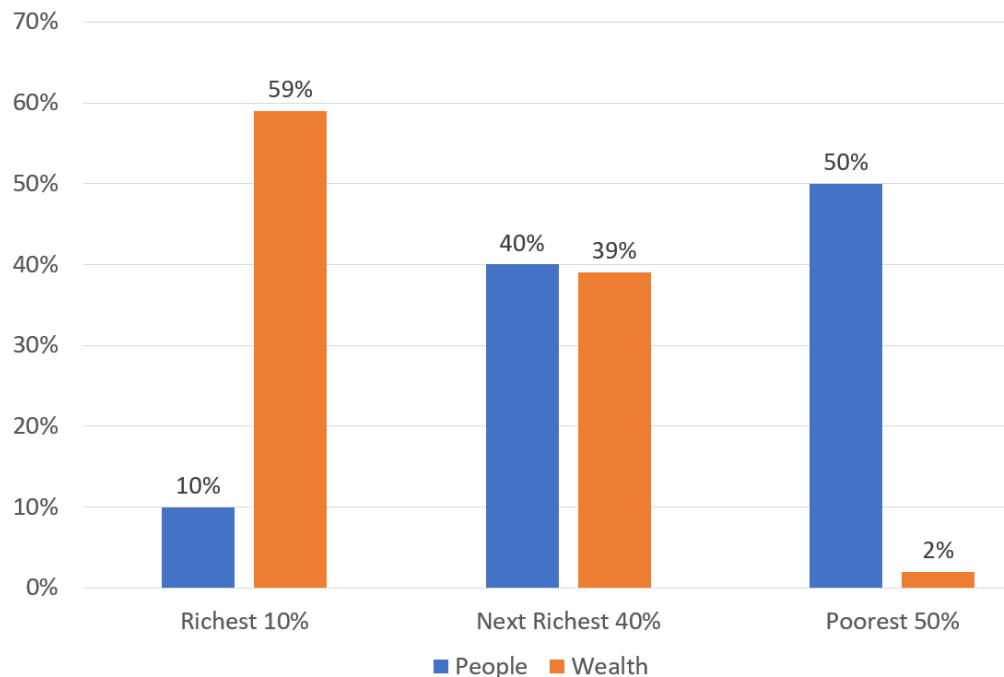


Submission from Ben Wybourne

My personal observation is that disadvantage is mostly caused by a simple lack of resources. I believe that investigation would show this to be a common theme and that adding resources provides a solution to many situations of ongoing disadvantage. It is difficult to think of any situation of disadvantage that will not be improved with an increase in applied resource.

The distribution of resources in New Zealand is extremely unequal. Net wealth is an indication of the distribution of resources and is shown in the plot below. The poorest half of New Zealand has only 2% of the total wealth of the nation and it seems likely that persistent disadvantage is concentrated in this poorest half. "50% having 2%" should be central to all discussion and investigation of disadvantage. Trying to reduce disadvantage without tackling inequality would ignore the elephant in the room.

Quite modest wealth redistribution would make a large difference to the poorest half of New Zealand. For example, doubling the wealth of the poorest half of New Zealand (i.e. going from 2% to 4% of total wealth) by redistribution could be achieved by the richest 10% reducing their wealth by less than 4% (i.e. wealthy individuals with \$50m would have their wealth fall to ~\$48m). This is a simple mathematical relationship.



Distribution of wealth among individuals over 15 years of age in New Zealand (Household Net Worth Statistics 2018, Statistics NZ)

Personally, I have had an advantaged life. However I have seen in friends and whanau:

- Suffering and disability (with associated poverty and loss of employment) due to medical conditions being denied treatment for long periods in the public health system
- Severe dental conditions being 'lived with' due to inability to afford treatment
- Suicide immediately after discharge from mental health services, following a lack of treatment and available staff.
- Unrelenting housing insecurity and inadequacy
- Drug addiction with no timely treatment available
- Enormous education debts
- Inability to participate in school activities due to cost / fee requirements.
- Precarious and low paid employment

The above illustrates the barriers in front of those experiencing persistent disadvantage.

In every case, an increase in resources (e.g. money and services) would significantly alleviate the situation. For example, dental treatment was available, it just could not be afforded.

1. What are the main aspects of disadvantage that should be investigated in this inquiry?

To what extent can disadvantage simply be alleviated by a direct application of increased money and services?

2. Where should the Commission focus its research effort?

Describe the changes that caused the step increase in poverty and inequality during the 1980 and 1990s, how they persist today and how they could be reversed.

Avoid focusing only on the disadvantaged. Persistent disadvantage for some is an outcome of the entire society and economy of New Zealand and cannot be understood in isolation. The disadvantage of some (e.g. lack of services or low wages) is directly connected to the advantage of others (e.g. low tax contributions or high company profits). Describing these connections (and the extent to which they would need to change) would be useful.

3. Where should government focus its effort on finding solutions?

Reducing inequality.

Improving public discussion around inequality. The appointment of an Inequality Commissioner could be justified. When economic growth is reported, detail of which segments of society benefit more and which less, should be reported. The effect of rising house prices should also be reported in terms of inequality – how much of the value increase accrued to the poorest half of society, and how much to the richest half? Public understanding of the severe inequality present in New Zealand may improve public willingness to take steps to reduce it.