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## *Office of the Mayor*

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### **Mayors propose radical approach to fix entrenched poverty**

Three Mayors want to set up special 'Demarcation Zones' where welfare, health, education, employment and even policing will be refocused into eradicating entrenched, intergenerational poverty and social problems.

The zones – to be set up within closely defined areas of Gisborne and District, the Far North and Rotorua – potentially represent one of the biggest shake-ups to welfare delivery since the 1930s.

The idea is the result of the *Tackling PovertyNZ tour* – a series of one-day workshops held around New Zealand and initiated by public policy think tank, the McGuinness Institute.

Far North District Mayor John Carter said sub-cultures of poverty had evolved throughout New Zealand and these have proved stubbornly resistant to change, despite the efforts of a range of individuals and agencies.

“Our failure to deal with entrenched poverty means we are turning our young people into unskilled dependents and, in some cases, drug addicts, gang members and criminals. I’m especially concerned that our grandparents have shouldered so much responsibility for supporting some of our most difficult individuals and families. But time is running out to find an alternative, because that generation will be largely gone within a decade.”

Mayor Carter said the impact of this demographic time bomb will not only be felt in the regions, it will also be felt in bigger communities like Auckland, Tauranga, Taupo and Napier-Hastings.

He said that he, Gisborne District Mayor Meng Foon and Rotorua District Mayor Steve Chadwick had been challenged by the Government to come up with alternative solutions to ingrained poverty in their communities.

Rotorua Mayor Steve Chadwick said that the demarcation zone concept is the game changer they had been looking for because it accepted that local communities often know best what their challenges are and how to tackle them.

“However, a lack of financial and human resources means communities are hamstrung and cannot turn local knowledge into local solutions.”

She said there are many good programmes tackling poverty, but these often apply national tools and measures inappropriate for complex local problems. “The overseas development community accepts that top-down solutions applied by successive governments are significantly less effective in tackling poverty than bottom-up, community-driven approaches. Demarcation zones could hand communities a full suite of resources so they can provide an integrated approach tailored to specific needs.

"Community leadership is needed to make the difference in our communities and we are prepared to give the idea a go if central government partners with us and ensure adequate resourcing to really give the concept legs."

Mayor Foon said the proposal is still in its infancy and is not official policy of any of the district councils. There were still many legal, administrative and financial questions to explore, he said, though added that the zones would likely be guided by a 'channel captain' or a group of local 'champions' living and working within each zone. These champions would have input into how welfare, health, education, employment and policing services were delivered.

Mayor Carter said the first task of these champions will be to request full details of the services government departments supply into each zone. They would then focus those resources into long-term comprehensive plans tailored to individuals and families within the zone.

McGuinness Institute Chief Executive Wendy McGuinness said the financial cost of ignoring the situation is significant. "Costs occur on three levels. On the surface are the costs of overfunding one service at the expense of other, more critical services. Then there are the costs of unintended consequences. These are the incentives and obstacles for New Zealanders created by the current system. For example, the creation of benefit dependency and a loss of confidence, which, in turn, lead to a waste of talent that could alternatively drive economic growth and social infrastructure. Finally, there are the costs to future generations. The longer we take to tackle poverty, the more complex and costly the issues become."

Mayor Carter said a paper detailing the demarcation zone proposal was sent to Prime Minister Bill English on 21 December 2016. "We all understand the legal and financial ramifications of a proposal like this, but we also see the cost that intergenerational poverty has. This is everyone's problem and we need to start talking about real solutions."

[702 words]

The full McGuinness Institute proposal presented to the Prime Minister can be found [here](#).