti Tikanga Hekenga Waiora	Nekenga Tohungatanga Rangatiratanga Tiriti Te Reo Tikanga Tauīwi Waiora

Interpretation of the concepts above follow in Appendix II

## He Tangata, He Tangata, He Tangata

He kōkako wawata

Ki ngā tohu o huia nei

Ēngari e kore e rite

Ka noho tonu

He kōkako he kōkako

He tangata wawata

Ki ngā tangi o Kōkako

Ēngari e kore e rite

Ka noho tonu

He tangata he tangata

The Kōkako wishes to be like the  
huia

But that can never be

The Kōkako will always remain  
a Kōkako

A man wishes to sing like a  
Kōkako

but that can never be

A man will always remain a man



## Mana Atua

I te tīmatanga te kākano

I te ātua, te kākano

Ko te Atua anō te kākano

Nāna ngā mea kātoa i hanga

Kāhore tētahi mea i kore te  
hanga

e ia, o ngā mea katoa i hanga

E kore au e ngaro

he kākano i ruia mai

i Rangīātea

Ko te amorangi ki mua

Ko te hāpai ki muri

Whakanuia to mātauranga

Ki te wehi o te Atua

Hei Ko rito

He Whakaputaina to tino tamaiti

Māori,

In the beginning was the

Seed . . . . . the seed

was god and god too was a seed

all things were made by god

nothing original except for god

‘ I will never be lost

the seed was sown

in Rangīātea

Gods worship first

all others later

Infuse your knowledge

with the wisdom of God

As a nucleus to

promote the most perfect child

## Mana Whenua

He wahine he whenua

Ka ngaro te Tangata

Whata ngarongaro he tangata

Toi tū te whenua

Papatūānuku te matua o te Tangata

Hokia ki ngā maunga

Kia puria koe i ngā hau o

Tāwhirimātea

Without land the people  
are lost

People disappear  
but land remains

Mother earth is  
mankind's parent

Return to the  
mountains to be purified by the  
winds of Tāwhirimātea

## Mana Tupuna

Kei te ora tonu te wairua

O ōku mātua tūpuna kei roto i  
ahau

The spirit of my ancestors  
is still alive in me

## Mana Tangata

Nāu te raurau nāku te raurau

Ka ora tātou Katoa

With your contribution and my  
contribution  
All of us can thrive

Unuhia ko te rito o te harakeke	If you cut out the heart of the flax
Kei hea te kōmako e ko?	Where will the bellbird sing . . .
Ui mai he aha te mea nui māku	If I were asked what is the most
E ki atu he tangāta he tangāta he tangāta'	important thing, I would respond
	humanity, humanity, humanitiy
Ka eke te ao i ngā Rangatahi	Youth can move the world
matē atu he tete kura, ara mai he tete kura	A fern frond dies another arises to take its place

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## Pacific Island Caucus Vision

### The Vision

The vision for Pacific Island young people  
came with our parents.

Our parents' need was to be in a place where their children  
would be educated, where they wouldn't have to work at the  
plantations, where they could have an ice-box (fridge),  
a car and a house with lots of rooms.

A land of milk and honey  
where sons would grow up to be ministers  
and daughters to become minister's wives.

Where they decided that through papalagi education,  
anything could be achieved and their children would do it . . .

their children will go to universities  
become lawyers and doctors  
and could go back to their birthland

and make their own parents proud of their achievements  
through their children.

Their dream was for the betterment  
of their children and families  
then it happens . . .

THEY ARRIVE!!!!

### The Reality

Its imprisonment from 7.30 AM–4.30 PM in a huge, dusty, smelly  
environment called—the factory.

Money is needed for everything. Their families are growing  
larger, their needs are getting greater. Dad gets night time job  
to ease the ever-growing load.

Mum get's bored, wants more for her children and herself,



the money just doesn't seem to cover the ever-growing needs  
of the children and the demands of their parents  
and family from the islands.

Mum gets a job sewing during the day and cleaning other  
people's homes and offices at night.

The highly-esteemed and coveted papalagi education  
has taken a toll on their children.

They're coming home with funny ideas and 'fiapalagi' ways.

They answer back, don't listen, don't want to go to church,  
want to go out all the time.

They want to leave home, they don't want to get a job.  
they're getting into trouble—

going to jail, drinking, getting doped up and sniffing glue.

#### WHERE DID IT ALL GO WRONG?

Our parents' dreams are shattered,  
promises of a better life broken, hopes unfulfilled.

They are torn between leaving their children  
in New Zealand because

they don't want to go home, they are home . . .

and going back to their parents  
who are getting older and dying.

They feel guilty, they still go on hoping  
and dreaming of a better life.

Their vision can only be shown to us  
through what they know best—*example . . .*

*'for without their vision, we surely would have been  
swallowed up by the papalagi system  
and indeed perished'*

. . . One day I will reach the sources again  
there at my beginnings  
another peace  
will welcome me . . .

### *A Leai se Fa'aliga e Fa'asalalauina le Nu'u*

*'Without a vision, the village is scattered'*

Although we are scattered geographically, as a race and as individuals we have retained our 'Pacifcness'. The struggles have been hard in terms of our parent's journeys and the casualties have been many in terms of our young people.

*We are re-establishing our identities in this country*

In becoming an integral part of the communities we live within, we have stood our ground, quietly going about our affairs and becoming valuable contributors to New Zealand's economy and industry.

We have had input into the enhancement of the quality of life, culturally spiritually and in many other areas in this society which was alien to us. This can be seen in the growing surge of our young people in their achievements in the areas of: performing arts, visual arts, practical arts, music, community work, social services, sport, recreation, education, justice, health and employment.

### *Conclusion:*

When we all attain to some knowledge of ourselves and our identity, to the measure of our parent's vision, the result will be that we are no longer children tossed here and there by waves and carried about by every wind, but young people more able to define our own paths and therefore our own success stories. *Although there have been many casualties we will continue to reinforce our growth and development as migrants and New Zealand-born individuals.*

In order to change things—  
we must see ourselves clearly  
and describe our situation accurately.

We must know what we want  
we must find ways of getting there  
and taking everyone with us . . .

## Pacific Island Perspective

Once there was a man, Wiki, who lived in a huge beautiful home.

Bill came along one day with a gun, took his home and made Wiki sleep in a tiny room at the back and work in the garden.

After a long time passed, Bill asked another guy, Kei, to work in his garden in return for a tiny room at the back.

Grateful Kei and rebellious Wiki worked together in the gardens for a long time without speaking to each other.

Kei was very surprised to learn one day that they were cousins and Wiki really owned the house they all lived in.

The next day Wiki and Kei both bailed up Bill who decided to give up his claim to the house if he could still have a room.

Wiki was very glad to get his home back and decided to keep half and let the others share the rest.

The other two split it down the middle and Kei immediately surrendered his share to Wiki, as the right thing to do.



Wiki was moved by his gesture and offered it back to him for the caring and sharing they had done together.

Both of them managed to live comfortably, in constant negotiation with Bill, ever after.

## Ode to Mum & Dad

My parents . . . . .

Eager to give their offspring  
the best,

Moved to another land

Aiga wooing them to

a paradise of money.

Better Education & promises of

opportunity, without

the drudgery of sitting by the

Kerosene stove

doing the saka.

Life in New Zealand is

easy, they say . . . . .

Everyone has a fridge

and a T.V.

Freedom from the countless

Fa'alavelave's

Why does my stomach

ache for Taro, Palusami

in a country where

you can have anything you want??

Why does my heart yearn

for, a view of our malae

in Poutasi.

Why do I feel like I don't

belong, in a country that I

grew up in . . .

Why do I want to escape

all the time?

There's nowhere to run away to,

I've been sentenced to one thing

and there's a yearning to be

somewhere else.

Dissatisfied, everything is tainted

by the feeling . . .

What is the feeling?

Not belonging, yet part of

belonging but rejected  
Some say I'm Fia-Palagi  
Some say I'm Fia-Mauli  
I've been remade and all  
my parts don't slot together,  
my parts slot in sometimes,  
and pop out at the slightest  
interference,  
it doesn't have to be anything  
major!!  
A word, a nod, an attitude  
I am shattered  
It takes along time to be me again  
As normal as I can be,  
... Under the Circumstances.

## Pākehā Caucus Vision

### *Pākehā Culture—Pākehā Caucus*

Pākehā, like Māori people, have many different roots. They come from 'tribes' scattered across Europe—from Ireland, Scotland, Wales, England, Holland, Yugoslavia, etc.

Our European societies do not share the same history and culture, though there are substantial common elements

We have, however, emerged with some common patterns in the way we live and think, run our lives and see the world. We have a culture and a distinctive place in New Zealand.

Pākehā often take things for granted—we often think of ourselves as 'normal' and other peoples as 'ethnic' or as having 'cultures'. Because of this some become entranced with Māori culture without accepting or valuing our own. While it is important to value and respect many cultures and peoples, we must value and know our own culture first and not want to be like people or demand they be like us.

Pākehā culture is much more than symphony orchestras, art, songs and sport. It is also the everyday things of everyday life that have emerged from our history.

It is the way our families are structured; the institutions we have developed to educate ourselves and look after our health; our legal



systems; the way we pass down our history; the way we communicate with each other.

We think some of the good things about being Pākehā are that we are willing and able to adopt and change; we look to the future with a vision of betterment; we have a history of interdependence and support; we honour and respect creativity; we have a willingness to question, challenge and debate; we encourage that which when applied to land and natural resources inspires conservation; we are committed to globalism; we think in terms of co-operation and developing; and we seek to understand and accept different concepts. We feel, however, that as a people these concepts, values and beliefs are often overlooked and undermined; that we have lost, or are losing, our spiritual base which links us as people and that the faces of growth (rationalisation, efficiency and technology) have impacted on us as a people. Now is the time to assert our belief in ourselves and assume our future as young Pākehā people of New Zealand.

### *Changes for a Future Way of Life—Pākehā Caucus*

'There was once a small town on the banks of a river. One day the townspeople noticed a body floating down the stream, so a few of them waded in and fished it out. No sooner had they done so when another body came floating down. This went on and on. Eventually, well-equipped businesses (state) sprung up in the small town to resuscitate the people who were rescued. There were learned discussions on the best techniques to use. Researchers came to the village to study ways of rescuing the bodies involved in the *rescue process*, but still more bodies came floating down, and not all could be saved.

One day a woman started wading upstream. 'Where are you going? We need you here to help with the rescue,' cried the others. 'I'm going upstream to find out who is pushing them in,' was the reply.'

It is our belief that Government, along with any organisation within 'Pākehā cultural systems,' that involves itself with rescue processes needs to consider the wisdom of this story. If Pākehā are to have *limited* human expression and *if* Pākehā are not deep in human spirit and human action *how* do we expect to have a human face—A human face that greets the emotional and spiritual community of people.

The wisdom of our story states that we need to journey to the source of what is causing our victims to float down stream. Changes for our future way of life means using our history: learning about what our history has produced for us; deciding if we want to remain in an overwhelmingly increasing rescue process; or bring about a better future based on what we will learn by going upstream and seeing how the past shapes the now.

What nature has given us, production has sold and now we are left with uncontrollable consumption. Consumption that abuses our bodies, our minds and our spirits. We are left as individuals fighting to reclaim our minds, our bodies and our spirits.

This journey tells us that political, economic and cultural dictates of elite groups control the extent of our trust, our faith and our honesty. We learn rules and become shaped. As young people the gentle and tender hearts are met by harsh and rough hearts that feel like steel claws instead of nurturing care. Changes for a future way of life means knowing and remembering how our human faces have been scared by the objective task of doing right by the people.

As present and future generations of young Pākehā people in New Zealand, we need to move away from the rescue process and find out who and what is causing the bodies to end up in the stream.

When we know this then we also know that, like the pebble dropped into the clam water, the ripples of change will radiate out to all our people. We believe the central force that must cause these ripples of change is the holistic life of united mind, body and spirit. The base of our actions as a people should be spiritual; not as confined to a doctrine or a single concept but underlying our relationship with life, land, natural resources, our past, our future and each other.

The vision for our future must include:

- 1 Co-operation, freedom, equality, choice and creativity.
- 2 A relationship with natural resources, property and people being based on guardianship and conservation rather than owning and exploiting.
- 3 Technology that is people-based and developed for a reason, not just for itself.
- 4 The freedom for different people to develop in their own ways at their own pace.



- 5 Value for people support systems—family, wider family, friends, neighbourhoods and community in healthy interdependent relationships.
- 6 Active participation in decision making by those affected by the decisions.
- 7 Creativity valued in all areas (arts, music, speech, thought, science, writing, medicine, agriculture, education, etc.)
- 8 Truth in our systems, honesty in our lives, and faith in our actions.

### *Vision for the future*

This is a vision for the future to be added to, changed, and debated, without forgetting that it is a vision that works for the betterment of all.

The elements that we feel need to be included in a vision for our future are:

- 1 Learning from our history who, and what, has gone before us.
- 2 A holistic approach—seeing things as part of a whole.
- 3 Co-operation, freedom, equality, choice, diversity.
- 4 Spiritual base to what we do—not confined to Christianity or a single concept—a spirituality that underlies our relationship to land, natural resources, our past, our future and each other.
- 5 A relationship with natural resources, property and people to be based on looking after and conserving, not owning and exploiting.
- 6 Technology needs to be people-based and developed for a reason, not just for itself.
- 7 The freedom for different people to develop in their own ways in tandem with other people.
- 8 Value for people support systems—family, wider family, friends, neighbourhoods and community in healthy interdependent relationships.
- 9 Active participation in decisionmaking.
- 10 Creativity valued in all areas—art, music, speech, thought, science, writing.
- 11 Need to celebrate, acknowledge, and value rites of passage from birth to death.

- 12 Enjoyment of life and celebration.
- 13 To achieve a balance of life and earth.

## Issues/Policies

### *The Treaty of Waitangi*

#### *History*

The Treaty of Waitangi is a legal and binding contract. Since 1840, the Treaty has not been honoured.

The education and conditioning process aimed to break down the culture and language of the Māori people also endeavoured to reduce their tangata whenua and rangatira status. Ethnic minority status in their own land led to Māori being perceived as being in competition with other cultural minority groups as exemplified by the common statement, 'Māori and other ethnic minorities . . .'

The Pākehā were not, and are not, involved in this competition as they have had control of the game.

The time for change and reconciliation is now.

#### *Partnership*

The Treaty of Waitangi is a document of equal partnership between Māori and Tāuiwi. Equality does not mean being the same as a partnership to work; both parties need to be free and able to consolidate their positions.

#### *Māori Perspective*

The Treaty was a contract of intentions between tangata whenua and tāuiwi, bounded by the search for an equitable and just recognition of Māori sovereignty over Māori mana atua, Māori mana whenua and Māori mana tupuna. It was a document of intentions—its roots are spiritual, therefore making it irrevocable and providing a platform from which Māori and tāuiwi can seek reconciliation.

#### *Pākehā Perspective*

The Treaty was negotiated as a partnership when the tāuiwi population was vastly outnumbered by Māori. We see the equality ideal as still valid when Māori are a numerical minority.



If the treaty is to be honoured, young Pākehā will have to learn to make complex decisions and choices about their role in the partnership, where they stand, and what issues for them are negotiable.

We support the recognition of the treaty as the basis of our place in this country. There is a need for wide education and skills training to facilitate this move.

### *Pacific Island Perspective*

The Pacific Island working party agree with the principle of the treaty, which to us means an agreement between Māori and Pākehā.

- 1 We acknowledge the Māori as tangata whenua.
- 2 Along with papalagi, we have a place as tauwiwi and a political obligation to support Māori struggle and priorities.
- 3 As Pacific peoples, we also have a role as whanaunga, with all the mutual caring and sharing that relationship implies.
- 4 Our support can only be effective if we work with our own people to understand these things.

### *Women's Issues*

Social policy should promote equality for women at all levels. At present many young women feel they are second class citizens in a country where the media portrays women as dependent, as defining themselves in terms of their role in the family, as sex objects, as scatterbrained, as clothes horses; where the fear of being sexually assaulted or harassed leaves women feeling angry and powerless; and where it is not acknowledged that women work whatever they do, and as such have a valuable contribution to make to society.

More positive and strong images of women need to be portrayed through the media, and through the education system. Studies of women's contribution to science, social change, law, education, health and all such spheres of life need to be included in the curriculum. Young women should be encouraged to participate fully in all aspects of school life. The present work on sex role stereotyping needs to continue and results acted upon, particularly in the school system as a major influence on young women's development.

Sexual abuse is a major concern of young women. Sexual abuse does great harm to young women's self esteem relating to sexuality; the role of men in relationships (father, brother, partner, relative); one's own role in relationships and of the differences between love, sex and affection.

Other concerns are:

- 1 The effect of pregnancy at a young age.
- 2 Access to non-moralistic contraceptive advice.
- 3 Cost of regular check-ups and smear tests.
- 4 The lack of preventative health care.
- 5 Need for easily accessible and cheap childcare.

### *Recommendations*

- 1 The immediate training of incest counsellors (for both females and males).
- 2 Consultations with rape crisis centres, women's refuges and other organisations and individuals and professionals who have experience in sexual abuse counselling need to be undertaken to gauge the best ways of dealing with this problem in our society.
- 3 Accident Compensation Corporation (ACC) compensation payment should be made available for sexually abused women and girls.
- 4 Teachers, policymakers, social workers and other professionals closely associated with the public need to be given more training to be able to identify girls who are in sexual abuse situations.
- 5 That more sexual education of both boys and girls needs to be given at school to improve their knowledge of what sexual abuse is, and how it can damage the development of a human being.
- 6 That positive images of women need to be portrayed through the media and the education system.
- 7 That the Government challenge and work towards dispelling sexist attitudes and barriers women face.
- 8 That pornography should be banned and that women should determine what is pornographic.
- 9 That more childcare facilities at affordable prices should be established.



- 10 That adequate funding should be available for women's groups eg. refuges, rape crisis.
- 11 That contraceptives should be available free.
- 12 That women should have the choice of abortions.
- 13 That pads and tampons should be available free.
- 14 That women should get adequate maternity leave without jeopardising employment and promotion.
- 15 That young women should comprise half the staff at the Ministry of Youth Affairs.
- 16 That the Ministry of Women's Affairs should be encouraged to recognise the special needs of young women.

## *Young Men*

The area of young men has often been overlooked, yet they are increasingly in need of support. The accelerated change in the social, technological and economic structures of our society has meant a major upheaval in the traditional roles and status assumed by men. Much of our society's values and institutions have been based on, and controlled by, the white male system. The challenges to men have been necessary but there needs to be the support systems and the encouragement for young men to cope with these challenges, to take positive steps to change their behaviour and to find a new place in our society.

The fact that the male social systems and structures are inadequate and have failed to cope with this change is reflected in the increasing suicide rate amongst young males, as well as large alcohol and drug problems and over-representation in other risk-taking behaviours.

The male macho myth is perpetuating the pressure for young men to refrain from sharing their feelings, finding new ways of dealing with anger and grief, and the ability to ask for help. There needs to be an affirming of what is good in mateship and harnessing of the energy in order for new skills of intimacy, communication and relating to be taught. These skills need to be seen as essential for survival.

The needs of young gay men need to be recognised by the wider society, and the prevalent homophobia within our society needs to be confronted. The gay man has a contribution to make in terms of liberating men from oppressive norms about sexuality and relating as men.

Education and affirmation of alternative lifestyles will contribute to this change in men's attitudes.

### *Recommendations*

- 1 That courses in anger management, sex-role stereotypes and human relations be made available to young men through the various education institutions.
- 2 That these courses start at primary school, and due recognition be given to voluntary agencies who are already working in this area through the allocation of adequate funding and access to schools.
- 3 That funding be allocated by Government for further research and educational work in the area of sexual abuse of young males.
- 4 That voluntary groups working in the area of sexual abuse of young men be given the resources to further their work, and the different cultural groups be recognised in the allocation of resources.
- 5 That gay welfare groups be recognised as having a valuable contribution in helping young gay men, especially through crisis situations.
- 6 That education and health departments, in consultation with gay organisations, produce information resources for young gay men and lesbians on issues of health, sexually transmitted diseases and self esteem.
- 7 That homosexuality be included in human relations/health education in schools.
- 8 That the law be changed to prohibit the discrimination of people on the grounds of sexual orientation.

### *Young People and Spirituality*

Spirituality needs to underlie all young people's lives and should be the basis of our visions for the future. However, the knife of secularisation cuts deep into some parts of our society, particularly Pākehā, and we run the danger of losing sight of our spiritual base.

Spirituality is not confined solely to Christianity. It includes a beginning and a relationship with land and natural resources, ancestors/tūpuna, and people for Māori, Pacific Island and Pākehā. There needs to be encouragement of the young to develop as whole people, to find their roots and shape their vision.



For young Māori people this includes acknowledgement of mana atua, mana whenua, mana tupuna and mana tangata.

'It is of solemn importance that a sleeping person not be woken suddenly, lest they may wake before their spirit has had time to return to their bodies. The spirits of these people are believed to return to Pulumotu, the sacred dwelling place of all spiritual beings. Young Pacific Island people of Aotearoa are forced to wake suddenly to the loss of our spirituality through injustices. The recovery of our spirits in our profane world must happen intimately through, in and with the land, sea, and tangata whenua, tauwiwi and Pacific cultures, songs and families of our parents.'

### *Recommendation*

- 1 That 'spirituality' needs to be included in the education curriculum so that young people are encouraged to think about, question and challenge values and concepts of spirituality, philosophy, heritage, and different cultural perspectives.

### *Youth Workers*

Young people who have had contact with youth workers are supportive of the work they do. It is agreed that there needs to be many more youth workers because of the preventative work and the general support they provide.

Youth workers generally work long hours and under rather stressful conditions with young people in need. Most tend to be teachers, counsellors, government workers and liaison people.

The people best qualified to decide on placement and work priorities of these workers are people within the community.

There is a strong demand from both young people and youth workers themselves for recognition of their work.

Youth workers are receiving inadequate levels of pay considering their conditions of work, experience and qualifications. There is a need for guidelines for salary scale, working conditions, ongoing training and secure long-term funding.

### *Recommendations*

- 1 That the short-term and long-term importance of youth work is acknowledged.
- 2 That more youth workers are funded.
- 3 That it is acknowledged that the best people to decide on placement and work priorities of youth workers are people within the community.

- 4 That the importance of ongoing training for youth workers is recognised and funded.
- 5 That there are guidelines established for salary scales and working conditions for youth workers.
- 6 That immediate allocation of salaries and back up resources from the Departments of Justice, Education, Health, Social Welfare and Māori Affairs be made available to every electorate and tribal authority body in Aotearoa/New Zealand. These resources are to be accountable to the Ministry of Youth Affairs.

## *Health Issues*

In the area of health young people have identified several issues that are of concern to them. As young people we recognise and acknowledge culturally appropriate traditions and models of caring and healing. These have been categorised into four main areas of concern.

**HEALTH EDUCATION/PROMOTION** There is a need for relevant and accessible health education/promotion. There is a strong sense of the 'health message' being more accessible to, and directed at, Pākehā and those with money. Health education needs to be available to people from an early age and be an ongoing process.

Four main areas for education have been identified:

- 1 sexual and human relationship,
- 2 diet and exercise for healthy living,
- 3 mental health promotion and education,
- 4 tobacco, alcohol, drug awareness.

To ensure that the material is effective there needs to be youth participation in the planning and production of all information. There needs to be greater co-ordination between government departments, especially Health and Education, to ensure efficient use of resources and to produce the most appropriate material.

There is an urgent need for effective human relations education. This education needs to start at primary school. Contraceptive advice should be part of this education and should be free and accessible.

**HEALTH SERVICES** The cost involved with many health services is seen as a major deterrent by many young people for seeking regular medical attention. Once they have left school few can afford dental



and medical services. As regular check-ups can enable early detection of many illnesses and problems, it is essential that cost is not a barrier. More community health services need to be established as well as more resources allocated to public health nurses/workers, with an emphasis on working with young people.

**AIDS AND SEXUALLY TRANSMITTED DISEASE** Young people see AIDS as a major health issue. There is a fear about AIDS based on a lot of misinformation and ignorance about prevention. (AIDS/safe sex/STD education needs to be taught in the wider context of human relations.)

While AIDS is a disease that is having an impact on young people, statistically other STDs affect more young people and are likely to have a long term effect. There has been insufficient research and information about STDs, and a lack of accessible and relevant information and services for young people.

**YOUTH MENTAL HEALTH** The impact of the wider social issues on young people is greatly affecting their state of mental well-being. Young people are being asked to adjust to a rapidly changing society without being taught appropriate coping skills. They are being asked to accept the effects of adult decisions without any say in the decision making. Feelings of hopelessness or the lack of control over their lives are prevalent.

Because good mental health is reliant on a balance of the physical, emotional and spiritual, any support services we offer young people will only be partially effective unless we tackle some of the primary causes including lack of employment, inaccessibility to housing, deteriorating family support, education, lack of identity.

Suicide and attempted suicide needs to be seen as a serious health issue. The quadrupling of the suicide rate of young people in the past 20 years indicates the urgent need for better support services for young people. More people need to be adequately trained to deal with specifically adolescent problems. Those working with young people such as leaders, nurses, social workers, youth workers, doctors need to have better referral services and specialist support. Training in stress management, conflict resolution and anger management needs to be part of school curriculums.

More financial resources need to be allocated to youth mental health. The percentage of the health budget allocated to youth mental health research and services is inadequate for any effective and long term measures to be implemented.

### *Recommendations*

- 1 That extensive health education is undertaken in schools and continued on into the community.
- 2 That more preventative health education and services are established.
- 3 That it is recognised that access to medical and dental services is a basic right of all people and not just the rich.
- 4 That contraceptives are available free to all people. This is especially important because of the prevention of AIDS. To ensure this access, it is necessary that Section 3 of the Contraception, Sterilisation and Abortion Act be repealed to ensure adequate advice to be given to younger people.
- 5 That the specific needs of young people are catered for in health services, particularly drug and alcohol counselling, relationship counselling and mental health services.
- 6 That more comprehensive training be given to health professionals, youth workers, teachers, and police on adolescent development, mental health issues and social problems affecting young people.
- 7 That adolescent psychological services be increased.
- 8 That more funds are allocated for research in the youth mental health area. In particular, more research needs to be done in the area of Māori and Pacific Island youth.

### *Disabled Youth*

There is a need for young disabled people to be represented and recognised outside the institutions.

Young disabled people need to feel accepted and be accepted by people and made to feel a part of the communities they live in. Presently people's attitudes and social activities and structures often preclude disabled young people from participating. A concerted effort is needed to ensure services and facilities are available to enable disabled youth to participate in all areas.

Young disabled people tend to have poor networks and very little input into, and participation in, decision making.

### *Recommendations*

- 1 That young disabled people are represented on bodies that make decisions about young people.



- 2 That the community ensures that social activities and institutions do not preclude young disabled people from participating.
- 3 That the Government continue moves to integrate disabled youth into the mainstream education system.
- 4 That the Government ensures that services and facilities are available to ensure disabled youth are able to participate.

## *Education*

The education system has a major impact on young people and their development. For at least 10 years young people are compelled to attend education institutions. Whilst much within the education system is currently under scrutiny, this review needs to be ongoing so as to ensure that what is being taught and how it is taught remains relevant to the context of the society that our young people live in.

Education is more than teaching subjects. It is learning for life and therefore it cannot be confined to schools. A new relationship needs to be developed between schools and the communities they are part of. If schools are to work effectively for young people it is essential that they are built from the ground up, with a spirit of co-operation between the community and the school.

The vast majority of young people do not see the education system as preparing, or having prepared them, for future life. It is expressed again and again that one should learn what would help in the real world and not just the frequently irrelevant academic facts and mumbo jumbo taught at present. The mainstream is being increasingly questioned by young people.

There is a growing need to turn the education system around, to use it as a tool for the future rather than allowing it to destroy our young people's belief in their own abilities or self worth.

There needs to be a fully funded, autonomous Māori Education Authority. This will allow:

- 1 Social equity and Māori self determination.
- 2 Access for Māori children to their own language and tikanga.
- 3 The return of accountability, mana autonomy and control to Māori parents and community.
- 4 Whānau involvement in schools with an unbroken link between older and younger children, parents and the extended whānau.

### *Recommendations*

- 1 That a new relationship needs to be developed, between schools and the communities they are part of which recognises education as learning for life.
- 2 That the school curriculum should prepare young people for future life.
- 3 That the school system needs to be developed from the ground up on a co-operative rather than a competitive model.
- 4 That there needs to be a fully funded autonomous Māori Education Authority.
- 5 That an urgent priority be given to smaller teacher pupil relations.
- 6 That tertiary bursaries are increased to a minimum living wage.
- 7 That young people have the right to be taught in a culturally appropriate way.
- 8 That training schemes such as ACCESS be reviewed regularly and assessed as to how they equip young people for employment, and as to whether this is a realistic goal in view of increasing and forecast unemployment.
- 9 That user pays is not introduced into education.
- 10 That young people have direct input into the decision making processes of their schools and training programme policies.

### *Racism and Education for Change*

We believe that effective education for young Pākehā will be one of the ingredients of changing the structures that oppress Māori and establish Pākehā as oppressors in society.

Present bicultural training is seen by many as the understanding and appreciation by Pākehā of Māori culture values and language. Māori are being employed to teach biculturalism to Pākehā. Often there is no intention by Pākehā to change our monocultural structures.

We believe that one of the obligations of the Government is to provide effective education for Pākehā about the Treaty of Waitangi, racism and Pākehā culture.

We believe there is often the willingness to change but the lack of skills and support within the Pākehā community to do it.



As bicultural people Pacific Islanders can only support the stance that Māori lead in wanting a society that is fair and just—for from a bicultural Aotearoa will come a multicultural Aotearoa.

It must be noted that before we can truly advance to this 'ultimate' society of multiculturalism, the problems facing us in our present bicultural status must be addressed and remedied—cementing a firm foundation of truth, justice and equality for all.

### *Recommendations*

- 1 That Government recognises the need for education programmes for Pākehā on racism, biculturalism and the Treaty of Waitangi.
- 2 The education programmes such as Project Waitangi be adequately resourced.
- 3 That anti-racism training be included in the school curriculum.
- 4 That the work of anti-racism groups be recognised and supported at both local and central government level.

### *Justice*

We believe the Treaty of Waitangi should hold a central role in New Zealand's legal system. With the treaty as a base the legal system would reflect Māori lore and the Pākehā legal system and concepts of morality.

The events of recent months have clearly shown the strengths and practical impacts of the treaty when it is included in legislation. Currently however the treaty is included in legislation because of the decision of largely Pākehā legislators and politicians. The danger is that the writers of the legislation can also decide to leave out any reference to the treaty. When the treaty is included and there are subsequent breaches, it takes the efforts of the Māori community to challenge these.

Until this unequal relationship between Māori and Pākehā at the highest level of Government is remedied, the treaty as a legal and living document in New Zealand law will remain unfulfilled. As long as it remains unfulfilled equity within the justice and legal system can not exist.

This applies also to other structural inequalities within society. While inequalities exist, e.g., sexism and socio-economic, we may have a legal system but will never have true justice.

Young people are one of the largest consumers of our country's legal services in both the criminal justice system and civil law. They are forced to operate within a structure crafted by adults which frequently relates little to their own existence.

*Te Whāinga I Te Tika—In Search of Justice* (Advisory Committee on Legal Services, Government Print, Wellington, 1986) represents a youthful culturally sensitive view.

More energy needs to be put into working out why young people commit crimes, and energy and resources put into preventative programmes.

### *Recommendations*

- 1 That the Treaty of Waitangi forms the basis of our legal system.
- 2 That the recommendations of *Te Whāinga I Te Tika* are fulfilled.
- 3 That the Government, community, and young people need to work together on researching the causes of youth crime, on developing preventative programmes, and on changing structures that result in young people committing crimes.
- 4 That legal rights and information is taught in schools and made freely available in the community.
- 5 That it is acknowledged that the present legal system alienates and does not meet the needs of many young people.
- 6 That the growth of community law centres and initiatives and the work they do is encouraged and adequately funded.
- 7 That more youth legal workers are employed.
- 8 That community care programmes are encouraged.
- 9 That the police have appropriate training for dealing with young people and the work of the Youth Aid Section with young people is recognised within the Police Department.

### *Peace*

The threat of nuclear war is one of the main, and most strongly felt, concerns of young people. For many the awareness that they live in the age of the bomb leads to feelings of absolute powerlessness, hopelessness, anger and apathy. After all what is the point of doing anything if you are going to get blown up?

New Zealand's anti-nuclear policy is praised by many young people but it is also seen as only a start. While nuclear free we must



also recognise the independent stance of the Nuclear free and independent Pacific movement. A number of other issues need to be addressed before there will be peace in the world. While there is injustice, inequalities, racism and colonisation there cannot be peace.

Many young people feel that promoting the idea of peace starts at home and with your friends, and spreads outwards. Communication and conflict resolution skills need to be taught and practised at school, and encouraged in the wide community. Government, the community and young people also need to work towards resolving injustice in order to work towards peace.

### *Recommendations*

- 1 That New Zealand continues with its anti-nuclear stance.
- 2 That the Government also actively supports independence movements within the Pacific in recognition of the interrelationship between freedom from nuclear powers and independence of indigenous people.
- 3 That peace studies be further promoted and encouraged in schools.
- 4 That it is acknowledged that working towards world peace is central to many young people's sense of future.

### *Training*

There is a widespread dissatisfaction and cynicism about training schemes offered by Government. Not only are they often leading nowhere, soul destroying and uninspiring, but the people on them are often treated as second class citizens. Young people on schemes lack knowledge of the system's mechanisms and structures, and their rights as trainees.

The Government seems so busy introducing new schemes to make it appear they are doing something that they become more important than the people on them. Without a complementary push to create more jobs, many young people will be on a treadmill of training programmes with no jobs in sight at the end of the training.

Training is based on the belief that a better trained workforce will create more jobs. This is a myth and shifts the blame of unemployment onto young unemployed themselves. It avoids the real issue that there are not enough jobs and that the Government has

admitted to accepting that we will never return to full employment.

Training must therefore be in the light that it is not total but part of a comprehensive approach to developing an employment and cultural and social base for young people.

## *Unemployment*

Unemployment is a major concern of young people. There are currently over 100,000 unemployed in Aotearoa. 60 percent of these are under 25. Unemployment has been a concern of the past 10 years and it is not expected to get any better.

We currently live in a work-oriented society. Participating in some form of economic activity whether it be as individuals or in groups meets such basic human needs as feeling useful, gaining social respect, companionship and growth in self esteem. It also provides a legitimate way of getting the financial resources necessary to provide food, clothing, shelter, health care, etc., for themselves and families. Many young people are being denied this.

What is worse is that young people are unemployed at a time when they are particularly vulnerable. Young people are moving from a position of dependence on the family and the education system to a time of independence; from childhood to adulthood. Getting a job is seen as one of the main steps towards adulthood. Many young people experience social alienation and powerlessness through being denied access to work.

We believe that Government and the community have a responsibility to change the situations that lead to unemployment. We believe that the present Government's free market monetarist approach to the economy is monocultural, ignores existing structural inequalities and creates greater inequalities.

We believe far more needs to be done rather than leaving decisions about employment up to the big businesses. We argue that the money spent on mopping up the consequences of unemployment should be spent on helping young people participate in worthwhile economic activity.

There are not enough jobs to go around, yet young people are still being told they are dole bludgers, or that what they need are better attitudes and training. We feel Government should be looking at ways to create jobs and at how to share work around amongst the community. We feel that Government should view



any funding spent on such initiatives as an investment in the future. Seen against the background of the enormous loss of 'negative spending' because of unemployment, funding that goes into creating jobs that have community and welfare benefits for young people are arguably more efficient forms of Government spending.

The Government and community should also look at other ways of sharing out the work more fairly by encouraging job sharing, incentives for part-time work and early retirement, and a more even spread of training and work throughout the community.

### *Recommendations*

- 1 That it is recognised that employment, in present society, is an important part of young people's development and sense of self worth.
- 2 That the public is educated about the causes of unemployment to dispel the myth of 'dole bludgerism' and individual's fault for being out of work.
- 3 That Government has a responsibility to actively support community initiatives to create employment including work trusts, co-operatives, small businesses, resource centres.
- 4 That Government looks at ways of more equitably distributing the work that is currently available, through sabbatical leave, flexible working hours, shorter working weeks, job sharing, etc.
- 5 That those Government departments dealing with young unemployed people, particularly the Labour Department and Department of Social Welfare have appropriate training.

### *Housing*

Youth is a time of transition and resulting frequent mobility which housing does not cater for. Young people are constantly faced with extreme difficulty in securing decent and long term accommodation.

Some of the housing problems that young people constantly face are:

- 1 Landlords and real estate agents refuse to rent to young people.
- 2 Majority of cheaper accommodation is substandard and often contravenes Health Department regulations.

- 3 High costs of accommodation and initial payments to get into a flat.
- 4 Lack of information and support when young people face problems with home administration, budgeting, setting up house and housekeeping.
- 5 Landlords ripping young people off because majority of young people are either not aware of their rights as tenants or lack confidence and support to demand them.
- 6 Lack of emergency accommodation for youths needing to leave relationships/home because of physical violence, sexual abuse, over-crowding or not getting on with other people sharing the house.
- 7 A lack of hostel-type accommodation for youths making the transition from home to flatting situations.

Government needs to acknowledge that there is a critical shortage of cheap rental accommodation, particularly for groups of young people. More state rental units are needed, as are youth hostels and emergency housing.

The Government should have a statutory definition of homelessness and a corresponding duty to house homeless people.

Housing Corporation's home ownership and lending policies should include group ownership, group loans and whanau-based housing. The Tenancy Bond Division of the Housing Corporation should raise the maximum gross income when assessing loans to tenants for bond money. Publicity about the Tenancy Bond Division and the availability of other housing loans should be increased and targetted at young people.

Support and adequate funding should be given to bodies such as:

- 1 New Zealand Housing Network;
- 2 Tenants' Protection Association;
- 3 Tenants' Union;

and the work that they do acknowledged.

There is a real need for education on rights and obligations as a tenant or landlord. An education service should be supported or established to assist young people.

Many people strongly believe that housing issues and inequity in housing will not be overcome in the present system of private ownership. Our experience and that of many young people certainly gives credence to this belief.



### *Recommendations*

- 1 That the Government acknowledge that there is a critical shortage of cheap rental accommodation and provide for state rental units that groups of young people can rent.
- 2 That support is given to the New Zealand Housing Network's campaign for the Government to have a statutory definition of homelessness and a corresponding duty to house homeless people.
- 3 That more Housing Advisory Services be established.
- 4 That the Housing Corporation's home ownership and lending policies include group ownership and group loans.
- 5 That more youth hostels and emergency houses be established.
- 6 That the Government continues to fund Tenants' Protection Associations and unions for the work they do in tenancy and in sticking up for tenants' rights against illegal and unscrupulous landlords.
- 7 That the Tenancy Bond Division of the Housing Corporation raises the maximum gross income when assessing loans to tenants for bond money.
- 8 That an education service be established to assist young people in understanding their rights and responsibilities regarding accommodation and housing.
- 9 That collective and whānau-based housing be supported in policy and funding.

### *Income Maintenance*

We believe the State has an obligation to guarantee a basic income for all.

The unemployment benefit and domestic purposes benefit are the main benefits used by young people. Contrary to what some of the public believe these benefits only make up a small part of the total budget spent on benefits.

In 1985 5.8 percent of the total budget was spent on the unemployment benefit and 12 percent of the total was spent on the domestic purposes benefit (DPB). Also the main recipients of the DPB tend to be women over 25 with more than one child, who are separated or divorced from partners. Yet the myths of 'dole bludgerism' and young women getting pregnant to get the DPB

are very common and very harmful. Any move to lower either benefit would result in serious hardships.

Some decision makers believe that young people under 18 should be supported by their parents. Young people disagree for a number of reasons. Some young people's parents can no longer support them financially, some young people wish to be economically independent, some cannot stay at home because it is not happy or safe, some want to be able to contribute financially to the family, some are bringing up their own children and some have other reasons.

The unemployment benefit should be paid to those at the age of 15 in line with the school leaving age. The adult rate of the benefit should be the set rate for all ages. There should not be a youth rate. People under 20 still have the same costs to pay as any one else ie rent, food, clothing, travel, bills etc, and should not be penalised for their age.

People applying for benefits are in immediate need and should not have to wait two to six weeks for payment. Emergency needs grants involve more form filling and time; it would be simpler to the department and unemployed young people to abolish stand downs.

We believe that the present criteria of the unemployment benefit with 'allowable income' level, the requirement to register and be available for full time work and the remote areas clause disadvantage some young people. This clause, for example, needs to change to allow Māori people to return to their land and not have to fit in with monocultural and racist definitions of the word 'family'.

The allowable income level is too low and does not encourage young people to take up part time work or create their own employment to supplement their income and gain experience. Similarly the requirement to be available for full time work discourages young people from doing voluntary work or creating their own employment.

The domestic purpose benefit should be made to anyone who needs it and there should be no youth rate.

All benefits should be based on the individual. People in de facto relationships and marriages should not be forced to be dependent on their partners, which is usually women being dependent on their male partners.



Benefits should not be cut before beneficiaries are notified and have a chance to put their case.

This Government needs to involve young people in developing a more appropriate income maintenance system. This could involve supplementing the present system for those in great need and making the present benefit more flexible. Or it could involve looking at a totally new system for example: negative income tax administered through the Inland Revenue Department, setting a level below which no citizen's income will fall and above which starts to be taxed.

For those in work there was a concern that youth rates were discriminatory. Young people feel that they should get equal pay for equal work.

There needs to be a commitment to development which will foster and strengthen whānau and community-based employment. Encouragement and resourcing must be provided to Māori employment initiatives. Self-determination is the way to create effective change in the areas of employment and unemployment for Māori young people, and therefore for all young people.

### *Recommendations*

- 1 That the unemployment benefit to those under 20 not be cut.
- 2 That the unemployment benefit should be available to all on leaving school, and that it should be at the same level (living costs are same whether you are under 20 or over 20).
- 3 That a more appropriate income maintenance system needs to be developed in consultation with young people.
- 4 That benefits should be based on individual need so that people in relationships should not be forced to be dependent on their partners.
- 5 The 'allowable income' level needs to be raised to enable young people to take up part-time work, or create their own employment to supplement their income and gain experience and increase their chances of getting full-time employment.

### *Natural Resources*

In general young people are brought up to enjoy the outdoors and camp, fish, explore, picnic, play sport and be proud of the natural scenery. However, society also tends to see such natural resources

as commodities to be owned and used for economic purposes and passes this on to young people.

This has meant that unless we slow down and conserve these resources in balance with earth's natural replacement, they will be used up. Another result of such rapid consuming of natural resources is pollution.

We need to recognise that the existence of humanity is absolutely reliant on the protection and perpetuation of the resources of our natural environment and world. There is a need to change the attitudes to land, sea, water and sky through education and to regain our spiritual link with the land to see ourselves as coming from, and in harmony with, 'Mother Nature, Mother Earth'.

### *Recommendation*

- 1 That people in Aotearoa, particularly businesses and Government, rethink their attitudes to ownership of land and resources as expendable commodities, and recognise conservation frugality and custodianship in balance with the earth's natural replacement.

### *Arts and Leisure*

With current economic trends young people's interests have moved from an appreciation of the arts in their leisure time towards using these interests as a matter of survival. This may not necessarily be a bad thing but there desperately needs to be creative areas that young people can get pleasure from rather than having all artistic experience for young people being a form of work.

### *Recommendations*

- 1 That a resource file on youth be established and available to all groups.
- 2 That entertainment, particularly night/evening entertainment available to young people, be increased.
- 3 That funding be made available for visual and performing arts, particularly to youth initiatives in these areas.
- 4 That training in the arts receives greater funding.
- 5 That Māori and Pacific Island visual and performing arts receive greater recognition and funding.



- 6 That with the growing increase of leisure time (particularly with the rise in youth unemployment), training and promotion of creative use of leisure time is increased.
- 7 That specific funding be set aside to provide recreational programmes for the youth sector.
- 8 That in planning recreation, the changing nature of work and concurrent social changes are taken into account.

## *Youth Policy/Ministry of Youth*

STATUS OF YOUTH AND YOUTH POLICY Statements about young people as 'the future of our country' abound, and promises to invest in us are frequently made.

The reality of the present situation is that society is not organised to ensure young people's development. There has been little attempt to analyse what is happening amongst young people.

Existing Government policies frequently hinder the development of young people. Policy formulation and funding tends to be negative, remedial, reactive and punitive. Positive and preventative programmes have low priority status and minimal funding.

There is a need for a co-ordinated approach to youth issues and funding based on young people's ideas, concerns and aspirations. Policies and programmes should provide an umbrella under which these can be developed and implemented in a cohesive way—we see this as a *youth policy*.

A youth policy should aim to:

- 1 Provide opportunities for young people of all gender, cultural and socio-economic backgrounds.
- 2 Secure the capacity for self reliance, initiative and endeavour.
- 3 Acknowledge the change in characteristics of youth.
- 4 Recognise the range of differing personal and cultural activities.
- 5 Provide an opportunity for young people to understand themselves and develop.
- 6 Emphasise the positive aspects of youth rather than isolating them as a target or problem group.
- 7 Reinforce the partnership between family, community and government (central and local).

- 8 Integrate culture, community, government and the church.
- 9 Support and assist with funding of iwi, hapū and whānau community initiatives.
- 10 Provide an infrastructure that supports independence recognising the necessity for support and integration.
- 11 Involve youth in political decision making and ensure a full representative youth perspective.
- 12 Ensure interdepartmental consultation and co-operation.
- 13 Ensure departmental policy and funding is focused.

To ensure that a youth policy will not become institutionalised, it must have a sound philosophical base ensuring that young people are involved in the development and implementation of these policies.

With the establishment of a Ministry of Youth it is essential that a youth policy is developed by the youth field, not formulated for it. This would act as a basis for the policy, programmes and structures of the ministry.

The youth policy developed and adopted by the Ministry of Youth or by other Government departments should be based on the Treaty of Waitangi. The Ministry of Youth should adopt the model which the National Youth Council currently operates under, giving status to tangata whenua and tauiwi.

Young people, particularly Māori rangatahi, must be represented on all decision making and policy making bodies which effect their lives.

A youth policy must cater for the cultural need of the people it is to serve, through recognition of the different values of young people.

One day I will reach the source again.

There at my beginnings another peace will welcome me. With knowledge of ourselves and our identity, we will no longer be children tossed here and there by waves and carried about by every wind but young people to define our own paths and therefore our own success stories.

In order to change things we must see ourselves clearly and describe our situation accurately, we must know what we want, we must find ways of getting there and taking everyone with us.



### *Recommendations*

- 1 That the structure, funding, programmes and policies of the Ministry of Youth Affairs be based on the Treaty of Waitangi.
- 2 That a youth policy be drawn up to promote the physical, spiritual, emotional, cultural, mental and economic wellbeing of all young people.
- 3 That a youth policy represent young people's ideas, concerns and aspirations.
- 4 That youth policy development ensures the fullest participation by young people both as an objective and as part of the process.
- 5 That mechanisms are established to develop and strengthen means of youth participation and youth representation.
- 6 That a youth policy should include a process for monitoring, evaluation and adapting areas of the policy.
- 7 That a Ministry of Youth Affairs co-ordinate youth policies with the purpose of promoting youth needs, aspirations and views.
- 8 That other government departments are under a statutory duty to consult and act on the advice of the Ministry of Youth Affairs on all matters involving young people.
- 9 That the Ministry of Youth Affairs has the power to challenge other government departments in the developing and implementing of policy affecting young people.
- 10 That the Ministry of Youth Affairs has an active educational role passing on relevant information to youth about matters of national and international concern, and also works toward dispelling racist and sexist attitudes some young people hold.
- 11 That the Ministry of Youth Affairs adequately fund the National Youth Council, so they can continue and enlarge their work as the largest representative body for youth.
- 12 That the Ministry of Youth Affairs adopts a similar method of consultation with young people as the National Youth Council.

## Appendix I

### Concepts Defined

**MANA:** The sustaining force that gives power and authority to all things to provide the energy and purpose in the realisation of vision—spiritual and physical.

**MANA ATUA:** 'The Beginning'. The ultimate mana that cannot be overcome or overpowered—it just is and always will be—Te tīmatanga me te ōtinga.

**MANA WHENUA:** The mana whenua revolves around the ability to give and maintain physical and spiritual sustenance. It is the means of identification for territory, spiritually and belonging.

**MANA TUPUNA:** Our history formulates our present which determines our future.

'Ngā taonga tuku iho' are things spiritual and physical passed to us from our tupuna.

Mana Tupuna is embraced and embodied in how we see feel and do things. We are vessels of these taonga.

Mana Tupuna is our identity and history.

Mana Tupuna is Mana Tangata.

**MANA TANGATA:** The culmination of all mana. It is the point from where we start, and yet it is not beginning. It is the phase in the cycle of life that embraces the past, with aspirations for the future by being in the present. It is from this point that we progress with what has happened, what is happening and what is yet to happen.

**TURE WAIRUA:** The spirituality, the ideas, philosophies and emotions that although intangible are the base to the reality and visions that we aspire to. It is thus unique perspective that motivates us to do or to be.

**TURE TANGATA:** These are the tangible and physical tools or actions that enable us to fulfil our visions.

Forever changing with incoming eras and generations as the vision continues to grow. It is the people, the resources, the language and values that govern all things that make the visions a reality. It is the human dimension.

### MANA ATUA—TURE WAIRUA

**KĀKANO:** The seed. The nucleus of the vision, complete in itself yet not the whole vision. The binding force of Ture Wairua and Ture Tangata. The promise of a future.

**I TE TĪMATANGA:** The acknowledgement that there was and is, never nothing—just beginnings.



## MANA ATUA—TURE TANGATA

**TOHUNGATANGA:** The guardians and guardianship of the knowledge, values and rules of mana atua, mana whenua and mana tupuna, capturing their essence to be perpetuated and entoned into the reality of mana tangata.

**HAHI:** The mana Pākehā guardians and guardianship of the knowledge, values and rules of mana atua, mana whenua and mana tangata, capturing their essence to be perpetuated and entoned into the reality of mana tangata.

**TAPU:** The values and lore of mana tangata that maintain and perpetuate the visions of the ture wairua and ture tangata of mana atua, mana whenua and mana tupuna.

**NGĀ ATUA:** The entities that govern those physical elements of mana atua and mana whenua.

## MANA WHENUA—TURE WAIRUA

**NGĀ MAUNGA WHAKAHI:** These are the mountains that set the territorial boundaries of iwi groups based on kōrero passed from mana tupuna. They represent the tribal and spiritual identification of 'birthmarks' that are recognised by mana Māori tangata.

**NGĀ PUKE KŌRERO:** Whereas Ngā Maunga Whakahi represent the tribal territories, Ngā Puke Kōrero are the sub-tribal representation of mana Māori tangata. These too have their base with mana tupuna but become a more intimate or personal identification that ascertain the boundaries within the iwi itself.

**NGĀ MOANA/AWA HOEHOENGA:** The waterways, seas, lakes rivers that make up and are within the territorial boundaries that has a physical and spiritual life-sustaining value which ensures life of the land and its people.

**TŪRANGAWAEWAE:** The spiritual standing place of the whānau, hapū and iwi. It determines the boundaries of the whenua that they are kaitiaki of.

**TIAKINA:** The physical and spiritual guardianship of the whenua that has been entrusted to the whanau, hapū, iwi which has at its foundation the belief that these taonga are not commodities to be owned or possessed but gifts to be cherished and protected.

## MANA WHENUA—TURE TANGATA

**NGĀ MARAE:** The physical standing place of ture wairua and ture tangata giving the sense of belonging a tangible base.

**PAPAKAINGA:** The home base of ture tangata based on the mana tupuna and mana whenua. It is the founding base unit of the whānau that distinguishes their particular home base from others.

**URUPA:** It is the final physical link between the people and the land. The final resting place.

#### MANA TUPUNA—TURE WAIRUA

**WHAKAPAPA:** The geneological link based on mana whānau, mana tupuna that connect ture tangata with ture wairua, acknowledging the territory, the tupuna and aligning it with ture tangata in the present.

**NGĀ ŌHAKI:** The folklore, legends and mythology that have been passed down from mana atua, mana whenua and mana tupuna that identify the tikanga and history of mana Māori for whānau, hapū and iwi.

**NGĀ TAONGA TUKU IHO:** All those things both spiritual and physical that have been passed from mana tupuna which become heirlooms for the future. These form the linking force and energy between mana tupuna and mana tangata.

#### MANA TUPUNA—TURE TANGATA

**WHĀNAU:** The whakapapa unit that form the base of hapū and iwi as determined by geneological blood ties.

**RANGATIRATANGA:** Mana Māori leadership of the people ensuring the spiritual and physical survival and wellbeing of the whānau, hapū and iwi.

**TE REO:** Represents all medium of communication—waiata, stories, poetry, whakatauki, etc., that perpetuate the act of the handing down of Ngā Taonga Tuku Iho from generation to generation.

**TE TIRITI:** The contract of intentions between tangata whenua and Tauīwi, bounded by the search for an equitable and just recognition of Māori sovereignty over mana Māori atua, mana Māori whenua and mana Māori tupuna. A document of intention, its roots are spiritual, making it therefore irrevocable.

**TIKANGA:** A system of justice based on mana Māori tikanga which include tapu, utu and aroha, which is based on the wellbeing of all—not the individual.

**HEKENGĀ:** The movement of the people around the whenua which redefined the whenua base of whānau, hapū and iwi, e.g.,—Kahungunu.

**TE WAIORA:** Is the spiritual and physical wellbeing of the people. The framework of waiora is the recognition of the need for a holistic balance between physical and spiritual.

#### MANA TANGATA—TURE WAIRUA

**MANA MOTUHAKĒ:** Established the right of the Māori people with their mana Māori to the sovereign control and determination of Māori mana atua, Māori mana whenua, Māori mana tupuna and Māori mana tangata.

**MANA MĀORI:** Is the mana that embraces all Māori people. The post-European addition to the traditional Māori system which called for the centralisation of Māori identity—physical and spiritual. To always be seen as a mana tangata concept, although not an indigenous concept, it is still a physical and spiritual reality of the post-European Māori.



## MANA TANGATA—TURE TANGATA

**NEKENGĀ:** The Māori migration from traditional whenua base to urban. A movement of economic reality, with little or no spiritual base.

**RANGATIRATANGA:** Mana Māori leadership of the people ensuring their physical and spiritual survival while basing itself on the mana atua, mana whenua, mana tupuna concepts. It is not necessarily traditional but is certainly based on a reconciliation of tauiwi and post-European Māori.

**TOHUNGATANGA:** Are the bearers of the knowledge of Ngā Taonga Tuku into both Māori and tauiwi. They provide the wisdom and technological knowledge to support the development and survival of the people.

**TE TIRITI:** Same as before providing a platform from which Māori and Tauiwi can seek reconciliation.

**TE REO:** Same as before.

**TAUIWI:** All non-tangata whenua who dwell in Aotearoa.

**WAIORA:** Same as before. It recognises the reality of the mana Māori dimension, thus incorporating all tauiwi-spiritual and physical institutions under which framework Māori people have been forced to exist. Waiora is based on the mana Māori need to have mana motuhake incorporated in all these institutions, eg., churches, justice, health, social, etc.

## Appendix II

### National Youth Council

#### *A History of Development*

The National Youth Council was established in 1962, as a voluntary organisation to act as an umbrella for young people and youth organisations.

It was run by member organisations meeting together in two council meetings each year. The council was funded through an annual grant from the Department of Internal Affairs, membership subscriptions and special sponsorship and grants.

It was an agency which attempted to represent the feelings of youth organisations to decision makers in all sectors, Government and non-Government.

In the 70's the Government began to look to the National Youth Council to provide support, advice and lobbying for the youth sector. The National Youth Council was seen by Government as representing *all* young people.

Herein lay the initial conflict which brought about the need for the National Youth Council to look at its make-up and role.

The National Youth Council was made up solely of national youth organisations. There was a realisation that many of these youth organisations appeal only to a particular group of young people and therefore the National Youth Council was serving the concerns of a minority of young people (largely Pākehā) within Pākehā hierarchical processes.

The National Youth Council began to receive challenges, externally and internally, that as it was being looked upon to represent all young people, it in fact needed to be more representative, particularly of Māori and Pacific Island young people.

This challenge was taken up by the National Youth Council and it attempted to extend its base and encourage involvement from other sectors in the youth field.

As Māori, Pacific Island and unstructured Pākehā youth groups and networks joined, however, the National Youth Council was challenged again. They saw the National Youth Council wanting Māori young people to join a Pākehā structure without giving



them access to power and continuing to operate in a mono-cultural nature, ie to join the National Youth Council but on Pākehā terms.

The National Youth Council therefore began to consider structural change to try to meet the needs of all young people and member organisations involved in it.

Many models were developed and considered, including models imported from Australia and Britain; all these were western structures trying to meet the challenges on Pākehā terms.

Over the years as the National Youth Council 'officials' were working on 'structures' the young people at council had started to progress and develop their own way of meeting and working. This was through meeting as a full group and also in culturally-based caucus. Issues were being discussed in caucus and then were brought back to the full group for negotiation and to determine the National Young Council's direction.

This structure or process was working for all groups and young people were participating—perhaps for the first time in the history of the council.

Therefore, when the structural working group presented its final draft to council in November 1986 for agreement (a structure based on a regional and national forum), it was discussed and rejected.

The council agreed that it in fact did not meet the needs of the members of the National Youth Council or the young people of Aotearoa and it did not recognise the different peoples of Aotearoa, or the developments of the council meetings.

Though it was an attempt to make the National Youth Council more representative and to give a greater role to local, regional and unstructured youth groups and to Māori and Pacific Island young people, it was felt that it did not do this appropriately. The proposed structure/constitution was seen as another Pākehā structure which Māori, Pacific Island and Asian groups were meant to fit into.

The council, therefore, discussed appropriate changes and agreed to support what had been developing at council in the structure and constitution.

A motion was passed at this council meeting: That we work with our groups and peoples to achieve a new constitution for NYC that recognises and actively supports the mana of the tangata whenua and the manuhiri of Aotearoa.

The structure was worked upon between November 1986 and March 1987, this time through caucus. At the March 1987 council the following motions were passed:

- 1 That this council accept the Treaty of Waitangi and the base for the constitution of the National Youth Council.
- 2 That the structure in principle be three culturally based caucus allowing for other caucus when and if necessary.
- 3 That the treaty-based constitution be prepared and voted on at September council 1987.

An appropriate constitution was therefore developed and presented at September council in 1987. The council passed this constitution with a considerable majority.

The new constitution and structure is a major change for the NYC philosophically and also for the council's resourcing and decision making processes.

- 1 The constitution of the NYC is based on the Treaty of Waitangi.
- 2 There is a partnership between the tangata whenua and tauwi in decision making and resourcing.
- 3 The NYC recognises the different peoples of Aotearoa who have similar but also different needs and different ways of meeting their needs.
- 4 At council meetings the different peoples are recognised in that issues are discussed and decisions made through caucusing in culturally based caucus and meeting as a plenary (full council). The culture of the representative determines the caucus, not the type of organisation they represent. This allows multi-racial organisations to send representatives who attend any or all caucus.
- 5 The executive or management are selected by caucus and are therefore supported by their 'own people'.

Contrary to some fears, this structure is not a threat—it is a model of the future of this country, where there is true partnership and structures which represent the needs, issues and cultures of the tangata whenua and the tauwi of Aotearoa.



## Glossary of Abbreviations

ACC	<i>Accident Compensation Corporation</i>
ACCESS	<i>Department of Labour Training Programme</i>
AIDS	<i>Acquired Immune Deficiency Syndrome</i>
DPB	<i>Domestic Purposes Benefit</i>
NYC	<i>National Youth Council</i>
STD	<i>Sexually Transmitted Disease</i>

## Glossary of Terms—Polynesian

āiga	<i>family, both nuclear and extended</i>
fa'alavelave	<i>difficulties, troubles, problems</i>
fia-mauli	<i>wanting to be Māori, wanting to be like a Māori</i>
fia-palagi	<i>wanting to be westernised, wanting to be like a Pākehā</i>
malae	<i>village courtyard, village common similar to marae ātea of New Zealand</i>
palusami	<i>a dish made from young taro (q.v.) leaves boiled in coconut cream</i>
Papālagi	<i>Pākehā, European people</i>
Poutasi	<i>a district in Upolu, Samoa</i>
Pulotu	<i>Sacred dwelling place of all spiritual beings</i>
saka	<i>see taro (q.v.) a dish made from taro boiled with coconut cream</i>
taro	<i>Colocasia sp. and Alocasia sp. a starchy, bulbous, food staple</i>

## Glossary of Terms—Māori

Aotearoa	<i>New Zealand</i>
ariki	<i>highest chief</i>
Hapū	<i>Sub-tribe</i>
hui	<i>Meeting</i>
iwi	<i>People</i>
kaumātua	<i>Elder</i>
kaupapa	<i>Basic, basic idea</i>
koro	<i>Patriarch, grandfather</i>
kuia	<i>Matriarch, grandmother</i>
mana	<i>Authority, prestige, power status</i>
mana Atua	<i>Power, influence of the Gods</i>
mana tangata	<i>Power, influence, prestige of a person</i>
mana tupuna	<i>Authority, prestige from ancestors</i>
mana whenua	<i>Authority over land</i>
manuhiri	<i>Visitor</i>
matua	<i>Parent, father, uncle</i>
mokopuna	<i>Grandchild</i>
rangatahi	<i>Youth</i>
rangatira	<i>Chief</i>

Rangiātea	<i>The heaven from which humanity originated</i>
rūnanga	<i>Council</i>
Tamaki	<i>The estuary in Panmure, Panmure Basin</i>
Tane	<i>God of forests</i>
tangata whenua	<i>People of the land, Māori people</i>
taonga tuku iho	<i>Treasures handed down</i>
Tauīwi	<i>Non-Māori, Settlers</i>
Tawhiri matea	<i>God of winds, of aerospheric elements</i>
te hokinga mai	<i>The return home</i>
te ao Tauīwi	<i>The world of the non-Māori</i>
tikanga	<i>Policies and procedures, tradition and customary practice</i>
totara	<i>Podocarpus totara, forest tree valued above others</i>
tōtara Haemata	<i>a fullgrown tōtara</i>
tūpuna	<i>Ancestors</i>
waka	<i>Canoe</i>
whānau	<i>Family, birth, birth-group</i>
whanaunga	<i>Relations, Relationships</i>





# PEOPLE WITH DISABILITIES

Robyn Hunt





# People with Disabilities

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## 1 Introduction

1.1 This is an overview of some of the main issues affecting the lives of people with disabilities, their families and carers, and their servicing organisations. While the disability community has much in common it is by no means a homogeneous group.

1.2 Disability occurs at all life stages, regardless of gender, race or class. It may be mild or severe, with corresponding effects on everyday life and opportunities for fulfilment. There is also diversity in the kinds of disability; physical, sensory, psychiatric and developmental. There are a large number of hidden disabilities.

1.3 Some people are disabled by accidents when they are already well-established in adult life. Others are born with disabilities, and yet others become gradually disabled as they grow older, by arthritis, or sight and/or hearing loss, or by progressive diseases such as multiple sclerosis, Parkinsons disease or motor neurone disease. There are others who have multiple disabilities. This diverse group has different needs which can often appear conflicting and divisive.

1.4 The organisations which serve the needs and represent the interests of people with disabilities are also diverse. They consist of government departments, privately owned agencies, local authorities, charitable organisations, and self-help and consumer groups, both small and large.

1.5 Within this system there are inequalities and anomalies, which many submissions have noted. The greatest inequality is the inequality between support and services received by people disabled by accident since 1974, and other disabled people. Most people in the disability community recognise the need for change. They also recognise that tinkering with a complex, inadequate and outmoded system is not enough.



## 2 Historical Background

2.1 Much of the complexity of current service and support systems and social attitudes has historical origins. Several themes emerge which have influenced the development, or lack of development, of social policies in the area of disability since Pakeha settlement.

2.2 New Zealand has been rather reluctant to face up to the problems faced by disabled citizens. In the mid-nineteenth century poverty and unemployment were seen as personal faults, no matter what their cause, in a frontier society where physical capability was highly valued. Those with physical and mental disabilities were not acceptable as immigrants. Families were expected to provide for their dependants. The state eventually provided lunatic asylums, and the state-run hospitals began to evolve.

2.3 There has been an inter-relation between voluntary and statutory provision from the start. The total state involvement in the school for the deaf saw hearing-impaired people isolated from the community, and educated in a way which made it difficult for them to communicate with hearing people, and then returned to their own communities without any support services, whereas the New Zealand Institute for the Blind provided comprehensive care from cradle to grave, which involved voluntarism as well as the state. Highly centralised care systems developed in a number of disability areas.

2.4 Only after World War One did a consumer oriented model appear, with the return of injured ex-servicemen. The limits of social acceptability were extended for them, the perception by the wider community gave them special privileges. The same occurred after World War Two. Tensions between older and newer models are still evident. The implications of community acceptance and perceptions have particular relevance to current social changes such as de-institutionalisation.

2.5 The Crippled Childrens Society was born in 1925 out of the frustration of orthopaedic surgeons attempting to establish orthopaedic outpatient services and aftercare for children with polio in state hospitals. When polio was stamped out their attention was transferred to cerebral palsy. Thus physical disability has been categorised, and the medical model still prevails.

2.6 As the state moved increasingly into the area of medical services and support the medical profession has increasingly split disability into specialised areas.

2.7 Another model arose during the 1940s with the advent of the IHC, an organisation formed by parents to get education services for their developmentally disabled children. Today IHC receives government and voluntary support, and is one of the largest disability agencies which is undergoing major changes, and like other agencies, beginning to decentralise.

2.8 In 1972 the Accident Compensation Act was passed. Illness and non-accident disability are covered by the Disabled Persons Community Welfare Act (1975) which does not consider cause of disability.

2.9 In the field of mental health the state has had almost total control, with psychiatric patients being isolated from the community in institutions. Only more recently with organisations such as Alcoholics Anonymous, the Mental Health Foundation and the Schizophrenia Fellowship, a consumer-oriented group, has there been any significant voluntary involvement.

2.10 The historical themes which have so profoundly affected development of sources and philosophies can be summarised to include: the association of disability with poverty, the rehabilitation of ex-servicemen, the establishment of interest groups, the integration of the medical profession, and the separation of work-related disability from other disabilities.

2.11 The growth of consumer and self-help groups is a recent and positive development in an attempt by people with disabilities to reach self-determination and bring about change in a situation which has been described as:

reflecting the ad hoc approach of past Social Security legislation. The criteria for setting benefits have never been made clear and this has resulted in anomalies and inequalities in the social security system.

(Disabled Persons Assembly, 1985)



### 3 Changing Structures and Lack of Co-ordination: Power and Accountability

The deficits and disadvantages of disabled people are frequently not their disability, but the lack, restriction, or inadequacy of management. We need not new resources, but a new approach.

Russell Kerse, Pukeora Conference on Care and Welfare Issues for People with Severe Physical Disability, (1978)

3.1 New Zealand has a mixed system for providing for the needs of people with disabilities. It has been developing in an ad hoc fashion as the section on history has shown. There is a mix of voluntary and government departments which service a variety of needs. Consumer and self-help groups have been late arrivals on the scene.

3.2 The organisations, large and small, with resources to match have been set up to serve perceived needs of particular groups. Services were developed often by parents of disabled children without philosophical guidelines. Although these organisations are theoretically accountable to the public who fund them one way or another, and to their members by such means as annual reports and newsletters, they have not been accountable to their consumers in any meaningful way. The consequence of this has been the concentration of decision-making in the hands of a small group of often very powerful people, usually men. There has been a lack of co-operation, leadership and clear objectives.

3.3 Each organisation has tended to go its own way and attempts to co-ordinate and share resources have not been successful. This has resulted in duplication of services, while some groups, such as the multi-handicapped have slipped through everyone's net, although a Multi-handicapped Task Force was set up in 1986.

3.4 In 1982 Rehabilitation International New Zealand and the fledgeling Disabled Peoples International combined and the Disabled Persons Assembly was born, with its first national conference in 1983. Disabled Persons Assembly was seen by its founders as a partnership between disabled and non-disabled people. It followed the DPI principle of 51 percent of its membership being disabled. Since then regional assemblies have been formed.

3.5 In a country as small as New Zealand, and with economic problems increasing for everyone, the need to work together seems even more pressing. Disabled Persons Assembly is an umbrella

organisation which ideally links people with disabilities and the corporate members, the servicing agencies and disability groups. But a lack of resources and management skill, and varying levels of commitment of some corporate members to working as a co-ordinated group, as well as communication difficulties, have led to a patchy development in some regions.

3.6 While people with disabilities have been working on the executive of Disabled Persons Assembly they have not been reaching positions of power in other organisations, with one or two exceptions. The Royal New Zealand Foundation for the Blind has a blind chairman of the Board, and the Board also has hard-won representation of the Association for the Blind and Partially Blind. Both the Foundation and Crippled Children's Society have staff with disabilities, as do some other agencies. But most agencies, and that includes the government departments involved with disability, have not yet laid down clear consultation standards. There are still strong feelings of powerlessness among consumer groups. It is as difficult to give up power as it is to assume it, especially when livelihoods and career structure are involved.

3.7 A submission, and some research done by the Social Monitoring Group of the Planning Council have suggested a Department of 'Wellbeing' or social service be set up which would improve co-ordination. It would involve the departments of Social Welfare, Health, Labour, the Housing Corporation, and possibly the Accident Compensation Corporation. With a strong funding base it might be possible to sort out philosophical guidelines, and much needed consumer monitoring.

3.8 The accent on wellbeing would please many disabled people who are not sick, and who feel they miss out on services because of it. This is a reflection of the emphasis on sickness and disease because disability has for so long been the preserve of the medical profession. Area Health Boards offer some hope in this direction.

3.9 Devolution is one attempt to meet local needs. The ACCESS scheme in the Department of Labour is one example, and the District Executive Councils in the Department of Social Welfare are another. Reform of government departments has sometimes occurred at the same time as other developments. In 1972 the Department of Social Welfare was formed from the Child Welfare Division of the Department of Education and the then Social Security Department. At this time parents were advocating the rights of their children. In the 1980s departmental restructuring is



wide-reaching and those children are beginning to advocate their own rights.

## 4 Problems of Defining Disability

4.1 There are around thirty definitions of disability in use in New Zealand and internationally. While it would be impossible to include them all here it is necessary to discuss the implications they raise. While a definition may be seen as useful, and in some cases necessary for social policy planners, many people with disabilities see definitions as limiting their access to services and support and creating barriers to self-determination.

4.2 The medical model of disability has meant that doctors and paramedics are often the gatekeepers to benefits and services. Because of specialisation common elements of disability are separated and the 'problems' faced by people with disabilities are individualised.

4.3 The pervasive influence of medics and paramedics has penetrated the definitions, many of which are concerned with the pathology of the individual, (Social Security Act 1938, Accident Corporation Act 1972). The Disabled Persons Community Welfare Act (1975) is similar. The person is limited by physical or mental disability. This definition looks at the individual in isolation from the environment, taking little account of the disabling effect of the environment. It is also a vague definition.

4.4 Inclusiveness and exclusiveness are two factors for consideration when formulating definitions. Should a definition include more than exclude? How limiting and specific should it be? Should there also be more emphasis on the way the environment social, political, and cultural, further disables people?

## 5 Lack of Knowledge About the Disability Community

5.1 Disability organisations, and particularly those with a voluntary basis, have always been short of money and had problems with staffing. Consequently standards have not always been highly professional. It is only during the last few years that training, other

than that of social workers, has been developed in other areas of work, including management.

5.2 Standards of professionalism have not therefore often been high. Disability agencies do not always have accurate statistics about their membership. Where statistics have been kept they have not always been of much use in providing services. Registration with a particular organisation should not be necessary just for the collection of statistics. It is probably inevitable that some people will slip through the system and not be included in anyone's statistics. But it is difficult to meet needs if there is no information on the client group.

5.3 The figures included in this section are estimates, careful and intelligent estimates, but nonetheless estimates. New Zealand has not carried out a comprehensive statistical survey of the composition and the state of the disabled, unlike other comparable countries.

#### ESTIMATE OF TOTAL NUMBER OF PERSONS DISABLED, 1986

*An age distribution of all disabled persons, whether as a result of a physical or mental condition and showing numbers impaired and handicapped for 1 month or more, is set out in Figure 1. The total number of persons who are disabled in 1986 is estimated to be 486,000. Whether they are classified as physically or mentally disabled is based on self classification of what is the main disabling condition where more than one condition exists.*

*Many are disabled by more than one condition; thus estimates cannot be construed as measuring the numbers of persons in New Zealand with a particular disability. For example, Avery Jack's Survey (1981) found that 47 percent of disabled persons interviewed had one disabling condition, 30 percent two such conditions, 16 percent three and 7 percent 4 or more disabling conditions.*

FIGURE 1: Estimate of disabled persons in New Zealand 1986 (includes both physical and mental disabilities) (000)

Age Group (in years)	Impaired			Handicapped			Total		
	Males	Females	Total	Males	Females	Total	Males	Females	Total
0-14	11.4	7.0	18.4	10.4	6.3	16.7	21.8	13.3	35.1
15-64	69.7	64.0	133.7	64.0	62.9	126.9	133.7	126.9	260.6
64-74	18.0	19.5	37.5	20.1	25.2	45.3	38.1	44.7	82.8
75+	10.9	24.6	35.5	26.4	46.0	72.4	37.3	70.6	107.9
Total	110.0	115.1	225.1	120.9	140.4	261.3	230.9	255.5	486.4

Source: Accident Compensation Corporation Estimates of Disabled Persons in New Zealand 1986, Business and Economic Research Limited (BERL) 1986



FIGURE 2: New Zealand estimate of number of physically impaired and handicapped persons 1986 (000)

Age Group	Impaired			Handicapped			Total		
	Males	Females	Total	Males	Females	Total	Males	Females	Total
0-14	7.7	6.2	13.9	5.7	3.7	9.4	13.4	9.9	23.3
15-64	61.7	53.1	114.8	53.0	47.6	100.6	114.7	100.7	215.4
64-74	17.3	18.5	35.8	18.5	22.7	41.2	35.8	41.2	77.0
75+	10.6	24.2	34.8	24.2	41.7	65.9	34.8	65.9	100.7
Total	97.3	102.0	199.3	101.4	115.7	217.1	198.7	217.7	416.4

Source: Accident Compensation Corporation Estimates of Disabled Persons in New Zealand 1986, Business and Economic Research Limited (BERL) 1986

FIGURE 3: Estimated number of persons with mental disabilities 1986

	Mental Retardation (000)			Mental Disorders (000)			Total (000)		
	Males	Females	Total	Males	Females	Total	Males	Females	Total
0-14	1.7	1.2	2.9	6.7	2.2	8.9	8.4	3.4	11.8
15-64	3.7	3.3	7.0	15.3	22.9	38.2	19.0	26.2	45.2
64-74	0.3	0.2	0.5	2.0	3.3	5.3	2.3	3.5	5.8
75+	0.7	0.8	1.5	1.8	3.9	5.7	2.5	4.7	7.2
Total	6.4	5.5	11.9	25.8	32.3	58.1	32.2	37.8	70.0

Source: Accident Compensation Corporation Estimates of Disabled Persons in New Zealand 1986, Business and Economic Research Limited (BERL) 1986

5.4 Some of the most important research has been carried out by Avery Jack. Her 1981 study 'Physical Disability Survey of Wellington', has been extensively used by other researchers. She followed this the next year with a Health Department Occasional Paper based on the earlier survey, 'Disabled Women. A Double Disadvantage'. Her latest Health Department report, 'Families Care' has just been released.

5.5 There have been many surveys carried out, and research papers written in recent years, some of dubious quality, and some more professional work. Yet there still seem to be big gaps in what we really know about people with disabilities in New Zealand.

## 6 Biculturalism

6.1 Policy and the delivery of services in the area of disability has always been monocultural. It has not taken into account the concept of health or illness, and disability developed by the tangata whenua.

6.2 Four factors are considered basic to wellbeing:

taha wairua (the spirit);

taha hinengaro (thoughts, feelings, attitudes);

taha whanau (family); and

taha tinana (physical body).

6.3 There is some irony in the current interest in holistic consideration of disability when a prototype has been right under our noses for around 150 years.

6.4 But there is more to biculturalism than recognition of the Maori concept of health and disability, important though that is. The Treaty of Waitangi has the same resource sharing implications in the disability area as any other.

6.5 Most disability organisations do not meet the needs of Maori people who slip through the net, although their service needs are the same—they need to be presented in a culturally acceptable way. Most disability workers are Pakeha, and most organisations do not keep records of the race of their clients. There is some interest in this issue being expressed, Ngati Kapo at the Royal New Zealand Foundation for the Blind at Parnell is the most obvious example of progress, but it is an autonomous group.

6.6 Government departments which deal with disabled people directly have not yet made the necessary links.

6.7 Perhaps the area of most pressing need is the mental health area. Some work is being done at Tokanui and Carrington hospitals, but the hospital system as a whole is not always certain how best to support such endeavours.

6.8 It might be possible to make organisations more culturally accountable by offering positive encouragement in the form of funding for bi-cultural programmes and anti-racism education within groups and organisations.

6.9 From the selected submissions for this paper there were few clear directions in the area of biculturalism in the disability community, although lack of recognition of cultural diversity was seen



by some as a problem. It would seem necessary therefore, for service organisations, and others working in the disability area to consult widely with Maori people to determine servicing lacks and needs, and for a fairer allocation of resources. This could result in Maori people having control of their own resources and programmes.

6.10 One Maori group submission did give a clear direction. Te Roopu Moana Papapa said:

We feel that it is imperative that a Maori disabled woman and man be present and heard at the Disabled Persons Assembly executive committee to cater for our bi-cultural disabled society. An ongoing support system must be on call to those members. [4030, p.1]

## 7 Human Rights

7.1 When the Human Rights Commission Act was passed in 1977 it made unlawful, discrimination on the grounds of sex, marital status, and religious and ethical belief. (Discrimination on the grounds of race had already been outlawed by the Race Relations Act of 1971.) Both Acts prohibit discrimination in public areas affecting a person's ability to be self-reliant in the community. Those areas are: employment, training, education, the provision of goods and service, the acquisition of land, housing and accommodation, and the ability to join professional organisations, trade associations and trade unions.

7.2 Since 1977 there have been no additions to the Act, and the proposed Bill of Rights does not include disability either.

7.3 Pressure has been growing over the last year or so for disability to be included in the New Zealand legislation. Seven out of 77 submissions analysed supported its inclusion. While that may not seem like strong support, those submissions were all large group submissions, including the Disabled Persons Assembly national submission, [142] so they actually represent a large number of disabled people. Other bodies, such as the State Services Commission have supported its inclusion.

7.4 There are plenty of precedents. Most western countries have passed legislation either outlawing discrimination on the grounds of disability, or instituting affirmative action in employment. The most notable examples are New South Wales and Canada.

7.5 Disability was not included in the Act in 1977 because of paternalistic attitudes, and because of fears about the implications,

particularly the costs of building modification, lost production, and the attitudes of W people to a workplace where all employees did not conform to the same image.

7.6 Although the support for inclusion is stronger today, and the Commission itself has recommended the inclusion of disability in the Act to the Minister of Justice, those fears are still evident.

7.7 There is evidence of discrimination against people with disabilities in New Zealand. The Human Rights Commission offices receive complaints of discrimination from people with disabilities. Within a six week period in early 1988 the three offices received 17 disability and related enquiries.

7.8 Other studies, such as the Review of Disabled Persons in the Public Services, and the educational research of Jenny Neale of Urban Research Associates, have revealed discrimination against people with disabilities. Evidence of housing discrimination against ex-psychiatric patients has been highlighted in the media also.

7.9 There is then a strong case for the inclusion of disability in the Human Rights Commission Act. It would give aggrieved people some redress for their complaints, ensure the existence of a public watchdog for people with disabilities, and it would also help promote positive education about disability.

7.10 While there has been a greater emphasis on 'enabling' legislation, such as the Protection of Property and Guardianship Legislation passed earlier this year, the Human Rights Commission Act is still seen as a base line for their rights by many people with disabilities.

## 8 The Status of Women with Disabilities and Women who are Caregivers

8.1 The International Labour Organisation has referred to 'the double discrimination from which disabled women suffer: once because of their sex and once because of their disabled status. This discrimination is severe and quite pervasive in that it affects all areas of life'.

8.2 The most significant factor is the larger number of disabled women compared with disabled men. This is mostly because



women live longer than men. There is a steady increase in disability as age advances. Women over 80 years have a 60 percent chance of being disabled.

8.3 Women are more likely to be severely disabled than men, and they are less likely to have become disabled by accident. Thus women are further disadvantaged by the inequality of services provided for illness-related and accident-related disability.

8.4 Impaired mobility is the most common type of disability for women, compared with sensory impairment for men. Arthritis is the most prevalent disabling condition for women, and the resulting mobility impairment is not always visible. Yet women have less access to transport than men. They own fewer cars and often have to rely on public transport, which is often difficult for them to use and is not always adequate anyway. Because of age, and marital status-related inequalities in benefits, women are further penalised in terms of income in the area of transport and other areas of daily life.

8.5 The double disadvantage creates some peculiar complexities for women with disabilities. While often being seen as neuter gender by society, and not therefore expected to marry and become mothers if disabled before adulthood, yet they do. But self-esteem is often linked to low social expectations, and an emphasis on physical appearance. Disabled women are often denied the choices in lifestyle, health care, and control over their own fertility. A survey conducted by the Ministry of Women's Affairs and Disabled Persons Assembly during 1987 revealed problems disabled women experience with the health system.

8.6 A further complexity is that while society in general may see disabled women as neuter, this does not exempt them from sexual abuse and violence. Refugees shelter women whose disabilities may have been caused or compounded as a result of domestic violence. Yet there is little acknowledgement of this, and no planning or provision for dealing with it.

8.7 Women with disabilities experience the same gender-based social and economic disadvantage as their non-disabled sisters, but there are some differences because of disability, and disability is different because of gender.

8.8 For example rehabilitation for men is directed towards a return to the paid workforce. The emphasis is not the same for women. Rehabilitation is also seen as a physical process in line with the medical model of disability. The work emphasis is an

extension of the traditional role of women. It is ironical that while disabled women are seen as being more unfit for paid work than men, they are still expected to, and expect themselves to, perform domestic duties to the standard of non-disabled women, often with little help or support.

8.9 Where they do venture into the workforce they tend to be lower paid and less qualified than disabled men. The State Services Commission Review of Disabled Persons in the Public Service showed disabled women working in 9 out of a range of occupations while disabled men worked in 23. They tend to have had less access to education, and less choice, often being channelled into soft options. Consequently they find it difficult to pursue careers in line with their abilities.

8.10 Age and marital status are the main determinant of income for disabled women, rather than the type of disability. Extra costs of disability do not decrease with marriage, and they may be affected by loss or reduction of earned income. Lack of financial independence is a problem for women with disabilities. There is still a lack of provision for them as people in their own right, with an assumption that someone will look after them.

8.11 The current emphasis on independence and self-reliance, and our tradition which expects women to cope, disadvantages women with disabilities in the community. Guilt is often felt about making demands on others or the state. They often work hard to meet social expectation about such roles as parenting.

8.12 Caregivers are predominantly female. Their caring work is often without remuneration or support, and most important, relief. They forego earnings and experience financial hardship, as well as a cost to their personal fulfilment. They experience social isolation and physical exhaustion. They cannot and should not be expected to continue this way.

8.13 Social wellbeing for women with disabilities is dependent on their being able to achieve financial independence, have access to information to enable them to make informed choices about their lives, and be involved in planning of policies which will bring about their equality, and that of all people with disabilities.

8.14 Submissions on womens issues included the report from a national consultation conducted by the Ministry of Women's Affairs, [4058] and several submissions from disabled women's groups. Disabled women often feel that they are not included when planning and policy-making is done because policy makers



and planners are mostly male. This problem is further intensified for Maori women.

## 9 Mental Health

9.1 Mental health has been included as a separate topic in this paper because for so long it has been the 'poor relation' in the disability community. Only now is mental health finally being considered on a nearly equal footing with other disabilities.

9.2 Many of the concerns of submissions on mental health topics were with the current policy of de-institutionalisation, and advocacy, both of which are dealt with more fully elsewhere in this paper.

9.3 Many of those with mental illnesses feel that they are not seen as worthwhile individuals. But the stigma of mental illness is wide-reaching. The submission of the Schizophrenia Fellowship [2385] says of it:

Stigma is maintained by personal prejudices, news media, community misinformation, historical precedence, institutionalisation, and professional attitudes.

9.4 It quotes a recent study, 'Community Attitudes to Mental Illness in New Zealand Twenty Two Years On':

The community had persistently negative attitudes towards the mentally ill and was no more likely today to want to play a major role in the care of the mentally ill than was the case more than twenty years ago.

9.5 The submission wants resources for comprehensive treatment and care in hospitals and in the community. It advocates a Ministry for the mentally disabled.

9.6 Consumers are now playing a greater part in the push for better mental health facilities. At the 1987 Mental Health conference there were 50 consumers present, out of a total attendance of 500. At previous conferences there were only one or two. One Psychiatric Survivor (the name of a consumer group) spoke, warning against tokenism. A Wellington consumers' group called Madness Anonymous has begun public education work.

9.7 Other groups which are strong lobbyists for improved mental health care are the Mental Health Foundation, and in some cities the community mental health groups.

9.8 There are other implications for the mental health of people with disabilities which are not psychiatric. There is little recognition and understanding of the mental health problems of those

with physical, sensory, or intellectual disabilities. Depression, for example is more widespread than many professional disability workers realise.

9.9 For those who have remained in hospitals, the 1986 Review of Psychiatric Hospitals and Hospitals for the Intellectually Handicapped had this to say:

The picture of under-stimulated, under-occupied and under-noticed patients standing or sitting aimlessly in stark, crowded, smoke filled day rooms has not been totally eliminated.

The review also said that patients who could be more appropriately cared for in other environments remained in hospitals. It also described seclusion facilities as often 'Dickensian'.

9.10 Mental health issues are of particular concern for Maori people as they are over-represented in psychiatric hospitals. Social and economic disadvantage and institutional racism account for their high admission rates, and these rates are increasing while non-Maori rates are decreasing. Most people who make decisions on the appropriateness of institutional care are non-Maori who seldom have any particular understanding of Maori culture.

9.11 This would indicate that Maori people need resources directed to them, over which they have control to develop their own programmes of treatment and prevention. (Craig and Mills, 1987, pp. 3 and 4)

9.12 Some positive steps in this area have been taken. Two strong units are established at Tokanui and Carrington Hospitals. Both incorporate Maori values and principles in the treatment of Maori patients, and place particular importance on family links and obligations. It would appear that both these units and others are dependent on a small number of individuals. Other hospitals also involve kaumatua at times. All these methods have still to gain total acceptance within the health system so that they can be sure of ongoing funding and further development.

9.13 The Mental Health Foundation made some important points about the mental health of the community as a whole:

Economic and social policies, such as the level of unemployment, the quality of available housing, the allocation of decision making and the level of economic support for single parent families, all impinge on the mental health of the above groups. The extent to which our society creates disadvantage and powerlessness is related to the extent to which our society produces mental ill-health in its members. [236, paragraph 3.3]



## *The Mental Health Bill*

9.14 The Bill currently before the Parliamentary Social Services Select Committee is an attempt to take positive steps towards rehabilitation and treatment, rather than mere detention of the psychiatrically ill.

9.15 Discussion of the Bill has centred around the perceived narrowness of the Bill, and the difficulty of the client group in understanding the content of the Bill because of its technical and legal language.

9.16 The need for advocacy in the mental health area has also been an important issue, as it is for other groups of disabled people. This need has also been evident in enquiries received by the Human Rights Commission. The inability of the mental health system to cope with the culture of Maori people is also an important issue.

9.17 The Explanatory Note to the Bill poses a number of questions:

In what circumstances should a civilised society insist on treating a mentally disordered citizen who is incapable of giving his consent, or worse still, capable of giving consent but refusing to do so?

Is society ever justified in insisting on non-consensual treatment, on the grounds of the patient's interest; or is such treatment ever justified on the grounds that the patient is a danger to others?

If non-consensual treatment is too invasive of human rights, what is to be done with the patient who is a danger to others?

The final question is:

Who makes such judgements; doctors or judges?

## 10 Funding and the Charity Ethic

10.1 Submissions claim that the present system is failing to meet the needs of people with disabilities because of the assumptions on which it is based. They claim that:

Now is the appropriate time to examine critically the 'charity' or 'pity' model of providing for the needs of disadvantaged or disabled persons. (Advisory Council for the Community Welfare of Disabled Persons [1866])

10.2 This model allows policymakers and providers of services to assume responsibility for decisions taken and methods used without any consultation with people themselves. The consequences of the system based on the notion that people requiring help are

'patients', whose daily routines are structured round the needs of others, for example meal times around kitchen staffing rosters and bedtimes to suit nursing shifts.

10.3 Such a philosophical base deprives people of initiative, especially if they are dependent on others, as they are sometimes made to feel that they must be grateful and not complain, or 'rock the boat'.

10.4 The 'do-gooder mentality' often disadvantages people within their own organisations. Volunteers and staff alike make assumptions about clients which may not be true, and some volunteers may have questionable motives. (Volunteers need careful selection, training and, most important, recognition of the work they do.)

10.5 But there is more to the charity ethic. It affects funding, and the way funds are obtained. In larger agencies fundraising is an important activity, and much time and effort is devoted to it. The methods used have often been dubious. 'Poor cripples', 'cute waif', (children always get good value), and helpless pitiable people of all ages are an embarrassment to all people with disabilities. Things *are* improving, and organisations are assuming their responsibilities to educate and inform as well as scabble over the shrinking charity dollar. But having one's own disability 'sold' in the streets in the form of raffle tickets must be a disquieting experience.

10.6 But agencies face an essential dilemma. The public purse strings respond well to 'cringe and whinge' images, and the better service delivery is, the harder it is to fundraise.

10.7 The solution to that could be total state funding. That depends on whether the premise that the state should be responsible to that degree is supported. There is a view which holds that all taxation for welfare purposes is robbery. Charity should depend on the benevolence of the giver. This view claims that it is not the responsibility of the state to provide for everyone's needs.

10.8 There are also many who believe that too much state involvement would be dangerous for other reasons. It would deprive organisations of their independence, and might not necessarily deliver better services. But it might straighten out current inequalities between state funded organisations and others.

10.9 Perhaps a midway point would be the most sensible, with government providing base funding, and fundraising being reserved for special projects. If it is done responsibly the public



could be educated, money raised, and clients able to retain their dignity and self-respect.

## 11 Public Attitudes and Education

11.1 The attitudes of society towards people with disabilities are crucial to their being able to participate fully in society and reach full potential as individuals. Negative social attitudes have hampered development in the mental health area, and the success of de-institutionalisation and mainstreaming in education will depend largely on public acceptance.

11.2 The current development of consumer awareness is having a beneficial effect on public attitudes, but is barely scratching the surface. There is still a long way to go as illustrated by recent media attention to issues affecting ex-psychiatric patients, the terms of their release, and the housing problems they experience.

11.3 The mental health area probably suffers the most from negative public attitudes (discussed elsewhere in this paper). In 1987 an attempt to provide a daycare centre for people with Alzheimers disease in a fashionable Wellington suburb provoked a storm of protest from people who believed the users of the centre would be dangerous and lower their property values.

11.4 A trust setting integrated housing within a community also encountered negative community attitudes with the same reasons being given.

11.5 During March 1988 the depth of feeling and lack of understanding within some sections of the community was revealed when a letter, one of a number which had been sent to disability organisations from the Ministry of Women's Affairs, found its way into the media. A series of letters and articles including an editorial followed, nearly all of an unpleasant nature. The letter sought information for a directory of resources for lesbians with disabilities. The result of such exposure would probably deter any lesbian with a disability from identifying herself to any of the organisations.

11.6 The media have been guilty of perpetuating negative perceptions of disability. Yet they could be used by most organisations in a more positive way. Radio New Zealand's programme 'Future Indicative' has for ten years been informing and educating. NZ Disabled Magazine is a useful publication. Most organisations have

an education programme, but there is a lack of a co-ordinated education thrust with a cross-disability focus. If disability is brought into the provisions of the Human Rights Commission Act the Human Rights Commission would be working alongside the often under-resourced disability groups to promote change.

11.7 Education should also be targeted to those who have power, those who make the policies; and those who carry them out.

## 12 Income

12.1 While this subject has been dealt with fully elsewhere, it is necessary to make some comments because of the importance of this issue to people with disabilities. The subject was mentioned in most of the submissions analysed.

12.2 Some submissions were advocating a living income as of right, together with a disability allowance to compensate for the extra associated costs of disability. This would enable full social participation. Extra costs were described as; loss of income, transport, special equipment, housekeeping and gardening, heating, special clothing, home help etc. Compensation would enable people to live a more independent and dignified lifestyle.

12.3 Another important area of concern was the topic of anomalies and perverse incentives in the system, including the major one of disparity between those disabled by accident, and those disabled by other causes. This creates 'two classes of disabled'. Benefits are currently based on status rather than need, and the outdated concept of the dependent spouse. A married couple receives less than two single people on a benefit. The non-disabled partner may also have a low income.

12.4 The rate of abatement of the invalids benefit is described as being 'so harsh that it acts as a major disincentive for a disabled person to strive for independence'.

12.5 Submissions favoured income based on need rather than marital status or cause of disability. The current system is seen as encouraging dependence and isolation. The invalids benefit is also less than national superannuation. Submissions indicated that the current benefit system ought to be overhauled.

12.6 Of particular concern to the community of hearing impaired people is the low level of subsidy for hearing aids and other essential communication equipment which are 'equalising'



factors for them. This community, especially those who have been deaf from childhood have particular problems related to income because their disability is seen by others as a barrier to employment.

## 13 The Accessible Society

13.1 This is a very broad topic. It covers access to appropriate accommodation (dealt with in community living), services, transport, age, appropriate and continuing education (which will be discussed under mainstreaming), physical access to buildings and the environment, to employment and rehabilitation (both covered elsewhere and, importantly, access to information), and to aids and technical equipment.

13.2 Problems of service delivery are linked with services providers' care being designed to meet the needs of the organisation not the individual, and the lack of consultation. This is linked with lack of information about the levels of assistance and services available.

13.3 One submission recommends that computer-based information services be encouraged within agencies and be available to homebound people as needed. Others felt improved advocacy services would help. Print-disabled people have a particular problem as print is the usual medium for information transmission. There are also attitudinal barriers put up by both information providers and seekers.

13.4 Information about current events and reference services at public libraries are difficult to access for disabled people. The New Zealand Library Association points out that telephone information services could improve this situation, and recommends that toll free access to the National Library's resources be made available to disabled people through approved organisations.

13.5 Consultation with the disability community for the Royal Commission on Social Policy revealed gaps in information provision. The National Library service for the print handicapped defines print handicap and talking books narrowly. People who are unable to read for a variety of reasons could benefit from a more flexible service which would require more information than 'books' to be available. This service seems greatly under-resourced to meet a substantial social need to promote the wellbeing of a diverse group of people. The eleven Disabilities Information

Officers in disability resource centres, disability information centres, and independent living centres provide good services for disabled people. This group, along with others, such as Disabled Persons Assembly, has put forward a proposal for a National Information Service (February 1988). The need for such a service has been recognised for a long time. Disabled Persons Assembly set up Teletext and Able-Info, the latter was not successful. The proposal is for a national and regional information centre which would initially employ a project manager, and would eventually include a computer database. It would be based on the experience gained by the Disability Information Officers during the 10 years or so they have been working.

13.6 Physical accessibility to service delivery is a constant problem for all disabled groups, according to one submission. Many submissions point out that architectural barriers can compromise independent access, limit opportunities, promote discrimination, prevent integration, restrict choice, and limit self-help. They tell how many of the physical features of towns and cities that non-disabled people take for granted can create major problems of access for physically disabled and visually impaired people. Paths and kerbs are too high, there are no safe crossing places. Public transport is poorly designed in terms of accessibility for disabled people. Steps and swing doors prevent access.

13.7 Submissions point out that although building regulations, (NZ Standard 4121 (1985)) have been altered to encourage barrier-free buildings, lack of enforcement and exceptions are still resulting in inaccessible public buildings.

13.8 Access to education is sometimes linked to the limited accessibility of special equipment for disabled people. Submissions see them as a necessary right and not a luxury. There are restrictions and regulations, and a lack of overall policy, planning, or consistency. The system is not fair, and should be examined, particularly in terms of eligibility criteria. Such assistance can be seen as equalising and enabling full participation in education, work, and a whole range of other ordinary activities, particularly if the equipment is for communication.

13.9 Access is therefore a key to a full and participating life in the community.



## 14 Dependence, Independence and Interdependence

14.1 To the observer many people with disabilities might often seem to be at the opposite ends of a continuum which ranges from the totally dependent, to the totally, and often fiercely, independent. This is partly because of historical factors, which have led to a lack of a range of lifestyle choices.

14.2 But it is also partly because of public perceptions of disability, which, in turn, have affected the perception people with disabilities have of themselves. Rather than being seen as pitiable, helpless figures, many disabled people who want to be integrated fully into community life will push themselves, often to stressful physical lengths to ensure they are not seen as less than adequate.

14.3 Women are more prone to this than men, as men are more used to being looked after, at least in their domestic arrangements. Women will therefore perform, or attempt to perform, domestic duties to the expected standard of their non-disabled sisters. Some will have outside employment as well.

14.4 Men will often put all their energies into their work, and/or their leisure activities. They will attempt to equal the prowess of their non-disabled peers by racing their wheelchairs, paddling across various bits of water, climbing mountains and performing other physical feats. While enjoying sport should not be criticised this highly visible, media-friendly kind of activity can further feed into the independence image, which can become a real trap.

14.5 Somewhere between the two extremes comes inter-dependence. It already exists in several forms. The Attendant Care scheme is one, and several fledgeling integrated housing schemes and the Richmond Fellowship are others. Inter-dependence is a useful concept for the whole community. For disabled people it is enabling. By feeling able to ask for help, even if it is just asking for a wheelchair at the airport, that person is enabled to contribute and participate more fully as well as seek personal fulfilment. Asking for help does not need to be seen as an admission of defeat or failure.

14.6 People with disabilities do not have to be passive, or lack initiative and drive, but studies have shown that the total independence myth is not healthy.

## 15 The State Sector

15.1 There is a great deal of anxiety in the disability community about the philosophy of 'user pays' within the public sector, particularly within the health system. Increased privatisation, and health insurance which excludes disability is also a concern. Charges for some items such as suppositories, a daily necessity for some wheelchair users, and contraceptive pills for example, further chip away at a benefit which is already felt by many to keep them on the poverty line. This anxiety is possibly fuelled by some mis-information from people within the health system whose information and communication could be better. But it is a very real concern, and indicates a lack of good communication on such issues.

15.2 The Department of Social Welfare has lost the Council for the Community Welfare of Disabled Persons, which is being disbanded. The proposed replacement will be by representatives from each major disability category. The new council will probably act as an advisory body rather than promoting research and programmes.

15.3 Another important trend is that of 'mainstreaming' within government departments which deal directly with disabled people. An example is the Department of Labour, which has mainstreamed the special duties employment officers.

15.4 Such changes concern many who feel that it is important that disability is integrated into community life as much as possible, at least one submission has warned that it would be a mistake to lose the affirmative action focus which is still necessary.

15.5 At the time of writing, changes to the equal opportunities provisions of the State Sector Bill, extending the requirement to be 'good employers', to include 'recognition of the employment requirements of people with disabilities' have been introduced. A definition of an Equal Employment Opportunities programme has also been included, and development and monitoring of such programmes has been strengthened.

15.6 (Equal employment opportunity is covered more fully elsewhere.)



## 16 Work and Equal Employment Opportunity

16.1 As paid work is the basis of individual value in our society, and creates feelings of self worth and self esteem, work-related issues are of great importance to people with disabilities. Employment-related discrimination on the grounds of disability is not included under the Human Rights Commission Act 1977, although there is growing support for its inclusion.

16.2 Most of the larger disability organisations such as the Foundation for the Blind include placement officers in their staff, although many disabled people choose not to use their services. The Department of Labour also offers placement services for disabled people, although many people choose not to use its services either. The department has worked with employer groups and disability groups to provide educational material in this area, and as well the department runs the workplace modification grants scheme. It also operates the Job Opportunities Scheme for disabled people. Disabled people are not included in the ACCESS training target groups.

16.3 The Employers Federation has produced a comprehensive positive action guide for employing people with disabilities. While opposing legislation and quota systems (quotas are almost a dead issue now), the Federation believes that education is the answer.

16.4 In the private sector larger companies are more inclined to employ staff with disabilities. But disabled people tend to be disproportionately represented in lower paid jobs in the manufacturing and behind-the-scenes clerical areas. Work is often inappropriate for the worker's ability as well as the disability. Disabled people are still under-represented in the fastest growing areas such as financial sales and services, and the data processing industry.

16.5 A 1986 survey conducted by the Rehabilitation League in conjunction with the Employers Federation reported a great deal of negativism among a randomly selected group of employers. Myths are still prevalent and many believe that the free market economy has no room for disabled workers who are perceived as being a liability in the workplace.

16.6 A statement on equal employment opportunities was made by government employing authorities in 1984. An employee assistance programme also operates for staff whose work may be impaired for health or related reasons. The State Services Commission runs a scheme for the employment of disabled people under which they can be employed at lower pay rates than other staff because they cannot undertake full production work. But this scheme is currently hampered by lack of funding and provision for increasing numbers. (A similar under-rate workers clause exists in private sector awards.)

16.7 No one has ever surveyed the number of disabled people in the total workforce. Many especially those with hidden disabilities would not wish to identify themselves for fear of discrimination. The Equal Employment Opportunities Unit of the State Services Commission is embarking on a census of disabled people in government departments as part of its education and support work.

16.8 During 1985 and 1986 the Equal Employment Opportunities Unit made a comprehensive review of the employment of disabled people. It revealed, among other things, that disabled women occupy a much more limited range of jobs than their male counterparts. But its most damning comments were reserved for government policy. It found that Government Departments moving towards commercial and state owned enterprise status did not want to employ disabled people. Since then the Unit has found that while policy is being debated staff are quietly being edged out of the system.

16.9 The review said:

There is no evidence, as yet, that the Government's own policies in respect of its enunciated social goals or its international commitments are being taken account of within the operational and decision-making framework of the Public Service. This has been most obviously demonstrated in the planning of and response to the Government's commercialisation policy with the public sector. This policy has elicited reactions from an increasing number of departments that are overtly discriminatory of disabled and health-impaired employees. Our findings therefore represent a criticism of the lack of balance between the economic aims and the social responsibilities of management in the formulation and implementations of these policies. Further, the decisions taken appear to ignore and indeed seriously undermine solemnly undertaken and binding commitments.



16.10 Submissions too, reflected a concern for the impact of corporatisation on employment opportunities for people with disabilities. The Wellington Community Mental Health Services group said:

The effect of corporatisation has been to reduce drastically the work opportunities for this group. The traditional provision of 'sheltered' employment within departments such as the Ministry of Works, Post Office and Government Printing Office appears to be disappearing. [3170, p. 7]

16.11 Submissions emphasised the need for a range of employment options, including part-time work. One submission suggested a Job Search programme similar to Student Job Search. The same submission also suggested that there ought to be more targeted work assistance programmes such as the Department of Labour Job Opportunities Scheme.

16.12 Other groups wanted sheltered workshops to be made more accountable to prevent the exploitation of workers with disabilities. The Ngati Kapo submission said:

Sheltered work is where many of our people are placed. There are no awards and advocacy, leaving them in a position of poverty and feeling undervalued.[3334]

## 17 Rehabilitation

17.1 Rehabilitation services in New Zealand suffer from a lack of overall planning and policy. One submission emphasised the lack of training for rehabilitation staff, many of whom train on the job while working with vulnerable people. The Rehabilitation Studies course at Massey University cannot cope with the numbers wanting to study rehabilitation. There should be a more comprehensive rehabilitation education programme.

17.2 Other submissions advocated community-based rehabilitation, with more freely available rehabilitation counsellors. There was a claim that rehabilitation medicine is strong on philosophy but short on action.

17.3 The assessment and evaluation of abilities was also criticised, assessment being based on stereotypes and preconceptions.

17.4 The Head Injury Society (452) complained of a lack of co-ordinated long-term rehabilitation service, and suggested a more holistic approach.

17.5 Rehabilitation in New Zealand has tended to emphasise return to the paid work force, and has therefore been targeted more to the needs of men. This has probably happened because most of the services were originally designed for injured servicemen returning from the two world wars. Hospital-based rehabilitation has followed the medical model.

17.6 The push for community based rehabilitation has been linked with the concept of inter-dependence. Women with disabilities (4058) said:

The concept of interdependence needs to be understood. Too often rehabilitators aim for total independence thus setting people up for failure as they suffer isolation, loneliness, frustration and depression. (P. 12).

We would prefer to see that process turned around and that rehabilitation involved community education to enable the community to adapt to the needs of individuals with disabilities rather than individuals having to adapt to the 'norms' of the community. (P. 13)

17.7 Disabled Persons Assembly Auckland region (2292) advocated more appropriate rehabilitation tailored to the needs of the individual. It also wants full use of modern technology and training for use of high technology to enable those with disabilities to compete for high paying jobs on the open market.

17.8 The Wellington Disabled Women's Support group (4861) said:

Many vocational rehabilitation services under-estimate the potential of their clients, often emphasising manual repetitive physical skills and under-estimating and under-using other skills. People are often written off as unemployable when they are not. Training is often given in areas where jobs are decreasing, for example,; assembly-line work. More attention should be given to the fast developing financial sales and service areas and the use of new technology for the clients rather than the administration. (P. 5)

17.9 Rehabilitation has been slow to change. New Zealand still has not ratified the International Labour Organisation Convention on the Rehabilitation of Disabled Persons. Reviews conducted within rehabilitation services in New Zealand have taken a long time to produce any noticeable changes. More consumer involvement in programmes is necessary.

## 18 Issues of Change

18.1 While the foregoing topics are of great importance to people with disabilities, there are a group of issues which centre



around areas of profound change. They represent philosophical changes which appear very threatening to many people, many of whom are not disabled. They carry with them a set of 'buzz words' which have not necessarily had their meanings clearly communicated to the community at large, which tends to add to the confusion. Broadly, these issues represent an emerging from seclusion of people with disabilities: the seclusion of institution and special school, of sheltered workshop and sheltered lives. Unless this emergence is carefully planned there will be casualties on the way. But there is also a factor in 'normalisation' which should not be forgotten. Disabled people want to be able to take risks.

18.2 The submission of the Central Hawke's Bay Hospital Board says:

'Normalisation' states that disabled people have the right to experience risk and to incorporate it into the decisions that they make. On the other hand, institutions and agencies want to eliminate risks. [4212]

## *Advocacy and Empowering*

18.3 This is one of the clearest messages from people with disabilities from the submissions. Disabled people want to speak for themselves:

We do not want charity or special favours and privileges, only the same basic rights and freedoms as others. We wish to be treated as equal human beings, to be able to participate in the common life to the extent of our capabilities without having to face unnecessary barriers to our involvement. We have the same needs and desires as anyone else, to the self-sufficient, self-determining, and to have a measure of dignity and self-respect, to be contributing and responsible members of society—to enjoy the same freedoms, rights, responsibilities as anyone else. (Advisory Council for the Community Welfare of Disabled Persons. [1866])

18.4 A crucial part of this approach is advocacy, either self-advocacy or advocacy on behalf of another person. It may be someone like a personal friend to be an advocate, or it may be a person appointed to seek the perspective and guard the rights of a person in an institution. An advocate could even be part of an appeal system. There is a particular need for advocacy in psychiatric hospitals.

18.5 It is interesting to note that movement for self-advocacy in New Zealand came from Intellectually Handicapped people, not physically disabled as might have been expected. The People First organisation is based on the American group of the same name (not

to be confused with the political group). The group's submission [2758] took a strong stand on the equal rights as people with intellectual handicaps.

18.6 Advocacy services should be funded by the Departments of Health, Justice and Social Welfare, submissions, suggest, and a pilot should be set up in several areas of the country to begin with.

### *Mainstreaming in Education*

18.7 This has the potential to be a divisive issue, although it is seen by many submissions as an opportunity for enhancing independence and participation of disabled children, and increasing community understanding and improved attitudes towards disability.

18.8 Some submissions point out that without attention to appropriate social skills for the disabled and other children, the experience will reinforce existing patterns of isolation, leading to ghettos of disabled children within schools.

18.9 There is agreement among the submissions about the need for teachers to be educated about children with disabilities and special needs. Several suggest that disability education in schools should be done by disabled people. They also discussed the need for support staff, and improved staffing levels. At least one submission points out the need for the education to be appropriate to the needs of the child, so that residential care might still be best for some.

18.10 Members of the blind and hearing impaired community are also anxious about losing their 'centres of excellence', and the level of specialised technical skills needed to teach their children with particular communication needs. They are also concerned about the resources to service those needs.

18.11 One school committee opposed mainstreaming in its submission, and there are other groups and individuals in society who have expressed their opposition in other forums. However some schools have mainstreamed children for over thirty years with little ill-effect to any parties.

18.12 Meanwhile mainstreaming continues up to schedule. The five-year programme which tackled the relocation of 55 groups from intellectually handicapped schools had, at the end of 1987, transferred 33 of them. By mid-February about half of this year's groups had been approved.



## *Consumer Based Funding*

18.13 This is a much misunderstood term which has as its base the concept that funds should go direct to the consumer than to the service organisation, as a means of empowering the consumer. The theory is then that the consumer will be able to choose services most appropriate to his or her needs. Services may also compete for consumers. It does not mean that the consumer will be given a sum of money to spend on services. Nor does it necessarily mean a voucher system. So far there has been some consumer opposition, particularly from the parents of intellectually handicapped children who say that competition is unrealistic, and that there needs to be an organisation which has a responsibility to provide for intellectually handicapped people who may not be able to administer the funds themselves anyway. They also question the basis for allocation of those funds, and the provision of monitoring.

## *De-institutionalisation and Community Care*

18.14 This has been the most controversial and most emotive of the 'issues of change'. Yet it is not completely new. Physically disabled people and psychiatric patients have been rehabilitated into the community since the 1960s, and the trend of institutionalising blind and intellectually handicapped people has not been common for some years.

18.15 It has not been possible to discover how many institutions have closed in New Zealand. There are good and bad examples of community care, and housing problems being experienced by ex-psychiatric patients would indicate a degree of community neglect.

18.16 However some proponents of health promotion believe that the resources are available within the community, and what is needed is people who can tap into these resources.

18.17 Some hospital boards are making strong efforts to ensure community support and that community care does work. Auckland, Otago and Nelson have moved to co-ordinate services and ensure funding.

18.18 There were few submissions, of those analysed, which did not raise the issue of de-institutionalisation, expressing strong views in relation to both the principle and the practicalities involved. Many saw it as a positive move for the individual.

18.19 While there is a lack of sound research on the outcome of de-institutionalisation, many are in favour because it will release resources for those who wish to care for family members at home. Others see it as a way of enabling people to live a more 'normal' life, explaining that that means enabling people to live a life more like that of other people, rather than the artificial life of an institution.

18.20 It is seen as a way of integrating people into the community, and increasing opportunities for participation, recognising the value of self-reliance and independence and support networks.

18.21 Other submissions support the concept but express concern about practicalities. Some oppose it, seeing hospitals as a place of security and protection. One expressed concern about the receptiveness of the social climate, quoting overseas evidence of homelessness and neglect. Some older parents of intellectually handicapped offspring are worried that they might have to care for a son or daughter when they feel unable to.

18.22 Warnings are given about the necessity of community support, both in terms of caring and the provision of financial support. Most agreed that planning and recognition in these areas is essential. They emphasise that de-institutionalisation is not a cheap option. The provision of 24-hour crisis teams was seen as a necessity. Support should be available before release, and consumer participation was also advocated.

18.23 Living in the community includes also accommodation choices. Submissions saw a need for stable and permanent accommodation, with a range of options through 24-hour medical care, residential care, group homes, independent but supported flats, to own home with attendant care. (The Attendant Care scheme now operates in Auckland, Hamilton, Palmerston North, Wellington and Christchurch.) Submissions stressed that accessibility and security of housing would have a significant impact on the quality of life.

### *A Blueprint for the Future?*

18.24 A pilot scheme will begin operating this year to test the concept of service brokerage. The pilot will be at Palmerston North and will test out the hypothesis that inter-agency servicing will best meet the needs of people with disabilities. People are



generally locked into a single service agency which is organisationally driven and therefore the range of available services is limited.

18.25 By broadening the service base options will be spread across several agencies, thus providing benefits for both parties.

18.26 A General Service Plan will be developed for those participating. Each plan will outline the consumer's need for services across the full range of daily living needs. This is planning for the whole person, recognising links between the various aspects of a person's life, work play, physical, health, work, education, emotional and spiritual growth.

18.27 To facilitate the use of the plan and access services an independent service broker will work with consumers. The broker will work in the areas of the General Service Plan, inter-agency servicing, strengthening personal networks, and identifying gaps in service provision.

18.28 With client involvement in decision making, and with increased self-advocacy as an ideal, some clients will benefit from the services of a personal advocate they have selected from their own personal networks. Where strong networks do not exist, the broker can help widen them. Training will be offered.

18.29 The search for services will lead to the identification of gaps in services. The broker can work co-operatively with agencies to work towards meeting the needs.

18.30 If consumer-based funding were introduced it could be allocated through this system.

18.31 The pilot is modelled on a Community Living Programme in Vancouver, Canada, and the co-ordinator of the pilot has worked with that programme.

18.32 The pilot will probably involve a small group of selected people. This group would represent a cross-section of disabilities, with some of the people currently serviced by agencies and others not. General Service Plans might then be developed for each person, with a consequent search for appropriate servicing options from within the range of agencies and services available in Palmerston North. The pilot group will be monitored to identify problems, benefits for individual and agency and financial implications.

18.33 An independent research and monitoring programme is being designed, based in and supervised by the Massey University Social Policy and Social Work Department.

18.34 Input to the project will be sought from a wide base of consumers, government and voluntary agencies, academics, and other interested people.

18.35 While this programme does not have all the answers, it is addressing many of the problems. What will happen when the unmet needs are identified is probably further down the track, but the pilot Community Living Programme could develop into a useful means of dealing with and promoting change.

## 19 Conclusion

19.1 Disability is diverse and affects every group in society. Yet people with disabilities feel that they lack a voice in all matters which effect them. The desire for advocacy services and self-advocacy skills was one of the strongest threads running through the submissions relating to disability. There is also a clear need for an affirmative action programme to equip people with disabilities with the skills they need to achieve power over their own lives, and this could be begun immediately with the allocation of appropriate resources.

19.2 Empowerment also has to be achieved, through genuine and effective consultation. Effective channels of communication and clear standards need to be worked out so that consumers can participate in decisions which respond to their needs. To make sure this actually happens effective monitoring must be undertaken, and ways of measuring results should be designed. Consultation is particularly necessary with Maori people and women, and in the area of mental health.

19.3 Empowerment can also be achieved through a more equitable distribution of incomes for individuals, related to meeting general needs rather than being determined by marital status or cause of disability. The system of benefits currently operating is long overdue for revision.

19.4 Funding too, can empower. A more equitable funding base would close the gap between government funded agencies and others, and empower groups which have not had access to resources before. This includes particular groups such as those suffering mental illness and people who are profoundly deaf. When funding those large agencies already receiving considerable



government support, they could be directed to give particular consideration to meeting the needs of women with disabilities and Maori and Pacific Island people. Tagged funding for bi-cultural education and programmes could be a particular priority.

19.5 Mainstreaming, in the broadest sense of the word, can also be empowering if it enables people with disabilities to participate fully with others on an equal basis. Its purpose is not as a cost cutting exercise. It must retain an affirmative action thrust, at planning, and implementation levels, and careful monitoring is also essential. Policy makers must be aware of areas of particular vulnerability, and make sure that adequate resources are provided. This would include people with mental and developmental disabilities who are leaving institutions, and visually impaired and profoundly deaf children who are entering the mainstream education system.

19.6 Empowerment would also be achieved by nurturing the development of consumer and self-help advocacy groups. This could be achieved by better co-ordination of the government departments which allocate many resources. The suggestion of a Department of 'Wellbeing' (3.7), would give a welcome emphasis on wellness rather than sickness.

19.7 The theme of the accessible society empowers its citizens by embracing them all. Having a physically accessible environment for all, breaks down barriers to everyday living, in education, recreation, employment, health and other services. Present provisions for physical access are inadequate. They need to be strengthened and enforced, by strong legislation if necessary. Full participation will never be achievable if this does not happen.

19.8 But access also includes access to special equipment, some of which involves expensive technology. The provision for such technology is inadequate and unco-ordinated. There is a need for clear policy and guidelines in this area, and a recognition that high technology which brings access to the benefits should be more of a right than a luxury.

19.9 Access to information via an integrated and flexible information service is also a high priority. Such a service could expand and build up already existing facilities, such as the work of Disabilities Information Officers, talking book services, telephone news services, and computerised databases. The criteria for such a system should be that it provides for *all* those who cannot access printed material, for whatever reason.

19.10 The philosophical basis for the way disability is viewed by society needs scrutiny. At present the onus is on each individual to cope with her or his disability. But if society is to be fair and just, then it must accept collective responsibility, and be prepared to adapt as well, rather than expect the individual to bear the whole burden. The principle of interdependence, illustrated by integrated housing projects, the attendant care programme, and the service brokerage pilot is one to be promoted. It enables people with disabilities to give as well as take, and could be applied in education, rehabilitation, leisure, and work. It could provide a focus for those who make policy and those who carry it out.

19.11 The cornerstone of disability rights is the Human Rights Commission Act. Its amendment to include disability is also discussed in the Elimination of Inequalities section of the Work paper, volume II. It would provide redress for grievances, a public watchdog and a focus for much needed education. It is crucial for disabled people.

19.12 If people with disabilities are to achieve true equality they must have the power to control their own lives, allocate their own resources, be able to take risks, and have redress for grievances. The systems and agencies which serve them must be accountable to them, and be monitored by them. A holistic philosophical approach which recognises and fosters interdependence and inclusiveness, and discourages fragmentation while affirming diversity, should be developed. Social and economic changes in these terms would contribute to a fair and just society.

### *Note on Submissions*

Seventy-seven submissions were analysed for this paper. They were selected from a wide cross-section of those identified as discussing disability issues, representing individuals and a variety of disability groups and other organisations.



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# CONSUMER AFFAIRS

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# Consumer Affairs

Peter Benge

## 1 Introduction

1.1 The Royal Commission on Social Policy has been asked by the Government to find out what needs to be done to make New Zealand *a more fair and a more just society*. Judging from the submissions received by the Commission fairness and justice are also major concerns of New Zealand consumers.

1.2 Most of the submissions on consumer affairs issues related to the provision (or withdrawal) of services provided by the Government. A number of these submissions took the form of consumer complaints, for instance about the withdrawal of postal and Postbank services [3165, 3872]<sup>1</sup> or about the perceived inequity of the superannuation rate for single people [2464, 3961]. The submissions frequently highlighted the importance of consumers having a voice in what services the Government provided and how these services were provided [0065, 0806, 3228]. Some referred to the necessity for continued or improved funding for independent social service providers [0880, 2529].

1.3 A number of submissions was received from organisations, such as the New Zealand Association of Citizens Advice Bureaux [2446], the Porirua Community Law Centre [3324] and the Ministry of Consumer Affairs [4952], which deal regularly with a variety of consumer problems. These submissions concentrated on marketplace issues, primarily the necessity for the introduction of, or changes to, laws which govern trading practices. Other issues addressed included those of improved consumer information and

<sup>1</sup>Numbers in square brackets indicate the reference numbers allocated to submissions received by the Royal Commission.



education, improved access to redress, better funding for community services and more responsiveness and accountability to consumers by the Government.

1.4 The submissions clearly identified the fact that New Zealanders' concerns as consumers went beyond monetary marketplace transactions to the provision of social services. A *consumer* can best be defined as *a user of goods or services*. In this sense, all New Zealanders are consumers.

1.5 The fact that submissions on consumer issues concentrated on social provision is hardly surprising when these submissions were being made to a Royal Commission on Social Policy. However, economic policy and marketplace practices must be relevant considerations for a Royal Commission on Social Policy.<sup>2</sup> The way in which the Government manages economic and marketplace issues is determined by the social policy the Government wishes to pursue.<sup>2</sup>

1.6 The principal basis for the development of consumer policy measures and of independent organisations which support consumers is that the consumer is in an unequal bargaining position with suppliers<sup>3</sup> of goods and services. This unequal bargaining position arises because suppliers normally have a great deal more information about the goods and services on offer than do consumers. Suppliers are also normally more informed about commercial and consumer law and their rights and obligations under the law than are consumers. The central focus of consumer policy and consumer support measures has, therefore, been to equalise the bargaining positions of consumers and suppliers in the marketplace.<sup>3</sup>

1.7 If consumers have a choice of competing products and are able to assert their rights as consumers<sup>4</sup>, including the right to information, they will be in a position to purchase those goods and services which best meet their requirements. This will cause suppliers to be responsive to consumer demand, as their economic wellbeing will depend on their responsiveness.<sup>4</sup>

1.8 Many government provided services, such as the social welfare, education and health systems are monopolistic or semi-monopolistic. They are also provided substantially free of charge to

<sup>2</sup>See the Commission's paper on the Interrelationship of Economic and Social Policy.

<sup>3</sup>In this paper the word 'supplier' is used in its widest sense to mean any person or organisation that provides goods or services, and is not restricted in meaning to 'retailer'.

<sup>4</sup>See section 3 of this paper for a description of consumers' rights.

consumers out of public funds. While there is very good reason for the continued provision of these monopolistic services free of charge by the Government, the fact that they are monopolistic and provided free of charge lessens their natural responsiveness to consumer demand. As has been noted in paragraph 1.2 above, a number of submissions on consumer issues highlighted the need for greater consumer 'voice' in the provision of these services. It is this issue which is the central concern of consumers of government-provided services.

## 2 Consumer Organisations in New Zealand

2.1 In the previous section it was observed that consumers need support if they are to bargain equally with suppliers. This support will come not only from governmental organisations but also from voluntary and independent consumer organisations. This section will provide information on the main governmental and independent consumer organisations in New Zealand.<sup>5</sup>

### *The Ministry of Consumer Affairs*

2.2 In 1984 the Government established a Consumer Affairs Unit within the Department of Trade and Industry. Following extensive consultation the Consumer Affairs Unit was replaced by a Ministry of Consumer Affairs on 1 July 1986. The Ministry's goals are:

- 1 to advise the Government on matters affecting consumers;
- 2 to promote and participate in the review of consumer-related legislation, policies and programmes;
- 3 to promote awareness among consumers and the business sector of their rights and obligations in the marketplace so that exchange activities are undertaken without disadvantage to either part; and
- 4 to support and co-ordinate non-Governmental involvement in consumer issues.

<sup>5</sup>*The Report of the Consumer Affairs Unit on Establishment of a Ministry of Consumers Affairs and Related Policies*, which was released by the Minister of Consumer Affairs in November 1985, contains a fuller list of consumer organisations which existed at that time.



2.3 The Ministry currently has a staff of 14 people and is divided into 3 sections : Operations, Policy and Product Safety. The Operations Section conducts the Ministry's consumer education and consultation activities. (The Ministry's role in consumer education will increase from 1989 when Consumers' Institute ceases its publicly funded activities in this area). The Policy Section develops consumer policy, promotes legislative reform and administers parts of the Fair Trading Act, 1986. The Product Safety Section administers those parts of the Fair Trading Act which relate to the setting of mandatory product and service safety standards, and the banning and recall of unsafe products. The section also develops consumer policy relating to product safety. Wherever possible, the Policy and Product Safety Sections develop policy after consultation with consumers and the relevant business groups.

2.4 A complaints and liaison service will be operational within the Ministry from 1 January 1989, replacing the government-funded complaints service which has been run by the Consumer's Institute. A total of seven Complaints Officers will be situated in 5 locations within New Zealand. Associated with the Complaints Officers will be 3 regional Liaison Officers who will be appointed by the Ministry in close consultation with local communities. The regional Liaison Officers will promote awareness of the complaints service and of consumer issues within the communities.

### *The Commerce Commission*

2.5 The Commerce Commission, was established on 1 May 1986 by section 8 of the Commerce Act 1986. The Commission's Fair Trading Directorate enforces the Fair Trading Act 1986. At the same time it encourages actions or solutions of problems by private individuals. The Fair Trading Directorate has an important role to play in fostering understanding of and compliance with the Act. It is currently situated in Wellington, Auckland, and Christchurch and has a staff of 17.

## *The Office of the Ombudsman*

2.6 The Parliamentary Commissioner (Ombudsman) Act 1962 established the office of the Ombudsman. This Act was subsequently consolidated by the Ombudsmen Act 1975. There are currently two Ombudsmen situated in Wellington with a total of 37 staff located in Auckland, Wellington and Christchurch.

2.7 Ombudsmen are Officers of Parliament who are appointed by the Governor-General on the recommendation of the House of Representatives. They are entirely independent of the government of the day and are answerable only to Parliament. The function of an Ombudsman is to conduct independent investigations into complaints against any decision or recommendation made, or any act done or omitted, by most government departments and organisations, and committees, subcommittees, officers, employees and members of local organisations such as county, borough and city councils, catchment, hospital and education boards, electrical supply authorities, and similar organisations. Complaints must:

- 1 relate to a matter of administration, and
- 2 affect a person or a body of persons in their personal capacity.

2.8 An Ombudsman has authority to form an opinion that the recommendation, decision, act or omission:

- (a) appears to be contrary to the law;
- (b) is based on a mistake of fact or law;
- (c) is unreasonable, unjust, oppressive, improperly discriminatory or wrong;
- (d) is based on a law or practice that is or may be unreasonable, unjust, oppressive, or improperly discriminatory.

On forming such an opinion the Ombudsman may recommend:

- (i) that the matter be reconsidered, varied or cancelled, or reasons for it to be given;
- (ii) that the law or practice be reconsidered.

If an Ombudsman makes a recommendation and is not satisfied that it has been acted upon, the Ombudsman may:

- 1 in the case of a government department or organisation send a report to the Prime Minister and thereafter to Parliament; or



- 2 in the case of a local organisation require that organisation to make available to the public a copy of the Ombudsman's report.

However, an Ombudsman has no statutory power to enforce recommendations.

## *Consumers' Institute*

2.9 Consumers' Institute was set up under a section of the Finance Act 1959 and later given its own Consumer Council Act in 1966. There are two main parts of the organisation:

- 1 The Consumer Council, which meets five times a year and is the governing body of the organisation. Subject to the wording of the Act and the laws of the land, the Consumer Council is a fully independent body. It has no political or commercial ties.
- 2 Consumers' Institute, which includes the Consumer Council; all committees and sub-committees of the Council; and each of approximately 120,000 subscribing members. The organisation has, to the present, combined within the one body two roles:
  - (a) The role of a Consumer Council: working for all consumers, handling complaints, product safety work, consumer education in schools, making submissions on legislation, all funded by the Government.
  - (b) The role of a Consumer Association (the Institute), working for its members and funded by them.

2.10 In 1989, by Cabinet decision, the Institute will lose its Consumer Council function and will become a private Consumer Association, Consumers' Institute Inc. The Act will be repealed, the Council itself will be abolished, and the restructured organisation will be an incorporated society, governed by a board of management. The primary function of the new Consumers' Institute will be to serve its members.

2.11 The loss of Government funding to the Institute is likely to have a negative impact on the Institute's ability to continue its public affairs work, which generates no income.

This is a cause for serious concern. It is most desirable that Consumers' Institute continue to be provided with the resources to put forward to Government an independent consumer view on matters of general interest to all consumers.

## *The Dunedin Consumer Association*

2.12 The Dunedin Consumer Association was established in 1959, to address specific regional issues. It is a voluntary organisation loosely affiliated to the Consumers' Institute and undertakes the following activities:

- 1 Consumer surveys;
- 2 Public meetings on consumer issues;
- 3 Publication of a quarterly newsletter; and
- 4 Publication of a *Dunedin Eating Out Guide*

## *New Zealand Association of Citizens' Advice Bureaux (Incorporated)*

2.13 The New Zealand Association of Citizens' Advice Bureaux (NZACAB) was established in 1973. It is the national association of 77 Bureaux in the main centres, provincial cities and provincial towns. The main functions of the NZACAB are:

- 1 to provide information and advice on any matter to members of the public;
- 2 to make available specialist services, including legal services, by referral and/or by regular on the spot assistance;
- 3 to collect information in order to identify needs in the community which are not being met (for example marriage guidance counselling);
- 4 to provide a nucleus for additional community activities.

2.14 Citizens' Advice Bureaux and the National Association are staffed by volunteers. However, the NZACAB also receives some financial assistance from the Government. The Association notes in its submission [2446] that the greatest number of complaints it handled in 1986/87 were on consumer matters. It has also observed an increase in requests for legal and budgeting advice over recent years.

## *The Federation of Family Budgeting Services (Incorporated)*

2.15 The Federation of Family Budgeting Services is a voluntary organisation which was established in 1975. It currently has 143



members and approximately 2,500 volunteers working nationwide. The objects of the Federation are:

- 1 to co-ordinate and assist family budgeting organisations in New Zealand;
- 2 to promote high standards among organisations engaged in budget advisory work;
- 3 to act as a link between budget advisory services throughout New Zealand and to represent these services when required in dealing with government departments, business houses and the general public; and
- 4 to engage in promotional and educational activities regarding family budgeting.

Some funding for these activities is provided by the Government.

### *The Coalition for Community Law Projects*

2.16 The Coalition for Community Law Projects, established in 1984, currently consists of nine members—the Grey Lynn Neighbourhood Law Office; the Dunedin, Wellington, Christchurch, Mangere and Porirua Community Law Centres; Nga Kai Whakamarama I Nga Ture (the Maori Legal Service in Wellington); the Huakina Development Trust; and Ture Amo Kura o Heretaunga. The last 3 services are Maori-based.

2.17 All members have adopted as guiding principles the following:<sup>6</sup>

- 1 legal services providing access to justice must actively promote structural change;
- 2 legal services must reflect our bi-cultural heritage;
- 3 legal services must be controlled by and responsive to consumers of those services;
- 4 legal services must promote participatory justice and self-reliance; and
- 5 the Government has a duty to provide effective legal services as an essential social service.<sup>6</sup>

2.18 The Coalition meets bi-annually to discuss areas of common interest and to formulate a unified policy and strategy, particularly on funding. Members of the Coalition rely to a large extent on volunteers, but financial support is obtained from the Government

<sup>6</sup>These are the fundamental principles of legal services stated in the report *Te Whainga i Te Tika—In Search of Justice* presented to the Minister of Justice and published in 1986.

to employ full-time staff and to run programmes. Other funding is obtained from charitable trusts, fund raising and local law societies. 2.19 Despite the fact that some funding is available from the Government, many voluntary organisations find they cannot cover costs. At the same time, these organisations are often overwhelmed by the community's demand for their services. Where desperately needed social services are being provided a strong case can be made for the Government to pay those who provide the service. At the very least, sufficient government funding should be provided so that community needs can be met without cost to those providing the service.<sup>7</sup>

### 3 The Rights and Responsibilities of Consumers

3.1 The unequal bargaining position of consumers referred to in the introduction above requires a strengthening of the position of consumers if they are to bargain fairly with suppliers of goods and services. Fair bargaining is clearly desirable on ethical grounds. It also increases the efficiency of the market. To assist them to enjoy an equal bargaining position with suppliers consumers are entitled to:

- 1 legislation requiring basic standards of trading behaviour;
- 2 information
- 3 education; and
- 4 access

However, *rights universally enjoyed must be accompanied by obligations universally accepted*.<sup>8</sup> This section will address the rights, and also the responsibilities, of consumers.<sup>9</sup>

3.2 The most obvious way in which the bargaining position of consumers can be equalised is by legislating to require suppliers to meet certain standards of performance of disclosure. The Food Act 1981, the Credit Contracts Act 1981, and the Fair Trading Act

<sup>7</sup>These points were made in a number of submissions (eg., 0262, 0806, 2446).

<sup>8</sup>Mr Justice Woodhouse, Australian Woodhouse Commission, 1974, quoted in submission 0806.

<sup>9</sup>The Ministry of Consumer Affairs [4952] identified 4 consumer needs and 3 consumer responsibilities as discussed in this paper. The International Organisation of Consumers Unions has identified six consumer rights and five consumer responsibilities.



1986 are examples of such legislation. Basic standards of trading behaviour may relate to consumers' health and safety or to consumers' financial wellbeing.

3.3 It is a basic right of consumers to enjoy freedom from dangerous goods and services. To establish this right laws must exist which protect consumers from, for instance, contaminated food, cars with unsafe brakes or the practice of surgery by untrained people. These laws and their administrators must distinguish between acceptable danger and unacceptable danger to consumers' health and safety. It would, for instance, be an over-reaction to ban road transport on the grounds that consumers' safety is endangered by it. The principal criteria for distinguishing between acceptable and unacceptable danger will be:

- 1 how apparent is the danger to the consumer?
- 2 how severe is the danger to the consumer? and
- 3 how frequently does the danger to the consumer occur?

3.4 Consumers' health and safety is also endangered by environmental pollution. The effects of pollution may be very severe, but are often hidden from the consumer. The Government must monitor pollution levels in the public interest and ensure that consumers have adequate protection against environmental pollution.

3.5 Consumers also have a right to legislation which protects them financially from misleading, unfair, and grossly unethical or 'unconscionable' trading practices. It should be noted that if legislation setting basic standards of trading conduct is to protect the rights of consumers effectively, it must be well-drafted and administered and enforced effectively. It must also contain penalties which constitute a real deterrent to illegal practices.

3.6 Secondly, consumers have a right to information. If consumers are to make the most favourable and efficient purchasing decision they must be aware of the price, quality, and supply of competing products or services. In the same way consumers of Government services will need to know what services are available, where to apply for them, and how to qualify for them.

3.7 Consumers must also be informed as to their pre-sale and post-sale legal rights. It is clear that even the best legislation is of little practical value unless it is widely known. If consumers and suppliers are both informed as to their legal rights and responsibilities many consumer problems can be avoided.

3.8 The availability of information on goods and services and information on legal rights is insufficient by itself. If this information is to be used effectively, consumers must have the knowledge and skill to evaluate and apply the information. Education is therefore a fourth consumer right.

3.9 The main aim of consumer education is to make consumers more assertive and self-reliant. Towards this end it will seek to provide consumers with:

- 1 an ability to exercise critical judgement regarding goods and services, and claims made about them;
- 2 an ability to manage their finances effectively;
- 3 a basic understanding of the rights and obligations of consumers and traders; and
- 4 a knowledge of how and where to get help if necessary.

3.10 While consumer education may be undertaken through a variety of media, basic literacy is an essential requirement if the education process is to take place effectively. It is also an essential tool if consumers are to bargain and assert their rights effectively. It should not be taken for granted that literacy is universally attained in our society.

3.11 The fifth consumer right is the right of access to:

- 1 redress;
- 2 policy making; and
- 3 goods and services.

3.12 No matter how much information and education consumers have about their legal rights, unless redress is readily accessible consumers will remain in an unequal bargaining position in relation to suppliers.

3.13 Consumers have a right to participate in the policy-making process on the basis of their experiences and concerns. This right will increase the responsiveness of the Government to consumer demand relating to its social provision. However this principle relates not only to the provision of social services but to all decision making on social issues.

3.14 Consumers also have a right of access to goods and services. If this right is restricted consumers will be unable to bargain on an equal basis with suppliers.

3.15 While consumers have rights, they also have responsibilities:

- 1 to themselves and their households;



- 2 to one another (including future generations); and
- 3 to suppliers.

3.16 Firstly, consumers have a responsibility to themselves and their households.<sup>10</sup> As purchasers of goods or services for themselves and their households consumers must ensure that they obtain the goods and services which most satisfactorily meet the needs of those to whom they are responsible.

3.17 Secondly, consumers have a responsibility to one another, including future generations. They must act together through the formation of consumer groups which have the strength and influence to promote consumer interests. They must be concerned about the effects on other consumers of their own consumption behaviour, and must also consider the welfare of future generations.

3.18 Thirdly, consumers must act on what they know to be fair and just demands of the suppliers of goods and services.

3.19 It should be noted here that one group of disadvantaged consumers, Maori consumers, have additional rights guaranteed to them under the Treaty of Waitangi. There is concern among Maori people that these rights, in particular fishing rights have not yet been fully recognised [0669, 2927]. A study of the Treaty of Waitangi and its implications for New Zealand society today has been undertaken elsewhere by the Royal Commission.

## 4 Disadvantaged Consumers

4.1 While it has been seen that consumers are, in general, in an unequal bargaining position with suppliers there are certain recognisable consumer groups which are disadvantaged in a more severe way. A number of submissions identified such groups which include the following: Maori people, low income earners, Pacific Island people, senior citizens, women (particularly those on no, or low, income), young people, rural consumers, the unemployed and other minority groups.

4.2 It is not surprising that the only major groups not included in this list are pakehas, middle and upper income earners and males. These are the dominant groups in our society.

<sup>10</sup>Here 'household' is taken to mean the socio-economic unit within which people live. This may be a nuclear family, an extended family, a whanau or some other unit.

4.3 Disadvantaged consumers are, by definition, consumers who are less able to assert their rights. This may be because of a lack of knowledge or skill, a lack of mobility, a lack of funds or a lack of influence. Such consumers need special assistance from the Government so that they can assert their rights effectively. The first element of this assistance will be consumer education.

4.4 While education programmes targeted to meet the special needs of disadvantaged consumers will go some way towards assisting them to bargain equally with suppliers of goods and services, a second type of assistance is also required. Disadvantaged consumers are entitled, like other consumers to have access and input into government policy decisions which affect them. However, without a determination by the Government to consult disadvantaged consumers and to enable them to respond, the voice of disadvantaged consumers is liable to be drowned by other more skilled and powerful lobby groups.

4.5 Nor is consultation enough by itself. The Government must also give weight to the conclusions which the consultations produce. Many submissions to the Royal Commission on Social Policy expressed scepticism as to whether the Government would really listen to the conclusions of the consultation (for example, submission 2869 'or will it be used as a respectable front behind which is the final rape of our society'). There is widespread concern among those consumers dependent on government-provided services that their legitimate views are largely being ignored.

## 5 Consumer Rights and Responsibilities in New Zealand

5.1 We have identified consumers' rights and responsibilities and have noted that disadvantaged consumers have particular difficulties in exercising their rights. This final section of the paper will address topical consumer issues in New Zealand within the framework of consumers' rights and responsibilities.

5.2 It has been noted that consumers have a right to legislation requiring basic standards of trading behaviour in respect of consumers' health and safety. Consumers in New Zealand are protected by a wide range of legislation, (such as the Electricity Act 1968, the Food Act 1981 and the Fair Trading Act 1986) setting



standards of health and safety which suppliers of products are required to meet.

5.3 The Accident Compensation Act 1982 has removed from consumers the right to sue particular suppliers for damages relating to injuries suffered through use of defective products or services. This creates an onus on the Government to ensure that consumers' health and safety are safeguarded and that action is taken against suppliers who fail to meet adequate health and safety standards.

5.4 The product safety legislation which existed in New Zealand prior to the introduction of the Fair Trading Act 1986 was, in general, difficult to enforce and covered only a portion of the products for which safety was an issue. The safety provisions of the Fair Trading Act apply to all products and a wide range of services. They give the Minister of Consumer Affairs powers to ban unsafe products and services. However, more of a deterrent is the possibility that suppliers may be required to recall, and modify or replace, products at their own expense.

5.5 One respect in which the Fair Trading Act's safety provisions are not adequate to ensure consumer rights is the lack of a prohibition on the export of products which are known to be unsafe. All consumers have a right to enjoy freedom from dangerous goods and services and New Zealand has a responsibility to consumers in other countries. The export of products which are known to be unsafe is grossly unethical and, unless there are specific reasons which justify particular exports, should be prohibited in law. The Australian Trade Practices Act 1974 prohibits the export of unsafe products except where this has been expressly approved by the Minister of Consumer Affairs. There is a strong argument for a similar provision to be incorporated into the Fair Trading Act.

5.6 At present, no services safety standards exist under the Fair Trading Act. However, a number of statutes regulate the provision of services by the health professions. Most medical and para-medical professions whose activities are regulated handle complaints against practitioners. These complaints are generally heard by registration boards or councils which are largely composed of members of the relevant profession. Medical practitioners have a more complex system which is being reviewed. A number of consumer affairs submissions received by the Commission related to the provision of health services. There was concern that health professionals 'should be made accountable to the consumer' [0251]. This issue is considered in paragraph 5.25 below.

5.7 The basic principles for the protection of consumers' financial wellbeing in transactions with suppliers are those which eliminate misleading, unfair and grossly unethical or 'unconscionable' trading practices. The Fair Trading Act has established pre-sales standards of behaviour in the marketplace and has greatly strengthened the consumer's position. As a result, such practices as bait advertising, demanding payment without intending to supply, and certain other misleading or unfair trade practices are prohibited.

5.8 However, there is still a variety of unfair or unconscionable trade practices which have not been effectively eliminated under New Zealand law. Submissions received from the New Zealand Association of Citizens' Advice Bureaux [2446], the Porirua Community Law Centre [3324] and the Ministry of Consumer Affairs [4952] all detail problems which exist with current credit legislation. This legislation is clearly in urgent need of review.

5.9 While virtually all consumers of credit are in an unequal bargaining position with suppliers, disadvantaged consumers face particular and extreme problems. Firstly, as illustrated by the Porirua Law Centre in its submission [3324], low income earners simply do not have the discretionary income to make substantial interest payments. Secondly, low income earners are frequently unable to build up a satisfactory banking history with a trading bank or investment society because of insufficient funds. They are, therefore, refused overdraft facilities or personal loans by these companies and are forced to turn to finance companies which lend money at higher rates of interest (the highest interest rate recently recorded in Porirua was 64 percent).

5.10 Cash loans of this sort are normally secured against chattels owned by the consumer. Such 'chattel mortgages' must be made in accordance with the provisions of the Chattels Transfer Act 1924. The consumer protections contained in the Chattels Transfer Act are minimal and many unfair practices are allowable under the Act. For instance, a credit supplier may secure a loan against chattels many times the value of the loan. If the consumer defaults on loan payments even for one day, the credit supplier may have all the chattels listed in the contract seized and sold.

5.11 Disadvantaged consumers, who often have little choice but to enter into chattel mortgages, are particularly hard hit by the inequity of the provisions of the Chattels Transfer Act. Similarly they frequently purchase goods on hire purchase and are liable to experience difficulties with certain provisions of the Hire Purchase



Act 1971. A range of other problems relating to credit contracts are intensified for disadvantaged consumers, and although the Credit Contracts Act 1981 requires provision of certain information, this information alone is not sufficient to equalise their bargaining position. Language difficulties or a lack of reading skills compound problems which all consumers have with complicated contracts.

5.12 A second area of consumer law which requires revision urgently is the legislation governing remedies available to consumers who have brought defective goods. The legal provisions contained in the Sale of Goods Act 1908 for warranties and conditions are now out of date and unclear. Both suppliers and consumers are confused by them. Until the law is updated and clarified, consumers will find it very difficult to assert the legal rights they do have. In addition, the consumer protection provisions of the act must be strengthened if consumers are to enjoy an equal bargaining position with suppliers under the law.

5.13 The Ministry of Consumer Affairs and the Department of Justice are currently undertaking reviews of credit legislation and the Sales of Goods act. These reviews are very important to the wellbeing of consumers who urgently need their bargaining position strengthened and clarified. They should be completed as soon as possible.

5.14 However, even the best legislation is likely to leave loopholes and the potential for unfair or unconscionable trading practices to occur. The consumer would be suitably empowered if the Government were to introduce into law a general standard of trading behaviour which would prohibit grossly unethical or 'unconscionable' conduct. An unconscionable conduct clause has been established in Australian law under the Trade Practices Act 1974 and has worked effectively. Such a provision could be incorporated into New Zealand law in the Fair Trading Act.

5.15 Information is vitally important if the market for goods and services is to operate efficiently. If consumers are to make the most favourable decisions, they must be aware of the price, quality and supply of the good or services on offer and of competing goods and services. They must also be aware of their legal rights and how and where to seek redress.

5.16 The right of consumers to certain types of information is established in a number of Acts (for example, the Hire Purchase Act 1971 and the Credit Contracts Act 1981). However, even after the information has been provided, consumers may still not fully

understand what the contract they are entering into means, or their legal rights under it. This is often because technical legal language is used.

5.17 Consumers (and suppliers) are entitled to have the information they need conveyed to them in a form they can understand. Therefore, the drafting of legislation and standard form contracts in plain English is essential. And in our multicultural society certain information, contracts and forms, particularly those used frequently by Maori and Pacific Island people, should be available in their languages as well. If legal rights and requirements, and the terms and conditions of contracts, are clearly understood by both suppliers and traders, disputes should be minimised to the benefit of all concerned.

5.18 There is a perception in the community that suppliers of goods and services have a moral responsibility to make consumers aware of contractual terms.<sup>11</sup> Suppliers of services have a similar moral responsibility to explain to consumers what service is going to be provided, and to provide that service—no more and no less. Consumers of medical services at the National Women's Hospital in Auckland have recently expressed their dismay that they did not understand the purpose of the treatment they received, and that they did not even know that they were subject to certain procedures while unconscious.

5.19 While a large number of organisations provide consumer information, consumers remain relatively ill-informed of their rights. There appears to be a need for better co-ordination in the provision of consumer information and education, and it would be appropriate for the Ministry of Consumer Affairs to undertake this co-ordinating role.

5.20 Although some consumers have the four basic skills outlined in paragraph 3.9, most consumers need education. This education will need to be both 'formal' (ie., education in schools, community colleges etc), and 'informal' (eg., comic strips, posters, videos etc). It is most important that formal consumer education takes place in schools before school leaving age. Informal consumer education may be targeted more specifically towards particular groups, and will need to be delivered in a way and with a content that is appropriate to the targeted group.

<sup>11</sup>See submission 3324. Consumers, on the other hand, have a responsibility to understand the contracts they are signing and to abide by them.



5.21 From the beginning of 1989 the Ministry of Consumer Affairs will take over responsibility for the publicly-funded consumer education activities currently performed by the Consumer Council. The Council over recent years has developed a series of consumer education kits for children in forms 1 to 4. The Ministry will continue this formal education work and has already undertaken a variety of non-formal education activities and programmes. The Ministry has identified key community people, such as community liaison workers, community educators and other community leaders who will assist with the dissemination of consumer information and with education programmes. This process affirms the human resource potential within the targeted groups, and encourages a collective ownership for the promotion of consumer awareness.

5.22 A particular education need for a large number of consumers at present is budgeting advice. While there are over 2,500 volunteers in New Zealand currently undertaking this work they are under considerable pressure and more advisors are urgently needed. The total level of consumer debt (not including mortgages on property) was recently estimated to be in excess of \$5 billion.<sup>12</sup> Many consumers are being encouraged by such slogans as 'Put it on the plastic this Christmas' to purchase on credit whether or not they can afford to do so. When they find that they have overcommitted themselves they are susceptible to advertising such as 'We have \$\$\$ now to catch up with the rent, pay those overdue bills'. This type of refinancing frequently compounds, rather than eases, the financial problems experienced by consumers, as they borrow money at higher rates of interest to pay off loans at lower rates. Too few consumers seek budgeting advice before they reach a financial crisis. There is a need for more preventative, as well as curative, budgeting advice.

5.23 While consumers have a definite responsibility for managing their own financial arrangements, some entirely legal practices by financial institutions border on the harsh or exploitative. There is a strong argument for a meeting of consumer and industry groups concerned with the provision of credit to be held so that the problems of indebtedness can be addressed from both the demand and the supply side.

5.24 It has been noted that consumers have a right of access to redress. Access to the law is considered in the Commission's paper

<sup>12</sup>This figure was quoted in the Dominion and Sunday Times of 25 October 1987.

on Justice.<sup>13</sup> Redress must be accessible financially, physically, and culturally. The heavy costs of litigating should be offset by legal aid to those in need, by lowering the cost to consumers of court proceedings, or by a combination of these two methods. The proposed increase in the monetary limit to the jurisdiction of Small Claims Tribunals will lower the cost of settling certain disputes below the \$3,000 level. There is a need for more Small Claims Tribunals throughout the country and the development of other low-cost mediation services. These measures would enhance the physical and financial accessibility of redress and limit the time taken for disputes to be heard. Disputes resolution services should also be available outside normal working hours so that those in dispute can attend more easily. Thirdly, disputes resolution services should be informal and culturally sensitive, allowing all parties to participate on an equal basis.

5.25 While many regulated professions are subject to normal procedures when consumers are seeking redress, some professions (for example, the legal, medical and certain para-medical professions) have complaints procedures established by statute. In these cases investigation of complaints lies largely in the hands of the professional groups concerned. The submission by the Family Life Education Council Canterbury Inc. [2600] believes that consumer representatives should contribute at least half of the personnel on the investigating councils of tribunals and that hearings of complaints should be open to the public. Problems arise, however, where personal privacy and other potentially sensitive matters may be involved.

5.26 In respect of complaints about government services, consumers may find it difficult to obtain redress. If they complain to the supplier of the service or the Minister in charge of the governmental organisation and fail to obtain satisfaction many consumers give up. A small percentage of assertive consumers may seek the assistance of the Ombudsmen. However, there are limitations on the Ombudsman's power to settle a dispute between consumers and suppliers covered by the Ombudsman Act. In addition, the Ombudsman service has a small staff and is generally not well known by consumers.

<sup>13</sup>See also the report *Te Whainga i Te Tika—In Search of Justice*. A number of submissions [2446, 3342, 5044] either endorsed the recommendations of the report or brought them to the Commission's attention.



5.27 Although the Official Information Act 1982 and the Local Government Information and Meetings Act 1987 establish the individual's *prima facie* right to information held by central and local Government, information by itself will not always be sufficient for consumers to obtain redress. An increase to the staff ceiling and powers of the Ombudsmen should be investigated, to provide a readily accessible mediation service for consumers of government services. It is envisaged that such a service would be available on referral from organisations which handle first-line consumer complaints.

5.28 Probably the clearest message received by the Commission from consumers is that they have a right to participate in the policy-making process. 'Consumer needs should be the basis for future programme development . . . The effectiveness and appropriateness of services ought to be continually measured against the consumer's view as well as against other objective criteria'.<sup>14</sup>

5.29 If consumer satisfaction and the cost effectiveness of government policies and services is to be enhanced, these policies and services should be responsive to consumer demand. As has been noted, however, monopolistic and semi-monopolistic services, especially those provided free of charge, are likely to be unresponsive to consumer demand. There is a range of methods by which the Government's policies and services can be made more responsive, and these methods have been discussed in greater detail in the Commission's paper *Policy Development: Assessment and Monitoring Volume II*.

5.30 Devolution has been suggested as a promising method of increasing the accessibility, comprehensibility, relevance and participatory nature of service provision. However, it has also been noted that 'devolution will not be a cheap option'<sup>15</sup> Community and local government organisations will want to be sure that they have access to the financial resources and training which they need in order to provide an effective service.

5.31 However, devolving service delivery may not significantly improve the consumer's ability to influence the policy decisions of central government. There is a clear call from consumers for the Government to adopt a fundamental change of approach in this

<sup>14</sup>From the submission of D. McKenzie [0806]. See also submissions 0251, 0316, 0888, 2600, 2633, 3116, 3732, 3795, 3872, 3878 among others.

<sup>15</sup>*Sharing Control: A Policy Study of Responsiveness and Devolution in the Statutory Social Services*, State Services Commission, February 1988, p 29.

area<sup>16</sup>. Consumers are concerned about decisions which have recently been made by the Government or state owned enterprises, without, or despite, consultation with consumers. There is a need for consumer representation on the boards of state owned enterprises and other policy-making boards and committees so that the consumer view can be clearly heard and incorporated by decision makers. Consumers are also entitled to a commitment from government Ministers and officials that they will seek and consider the views of consumer groups before making decisions which will substantially affect consumers' lives. In addition, the Government has a responsibility to monitor and evaluate regularly the effectiveness of its provision of services to consumers.

5.32 The consumer's right of access to the marketplace must be ensured by income maintenance and by governmental determination to provide services which are easily accessible. It is clear that an income is essential for consumers if they are to participate in the marketplace at all. Geographical isolation from markets creates problems of access as well. Over recent years subsidies to rural business and consumers have been progressively removed. This has caused significant financial difficulties for rural consumers, many of whom find that they can not afford to travel to a large centre to shop. They may have no choice but to pay the high prices at a local store. It is very important for such consumers to have adequate income to allow them to participate in a competitive market.

5.33 Government services should also be truly accessible to consumers. In order to enable this, the Government has a responsibility to ensure as far as possible that all consumers eligible for a benefit receive one. Much still needs to be done in this regard. Secondly, if services are to be truly accessible to consumers they should, if possible, be located together in a government centre or 'one stop shop' where consumers can obtain all the assistance they need. Health services and a local Citizens Advice Bureau or Community Law Centre could also be associated with the centre. Such a linkage of social services would make information and education, and therefore the marketplace, much more accessible to consumers.

5.34 It has been noted that consumers have responsibilities as well as rights. However, the three responsibilities discussed below are not universally acknowledged by New Zealand consumers.

<sup>16</sup>For example, the submission of the Provincial Public and Social Affairs Committee of the Anglican Church [3795]: 'Those responsible for making policy for consumers other than themselves need consultation and input from those who are receivers'.



Many consumers will put their own benefit before the benefit of others. There can be little argument, however, that all members of the society have a duty to contribute to the fairness and justice of that society. This principle underlies the discussion of consumers' responsibilities as it does the discussion of consumers' rights.

5.35 The first responsibility we have identified is the responsibility consumers have to themselves and their households. Consumers have a responsibility to make the best possible decisions when obtaining goods and services. If they are to do so they must be critically aware of the availability, and comparative price and quality, of goods and services. They must also know and demand their rights. In addition, if consumers wish to make best use of their financial resources they must budget effectively.

5.36 In an ideal world all consumers would act in this way. However, not all consumers see a need to acquire the necessary skills. Some will always prefer to seek help in curing their problems rather than take responsibility for preventing them. Nevertheless, consumer assertiveness does appear to have been increasing over recent years<sup>17</sup>. With the advent of a less regulated, more competitive marketplace suppliers' responsiveness to consumer demand has increased. There is now an onus on consumers to be assertive in order to clearly indicate to suppliers what goods, services and standards of behaviour they want. Such action is likely to benefit other consumers as well.

5.37 Consumers' responsibility to one another has two elements. The first is consumers' responsibility to act together through the formation of consumer groups. Consumers have a responsibility to recognise and articulate their needs. If consumers are assertive suppliers will be in a position to respond to consumer demand. However, as we have identified, not all organisations are naturally responsive to consumer demand. Bureaucracies have a propensity not to institute change but to respond to appreciable pressure from outside. Consumers must therefore act in groups which have the strength and influence to promote consumer interests.

5.38 Secondly, consumers must be concerned about the effects on others, including future generations, of their own consumption behaviour. For instance, consumers have a responsibility not to hoard products which are in short supply. They also have a responsibility to refrain from using products or services in a way which endangers other consumers. Again, consumers should be moderate

<sup>17</sup>This observation is made in the Ministry of Consumers Affairs' submission [4952].

in their use of non-renewable resources and sensitive to what their consumption of goods does to the environment.

5.39 Finally, consumers have a responsibility to suppliers. They have a responsibility to deal honestly with suppliers and to act on what they know to be fair and just demands. For example, they must not make false insurance claims or seek replacement costs for products which they have damaged through misuse. However, many consumers ignore this responsibility. Dishonest practices by consumers are not only unethical, they may have a major effect on the viability of a supplier's business. They are also very likely to cause a rise in the costs of goods and services to all consumers.

5.40 It is clear from the preceding discussion that consumers' rights are not universally enjoyed, nor are their obligations universally accepted. However, if suppliers and consumers acknowledge these rights and responsibilities and are prepared to co-operate so that exchange activities take place to the benefit of all concerned, significant progress will have been achieved. The results will certainly be a more fair and just society.





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Over the course of the enquiry, several hundred people assisted the Royal Commissioners as consultants, advisers and contributors to phases of the work. However, the list of those involved has been limited to members of the secretariat, managers of research topics and authors of papers included in the April report.

Though extensive, this list is not exhaustive. In addition many people spent time reading and commenting on material or helping out for short periods of time.

Those listed below represent a group of people who had commitment and belief in the purpose of the Commission. They worked hard and long to accomplish what seemed at times, to be an impossible task and the Commissioners wish to express their respect, appreciation and gratitude to them.

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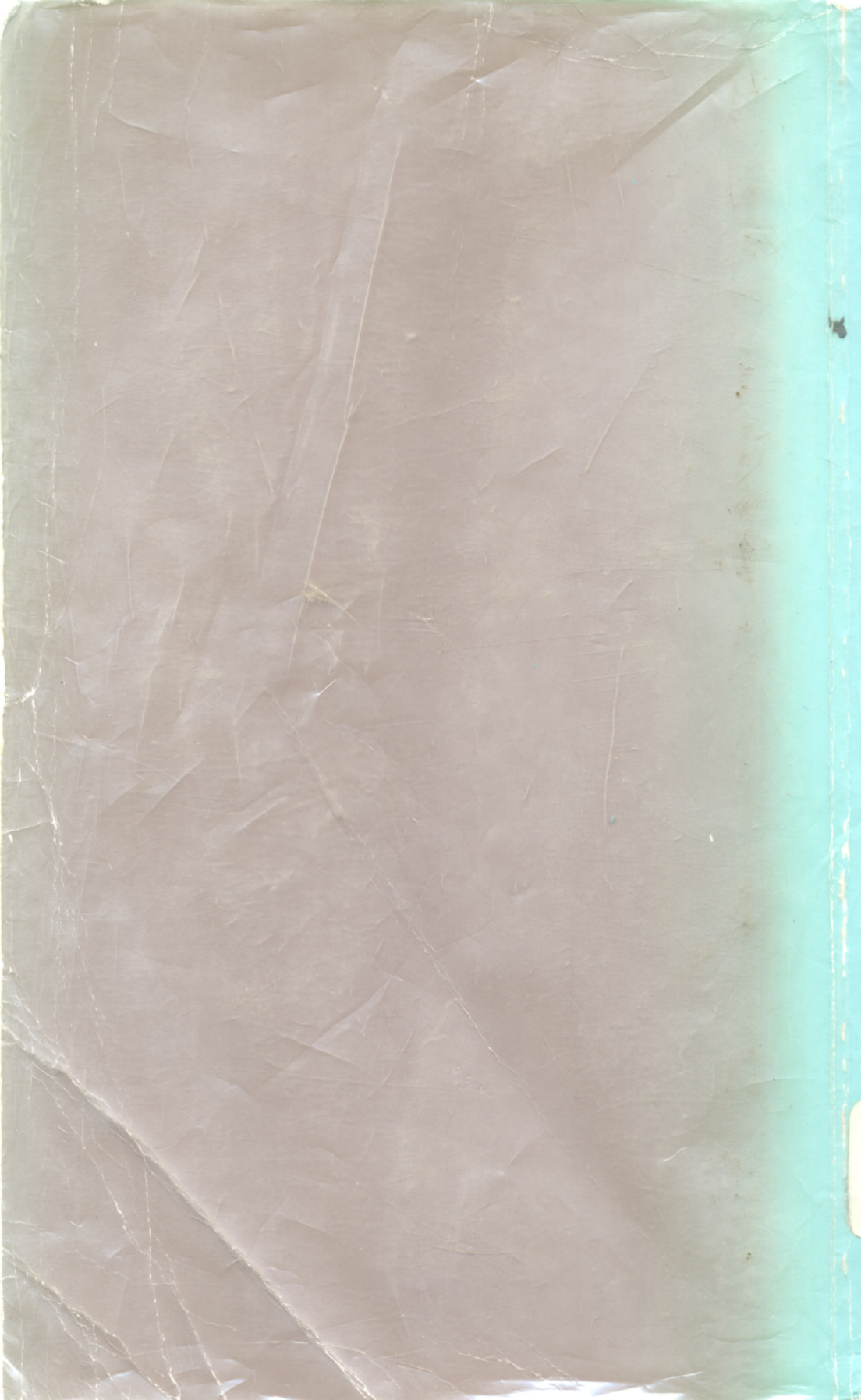
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