



DEPARTMENT OF THE  
PRIME MINISTER AND CABINET  
TE TARI O TE PIRIMIA ME TE KOMITI MATUA

# Briefing to the Incoming Minister for Child Poverty Reduction

(and Minister responsible for the Child and Youth Wellbeing  
Strategy)

Date

1/2/2023

Priority

Routine

Security classification

In Confidence

Kia ora,

Welcome to your role as **Minister for Child Poverty Reduction** and the **Minister responsible for the Child and Youth Wellbeing Strategy**.

We look forward to working with you in these roles in which you are responsible for the child poverty targets and associated monitoring, as well as wider work to improve child wellbeing through implementation of the Child and Youth Wellbeing Strategy (CYWS or Strategy).

Most of the policy, funding, and operational levers to address child poverty and wellbeing sit across a range of government and non-government entities. As a result, the nature of the role is one of influence, seeking to effect change through shaping decision-making through the provision of evidence and advice, monitoring and reporting on progress, and harnessing collective action across government, communities, and whānau.

The Child Wellbeing and Poverty Reduction Group (CWPRG) within the Department of the Cabinet and the Prime Minister (DPMC) supports you in this role by working to:

- **embed** the child wellbeing and poverty reduction legislative framework positioning it to effect positive change for children and young people
- **support the system** to focus on the things most likely to make a positive difference to child and youth wellbeing and child poverty reduction
- **influence change and drive action** across the system to advance the Government's child and youth wellbeing and child poverty reduction objectives.

This briefing sets out the:

- context of the portfolio, your roles and responsibilities, and how we support you
- key areas of focus requiring consideration either immediately or within the next six months
- future priorities for the portfolio.

There are some immediate priorities in the portfolio as well as longer-term opportunities to strengthen implementation of the Strategy so that it is a catalyst for, and driver of, system change to support the wellbeing of all children and young people in Aotearoa New Zealand.

## Glossary

Acronyms commonly used in your portfolio include:

CPRI	Child Poverty Related Indicator
CWPRG	The Child Wellbeing and Poverty Reduction Group
CYWS	Child and Youth Wellbeing Strategy
DPMC	The Department of the Prime Minister and Cabinet
HES	Household Economic Survey
WFF	Working for Families

## The legislative framework for your portfolio

The legislative basis for your portfolio responsibilities is provided through two pieces of complementary legislation:

- the Child Poverty Reduction Act 2018
- Part 1 of the Children's Act 2014.

These were passed into law in December 2018 with almost unanimous cross-party support.

The purpose of the Child Poverty Reduction Act is to help achieve a significant and sustained reduction in child poverty by establishing a framework for enduring political action and accountability. The Act specifies the approach to measuring and reporting on child poverty, while also providing flexibility for successive governments to set their own targets for reducing child poverty.

Part 1 of the Children's Act 2014 establishes the requirement to adopt, publish and review a strategy for improving the wellbeing of all children with a particular focus on:

- those with greater needs
- reducing child poverty and mitigating the impacts of poverty and socio-economic disadvantage on children
- improving the wellbeing of the core populations of interest to Oranga Tamariki.

The Strategy is also intended to help New Zealand meet its international obligations relating to children.

Together, the legislation and the Child and Youth Wellbeing Strategy provide a strong framework and a unified focus on the wellbeing of children and young people (including child poverty), particularly those most at risk of poor outcomes.

An overview of the key requirements of the Child Poverty Reduction Act and Part 1 of the Children's Act, and how they interact, is provided in **Appendix 1**. An overview of the Strategy is provided in **Appendix 2**.

# Your roles and responsibilities

## Your responsibility as Minister for Child Poverty Reduction

You have a number of specific responsibilities under the Child Poverty Reduction Act 2018, including to:

- set three-year and ten-year targets for reducing child poverty, as described in the Act (the current targets are set out in **Appendix 3**, and discussed on p14)
- set a target by 31 December 2024 for reducing persistent child poverty. This timeframe takes account of the need to establish a measure of child poverty persistence<sup>1</sup> and collect sufficient data to inform decisions about the target
- review each current target at least once during the period that it covers. As the responsible Minister, you can change the intermediate or long-term targets at any time. If you make any changes, you must promptly present a copy of the changes in the House
- table the Statistics New Zealand (Stats NZ) report on child poverty rates in the House each year. Stats NZ is required to measure and report on child poverty annually, using a suite of ten specified measures. This includes the three current primary measures (against which the targets are set) outlined on page 10 and in **Appendix 3**, the primary poverty persistence measure (which will be reported on from 2025/26), and six supplementary measures. Stats NZ's reporting for a given financial year is typically released in February of the next financial year but the 2021/22 data release has been delayed until 23 March 2023 because of disruptions to the data collection caused by COVID-19
- if the targets are not met, table a document to the House explaining why. Reporting on the second three-year target period will be in February 2025
- identify one or more child poverty related indicator(s)<sup>2</sup> (CPRIs), and report annually on them. Five CPRIs were established in September 2019. These are: housing affordability, housing quality, food insecurity, regular school attendance, and avoidable hospitalisations. They can be changed by notice in the Gazette
- review each of the CPRIs within the three-year timeframe for the review of the Child and Youth Wellbeing Strategy. The CPRIs were reviewed in 2022 and the previous Minister for Child Poverty Reduction agreed in principle to make a minor change to the current housing affordability indicator. The soonest this change can be made is the 2023/24 reporting year and would require you to notify Parliament and gazette the change before 30 June 2023.

<sup>1</sup> Statistics New Zealand (Stats NZ) has been working to develop a definition and measure of child poverty persistence, and to collect the data needed to systematically measure and report on persistent household poverty for the 2025/26 financial year and beyond.

<sup>2</sup> A child poverty related indicator is a measure of a cause, consequence, or correlate of child poverty.

## Roles and responsibilities of the Minister responsible for the Child and Youth Wellbeing Strategy

The Minister for Child Poverty Reduction is also designated the responsible Minister for the Child and Youth Wellbeing Strategy ('the Strategy'). Part 1 of the Children's Act 2014 requires the responsible Minister (after consultation with the children's Ministers<sup>3</sup>, the Minister responsible for the Ministry of Māori Development, the Children's Commissioner, children, and representatives of Māori) to adopt and publish a strategy to address improving the wellbeing of all children, with a particular focus on:

- improving the wellbeing of children with greater needs
- reducing child poverty and mitigating the impacts of poverty and socio-economic disadvantage on children
- improving the wellbeing of the core populations of interest to Oranga Tamariki.

The responsible Minister must also:

- publish an annual report on progress in achieving the Strategy's outcomes, including an analysis of the impact on Māori children and any other focus populations. The next annual report is due by 6 April 2023
- consult with the children's Ministers before finalising annual reports to Parliament on the Strategy
- review the Strategy at least every three years
- consult with children's Ministers, the Minister for Māori Development, the Children's Commissioner, children, and representatives of Māori on any changes to, or new versions of, the Strategy.

The first Strategy was developed following widespread public engagement, including significant input from children and young people, Māori and iwi groups, social service providers and academics. The Strategy, and an associated government 'Programme of Action', was endorsed by Cabinet in July 2019 and published in August 2019. It sets out six wellbeing outcome areas and nine guiding principles that support the achievement of the vision of New Zealand as 'the best place in the world for children and young people'. An overview of the Strategy is provided in **Appendix 2**.

The first review of the Strategy was completed on 18 August 2022, meeting the legislative requirement to review the Strategy within 3 years of its adoption (and thereafter within 3 years after the completion of the most recent review). Further information about the recent review is provided on pages 15 and 16.

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<sup>3</sup> The children's Ministers are those with portfolio responsibility for the children's agencies as defined in the Children's Act 2014 (currently Oranga Tamariki, Ministry of Social Development, Ministry of Education, Ministry of Health, Ministry of Justice, and the New Zealand Police).

## Other Ministers have responsibilities relating to child poverty and wellbeing

The Public Finance Act was amended in December 2018 to require the Minister of Finance, on Budget Day, to table a report on progress towards the child poverty reduction targets, and the impact of the Budget measures on child poverty. Child poverty reports (prepared by the Treasury, in consultation with the CWPRG) have been tabled for the last four Budgets.

A further amendment to the Public Finance Act in 2020<sup>4</sup> requires the Treasury to provide a report on the state of wellbeing in New Zealand at least once every four years. *Te Tai Waiora: Wellbeing in Aotearoa New Zealand 2022* is the first report, published on 24 November 2022, and draws on the Living Standards Framework and He Ara Waiora<sup>5</sup>. This report considers the wellbeing of all New Zealanders, and includes specific analysis of the wellbeing of children and young people.

Under the Children's Act 2014, the chief executives of the children's agencies<sup>6</sup> must work together under the coordination of the chief executive of Oranga Tamariki to develop an Oranga Tamariki Action Plan (OTAP). This plan must identify how the chief executives will work together to achieve the Strategy's outcomes and improve wellbeing for core populations of interest to Oranga Tamariki. The Minister for Children is designated as Plan Minister<sup>7</sup> in relation to the OTAP, with the following responsibilities:

- setting the date by which the OTAP must be submitted for approval
- approving the plan for publication, following consultation with the children's Ministers specifying the date for annual reporting by the chief executives on implementation of the plan
- directing chief executives to review the plan and specifying the date for any such review.

Children's agencies worked together to develop the OTAP published on 8 July 2022. Through the Social Wellbeing Board, six-monthly implementation reports will be provided to Child and Youth Wellbeing Strategy Ministers. The first report, which is to be delivered in March 2023, will cover the period July-December 2022.

## Addressing child poverty and wellbeing is a whole-of-government endeavour under your leadership

A wide range of policy and operational responses are needed to achieve improvements in the multiple dimensions and drivers of child poverty and wellbeing. More than twenty agencies lead or co-lead actions under the umbrella of the Strategy. As responsible Minister, your role is to exercise leadership and influence across Ministerial portfolios and within wider government decision-making, to ensure shared responsibility for, and a sustained focus on, the material and wider wellbeing of children and young people. To that end, the Cooperation

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<sup>4</sup> The Public Finance (Wellbeing) Amendment Act 2020

<sup>5</sup> He Ara Waiora is a waiora framework built on te ao Māori knowledge and perspectives of wellbeing.

<sup>6</sup> Oranga Tamariki, Ministry of Social Development, Ministry of Education, Ministry of Health, Ministry of Justice, and the New Zealand Police.

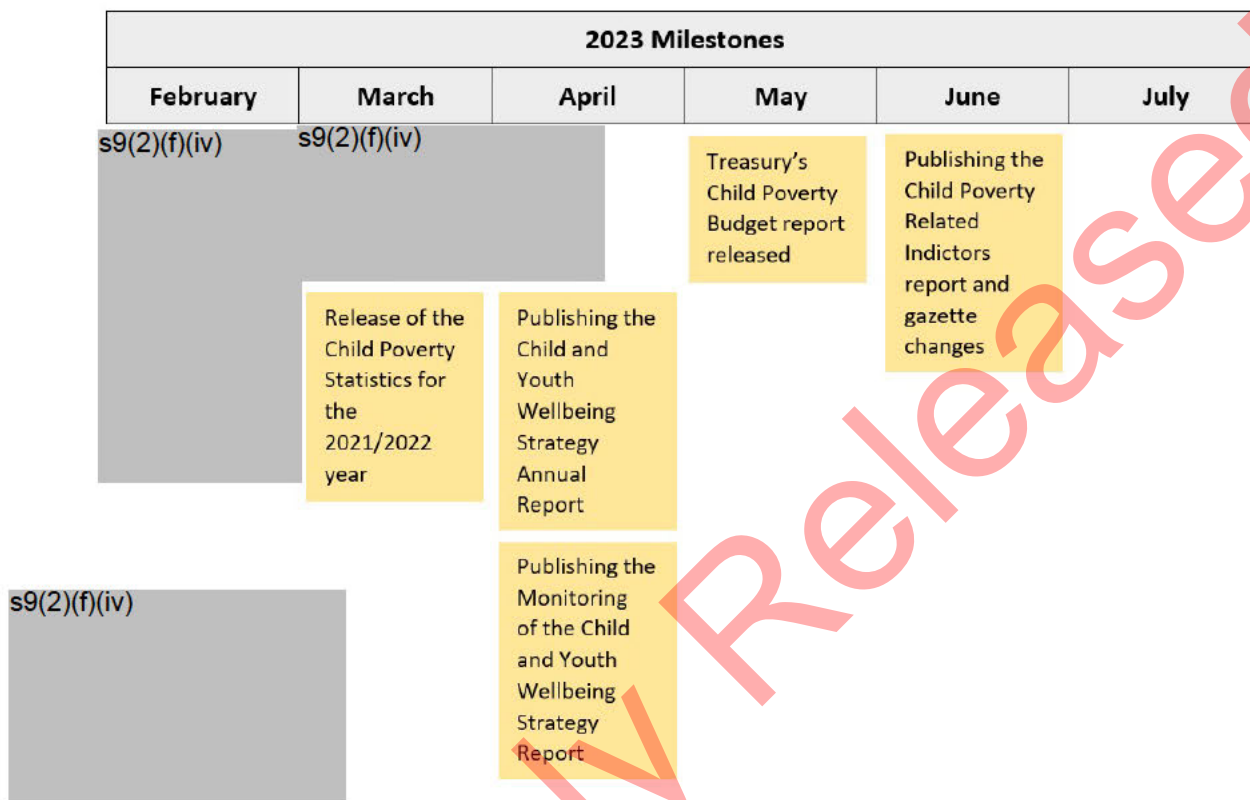
<sup>7</sup> The Plan Minister means the Minister of the Crown for the time being designated by the Prime Minister as the responsible Minister for all purposes related to the Oranga Tamariki Action Plan.

Agreement between the New Zealand Labour Party and Green Party of Aotearoa New Zealand (53<sup>rd</sup> Parliament), dated October 2020, refers to the ad hoc Ministerial Group on the Child and Youth Wellbeing Strategy. Further information about this group is provided on pages 12 and 13.

Proactively Released

## Immediate priorities

The diagram below summarises key milestones and deliverables in the portfolio over the next six months. These are discussed in more detail in this section.



## Working for Families

A review of Working for Families (WFF) is currently being jointly undertaken by the Ministry of Social Development (lead agency), DPMC, Inland Revenue (IR), and the Treasury. WFF tax credits have the dual objectives of supporting income adequacy and reducing child poverty; and improving financial incentives for low-income earners to participate in the labour market. They are a significant lever for government to achieve direct and immediate reductions in child poverty rates, and around 57% of all New Zealand families with children receive a WFF tax credit.

s9(2)(f)(iv)

. The Income Support Ministerial Group to date has included the Ministers for Child Poverty Reduction, Social Development and Employment (lead Minister), Finance, Revenue, and Children, with the previous Minister of Education also attending more recently.

s9(2)(f)(iv)

s9(2)(f)(iv)

## Child Poverty data for 2021/22 will be released by Stats NZ in March 2023, but will be based on a much smaller sample size than usual

Under the child poverty legislation, the Government Statistician is responsible for reporting on the child poverty rates for each financial year. Stats NZ will officially report on child poverty rates for the 2021/22 year on 23 March 2023. As the Minister for Child Poverty Reduction, you are required shortly after this date to present Stats NZ's report to Parliament.

Child poverty measurement and reporting is based on the Household Economic Survey (HES) which is run by Stats NZ. Stats NZ's annual child poverty report includes the latest figures for the three, current 'primary' child poverty measures (defined below), against which the targets are set.

Primary measure	Definition	Most recently reported rate for 2020/21
Before-Housing-Costs, moving line measure (BHC50 REL)	The number of children in households with much lower incomes (50%) than a typical household.	13.6% (+/- 1.2%) 156,700 children
After-Housing-Costs, fixed line measure (AHC50 Fixed)	The number of children in households with real incomes much lower (50%) than a typical 2018 household, after they pay for housing costs.	16.3% (+/-1.3%) 187,300 children
Material Hardship	A direct measure of living standards and households going without the basics. The threshold line is defined as a lack of six or more out of the 17 items in the material deprivation index, which includes things like having two pairs of shoes in good condition and not putting off visits to the doctor.	11.0% (+/-1.0%) 125,700 children

This year's child poverty reporting will be impacted in a number of ways by disruptions to the 2021/22 HES caused by COVID-19<sup>8</sup>. Although Stats NZ has confirmed the data is fit for the purpose of child poverty reporting, the sample size will be substantially smaller (about 8,900 households) compared to the typical sample size in recent years (about 15-20,000). This smaller sample size will mean that poverty rates will be estimated with less precision and so it is likely to be more difficult to see statistically significant changes compared to the poverty rates for 2021/22. Stats NZ is still assessing whether poverty rates can be reliably reported for certain sub-populations.

<sup>8</sup> The extended lockdowns associated with the Delta and Omicron outbreaks, particularly in the Auckland region, meant that Stats NZ interviewers were unable to reach the target of 20,000 household for the 2021/22 year. The quality of the data has been carefully assessed and found to be fit for the purpose of child poverty reporting.

## **There are several legislative reporting requirements in the first half of 2023**

### **The Child and Youth Wellbeing Strategy Annual Report needs to be prepared by 6 April 2023<sup>9</sup>**

In accordance with the Children's Act, you are required to prepare an Annual Report on progress against the 36 indicators across the six outcome areas in the Strategy. These indicators include the three current primary child poverty measures, and the five child poverty related indicators. The report also summarises progress in 2021/22 for key initiatives to support child and youth wellbeing.

We will provide you with an early draft of this report in the week beginning 20 February 2023, followed by a final draft in the week beginning 20 March 2023. The other children's Ministers will be provided a copy the following week. Because the Annual Report includes indicators that rely on data from the 2021/22 HES, which will not be released until 23 March 2023, drafts will include placeholders for these indicators. The Annual Report will then be finalised in time for you to present the report to the House on 6 April 2023 (the last sitting day in April) to meet your statutory reporting deadline of 14 April.

### **The 2022 Monitoring Report will be finalised at the same time as the Annual Report**

In April 2021, the Cabinet Social Wellbeing Committee (SWC) directed DPMC to prepare a monitoring report outlining progress in implementing the Strategy each calendar year [SWC-21-MIN-0047]. The previous Minister for Child Poverty Reduction agreed to a streamlined approach to the 2022 Monitoring Report, focusing on a smaller number of priority actions. This decision aligns with the outcome of the Strategy Review to focus on a smaller set of things most likely to make a difference to child poverty and wellbeing.

We are proposing to prepare the 2022 Monitoring Report concurrently with the Annual Report, with a copy sent to SWC Ministers in mid-March followed by publication in April.

### **The 2021/22 CPRI report and notification of future changes to the housing affordability CPRI will be postponed until June 2023**

The Child Poverty Reduction Act requires one or more CPRIs – indicators relating to the causes, consequences or correlates of child poverty – to be developed. The Act also requires a report to be produced each year setting out the data for each CPRI for the previous financial year. In recent years, the CPRI report was released at the same time as the Annual Report. However, because of the delays to the HES 2021/22, and the time required to do more in-depth analysis of the CPRIs, we propose delaying publication until the week beginning 6 June 2023 (before the statutory deadline of 30 June). You are required to present this report to the House soon after this. At the same time, we recommend gazetting and presenting to the House

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<sup>9</sup> In early 2022 we sought legal advice on the interpretation of 'as soon as is reasonably practicable' as it applies to Section 7B (3) of the Children's Act 2014. This was interpreted as a maximum of two weeks between the Minister consulting Children's Ministers on a draft of the report and publication of the finalised report.

the previously agreed changes to the housing affordability CPRI which will be reflected in 2023/24 reporting.

### **Child Poverty Budget Report will be released in May**

The Child Poverty Budget Report will be released as normal as part of Budget 2023. A draft of this report, which is prepared by the Treasury in consultation with the CWPRG, will be shared with your office in late April.

### **Debt to government**

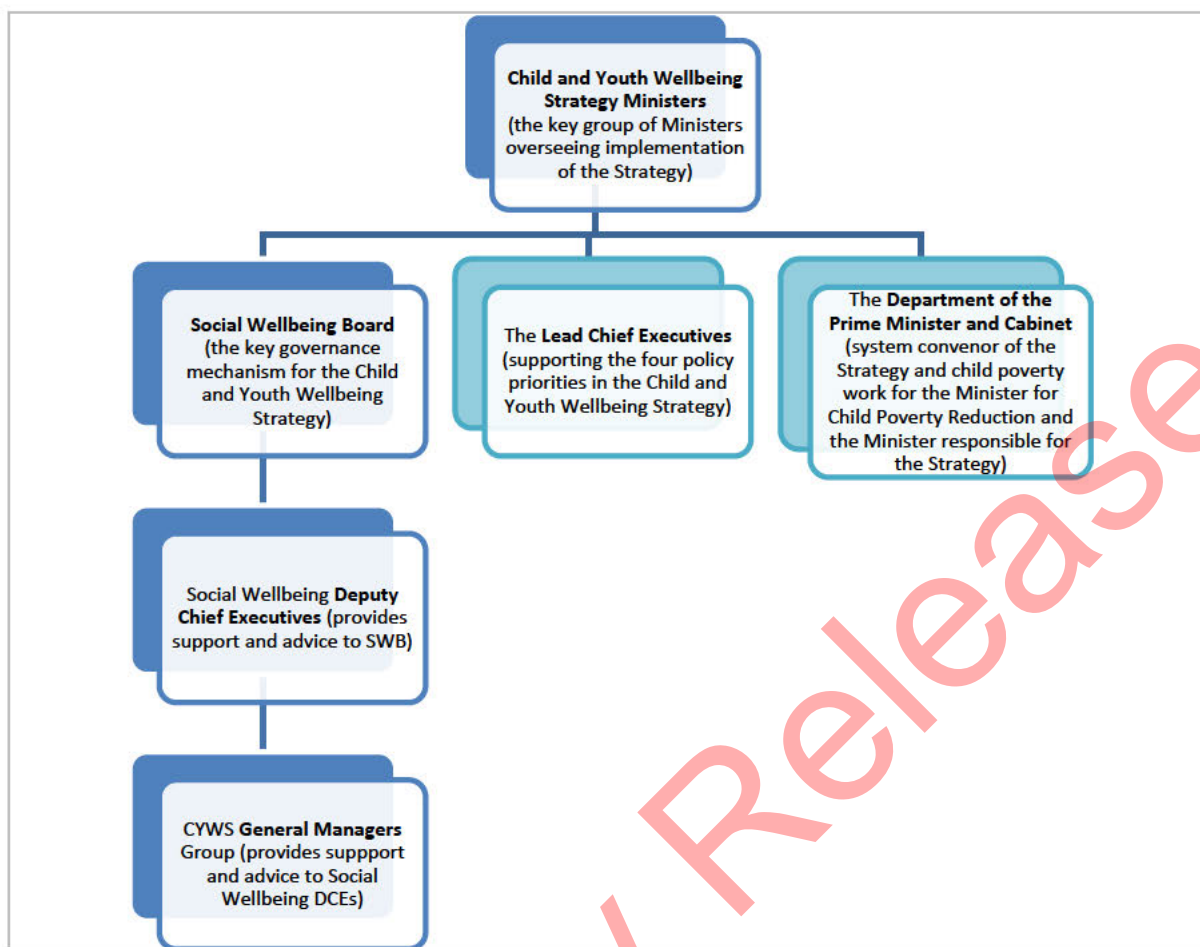
In November 2021, Cabinet agreed to a work programme aimed at reducing the impacts of debt to government for people in hardship. You are one of four Ministers leading this work, alongside the Minister for Social Development and Employment, the Minister of Justice, and the Minister of Revenue (IR is leading the drafting). Reducing problem debt will help to support those experiencing hardship, benefitting some of New Zealand's most vulnerable children. This will contribute to reducing rates of material hardship, which is one of the three primary child poverty measures.

The debt to government work programme has two areas of focus: ensuring that debt recovery is fair, effective, and avoids exacerbating hardship (for people who have debt); and preventing debt from occurring, so that it does not create future problems for those in hardship. Several agencies are leading initiatives within the programme. The current cross-agency focus as agreed by Cabinet is developing a framework that supports a consistent approach across government to debt creation and recovery.

Following consultation on the framework with agencies, officials are now preparing for external engagement on the draft framework, which will focus on targeted stakeholders and iwi/Māori. Officials will seek joint Ministers' approval to the proposed discussion document and the engagement plan that will support this process in mid-February 2023. Outcomes from this engagement will inform further development of the framework. A report-back on the framework is due to Cabinet in June 2023.

### **Child and Youth Wellbeing Strategy Ministerial Group**

Good governance is critical to the Strategy's implementation. As discussed on pages 15 and 16, the recent review of the Strategy identified a need for the governance approach to drive and support implementation by improving coordination and alignment across agencies and between agencies and communities. The diagram overleaf shows the Strategy's current governance structure.



The ad hoc Ministerial Group on the Child and Youth Wellbeing Strategy is central to the Strategy's governance and has been meeting since March 2021, following its establishment in the 2020 Cooperation Agreement between the New Zealand Labour Party and Green Party of Aotearoa New Zealand.

The previous Minister for Child Poverty Reduction convened the Ministerial Group and chaired meetings approximately every five or six weeks. As at the end of 2022, the Ministerial portfolios represented in the group were: Child Poverty Reduction, Children, Housing, Education, Police, Health, Social Development and Employment, Disability Issues, Associate Children, Whānau Ora, Māori Development, Associate Education, Justice, Associate Health, Youth, Associate Social Development and Employment, Pacific Peoples and the Prevention of Family and Sexual Violence<sup>10</sup>.

Some key work programmes to support the Strategy, such as the OTAP and Youth Plan, have a requirement to report back to the Ministerial group.

The CWPRG supports the Ministerial Group by updating the CYWS tracker and providing you with advice ahead of each meeting. Dates for the Ministerial Group meetings in 2023 are yet to be confirmed. We would like to discuss with you how you wish to proceed with this group.

<sup>10</sup> The Minister for the Prevention of Family and Sexual Violence is a member of the ad hoc Ministerial Group, as set out in the Cooperation Agreement between the New Zealand Labour Party and Green Party Aotearoa New Zealand.

## Future priorities

### Making progress on child poverty in the current environment

**Treasury forecasts from May 2022 show improvements on the primary before-housing-costs measure in 2022/23, but higher inflation will put upward pressure on the after-housing-costs primary measure**

The most recent Treasury forecasts from the May 2022 Child Poverty Budget Report showed some short-term improvements on the primary, before-housing-costs child poverty measure (BHC50 relative) in 2022/23. This reflects how policies such as the main benefit increases and changes to Working for Families and child support payments are expected to be reflected in measured child poverty rates. However, the primary after-housing-cost income poverty measure (AHC50 fixed) is sensitive to the high inflation that has been experienced globally since mid-2021. Treasury forecasts therefore show that poverty rates on this measure are likely to be higher in 2021/22 and 2022/23 compared to 2020/21.

**Achieving the 2023/24 targets will be challenging, particularly given the higher than forecast inflation we have seen since Budget 2022**

In 2021, the previous Minister for Child Poverty Reduction set child poverty targets for the final year (2023/24) of the second intermediate target period (covering the three years from 2021/22 to 2023/24). The intermediate target rates for each of the primary measures reflect the poverty reduction trajectories required to achieve the Government's ambitious 10-year targets that aim to more than halve child poverty rates by 2027/28 (see **Appendix 3**).

The Child Poverty Budget Report released each year provides the most robust and up-to-date, publicly available forecast of future child income poverty rates, based on any income support policy changes and forecasts of the economy. The May 2022 Treasury forecasts showed that, without further policy changes, rates on the BHC50 primary measure will fall short of the 2023/24 target rate.

In the same May 2022 forecasts, the target rate for the AHC50 primary measure is just within the margin of error of the forecast rate in the 2023/24 target year. However, more up-to-date forecasting undertaken by the Treasury suggests inflation will be higher and more persistent than previously forecast, which may mean that poverty rates will be even higher on this measure.

It's not possible to forecast material hardship rates, but the inflationary backdrop being experienced globally, and the likelihood of a significant economic slow-down, is likely to put upward pressure on material hardship rates over the short to medium term.

Because of the way that Stats NZ currently measures poverty rates in a given year, using a two-year rolling reference period, only about half the impact of any policy initiatives implemented in full by July 2023 will be reflected in the 2023/24 measured rates. This means that there is limited scope to introduce additional policy measures to make further progress towards the 2023/24 targets.

## Implementing the recommendations from the review of the Child and Youth Wellbeing Strategy

As noted earlier, the Child and Youth Wellbeing Strategy must be reviewed at least every three years. The first statutory review was completed in August 2022. This review was conducted within parameters agreed by Cabinet in May 2022 [SWC-22-MIN-0090] and focused on:

- how best to give effect to the Strategy – the policies, Programme of Action, including supporting communities to deliver
- how progress against the Strategy is measured – the indicators and measures, and streamlining the monitoring and reporting arrangements
- how implementation of the Strategy is governed
- how the Strategy could better integrate te ao Māori concepts of wellbeing.

The consensus from targeted consultation was that the vision and outcomes set out in the Strategy remain sound and relevant, and provide a strong basis for collective action to improve the wellbeing of children and young people. Partners and stakeholders noted that the indicators and measures could be improved over time, and that the current Strategy enables this.

### The Review:

- found that changes to implementation are needed for the Strategy to be a catalyst for, and driver of, system change, and that, to this end, we should focus on fewer things and do these things well
- found that we must embed ownership of the Strategy, which involves increasing the representation of iwi/Māori, Pacific and children and young people, focusing more on whānau-centred, community-led approaches, and developing a learning system that includes diverse voices and perspectives
- confirmed four child and youth wellbeing policy priorities:
  - reducing child poverty and the impacts of socio-economic disadvantage
  - supporting child and whānau wellbeing in the first 1000 days
  - addressing racism, discrimination and stigma
  - enhancing child and youth mental wellbeing
- confirmed that central government must shift how it works with iwi/Māori at different levels to achieve the outcomes in the Strategy, and that enhancing te ao Māori concepts of wellbeing should be enhanced in the implementation of the Strategy
- noted that the Strategy's governance approach must drive and support implementation by improving coordination and alignment across agencies and between agencies and communities, and shifting the focus of governance away from central government to whānau, communities, and children and young people
- identified the need to ensure that that our approach to monitoring, measurement and reporting is efficient and effective, in particular better incorporating strengths-based understandings of wellbeing.

The Review made 16 recommendations that provide the basis for tangible actions. We are working with other agencies across government on a work programme to implement these recommendations. We will provide you with a supplementary briefing that sets out further information on the Review and the collective approach to implementing the 16 Review recommendations.

The next Review of the Strategy will be required by 18 August 2025, three years after the date of completion of the first Review.

## **Measurement, data and reporting**

A key role in the Child Poverty portfolio is measuring and reporting on progress so that the system can learn and adjust as needed. The available data on child wellbeing is improving but gaps remain in a number of areas that we are working to address. Data on child poverty is comparatively well developed but there are some measurement and data issues that officials are working through that will have important implications for progress towards the child poverty reduction targets.

### **Stats NZ's ongoing work to further strengthen the child poverty measurement regime**

Under the Child Poverty Reduction Act 2018, the Government Statistician has the duty and the power to define key statistical concepts and terms relating to child poverty measures.

While Stats NZ has responsibility for child poverty measurement, the CWPRG has an important role in monitoring the ongoing work being done by Stats NZ to further strengthen the child poverty measurement regime. This includes advising you about some of the potentially significant implications of any changes to the measurement regime for the Government's child poverty agenda, your statutory responsibilities, and the Government's progress against the targets.

Some of the areas that Stats NZ is working on, in consultation with the CWPRG, MSD and Treasury, over the next two years include:

- addressing challenges with traditional data collection approaches. The sample size for the 2022/23 HES data collection has been reduced to 15,000 households, from the 20,000 households as designed. Stats NZ have advised that they intend to return to the full 20,000 household sample for the 2023/24 data collection
- implementation of the Living in Aotearoa Survey. To enable reporting on persistent poverty, longitudinal data (data collected from the same individual over multiple years) is required. Starting from April 2022, Stats NZ has implemented a new longitudinal household survey, Living in Aotearoa. Living in Aotearoa will run alongside HES for a period of three years, with the 2023/24 HES after which the HES will be stopped. From 2024/25 onwards, child poverty data will be reported based on data from the Living in Aotearoa Survey. This will enable annual reporting of child poverty as we have from HES, but also reporting on persistent poverty (as required under the Act). Other improvements in the survey will also help enable the impacts of child poverty policies to be reflected in a more timely way in the data.

## Developing child wellbeing measures that are more strengths-based and that reflect te ao Māori perspectives

The review of the Strategy identified the need to better incorporate strengths-based understandings of wellbeing across the Strategy's measurement and reporting frameworks, and to better use evidence to prioritise investment. The review also recommended greater focus on including diverse voices, the lived experiences of children and young people and te ao Māori perspectives of wellbeing in the way we conceptualise wellbeing outcomes, interpret data, and monitor government investment.

Addressing this recommendation requires evolution of our measurement, monitoring and reporting approaches, including improving the types of data we collect, and the way evidence is used across government. We are working with agencies to scope and prioritise a work programme in conjunction with other similar shifts in approaches to wellbeing measurement across Government. These include the Treasury's Living Standards Framework and work led by Te Puni Kōkiri to develop a mātauranga Māori measurement framework for He Ara Waiora.

## Future briefings

We intend to provide you with a small number of further briefings over the coming weeks:

Title	Relation to upcoming decisions/activities	Proposed timing
Background information about the purpose and structure of the Child Poverty Reduction Act, including the multi-measurement framework and the Child Poverty Related Indicators	<ul style="list-style-type: none"> <li>Stats NZ annual report on child poverty rates (due 23 March)</li> <li>Your next CPRI report (due June 2023)</li> </ul>	Mid Feb
Making progress on the child poverty targets in the current economic environment	<ul style="list-style-type: none"> <li>Treasury Child Poverty Budget report (May 2023)</li> </ul>	Mid Feb
An overview of the Debt to Government work	<ul style="list-style-type: none"> <li>Engagement advice to joint Ministers (due 13 February 2023)</li> </ul>	Mid Feb
Working for Families	<ul style="list-style-type: none"> <li>Upcoming Income Support Ministers meeting (date tbc)</li> </ul>	Mid Feb
The Strategy Review – including progress made and next steps in implementing the 16 recommendations	<ul style="list-style-type: none"> <li>Annual Report of the Strategy's outcomes (due 6 April)</li> <li>Monitoring report to SWC (April)</li> </ul>	March
Measurement monitoring and reporting – including the work being done to further strengthen child poverty measures	<ul style="list-style-type: none"> <li>Quarterly advice from Stats NZ about work to strengthen child poverty measurement</li> </ul>	March

In addition to, or as an alternative to these briefings, we could work with your office to schedule a small number of meetings or workshops on specific areas of interest.

# Our support for you

## About DPMC

DPMC's purpose is to advance an ambitious, resilient and well-governed New Zealand, and we do this in a wide variety of ways. We lead, advise, steward and deliver activities across the public sector, and provide specific advice and support to the Governor-General, Prime Minister, Cabinet, and our portfolio Ministers. As one of the three central agencies, we also play a role in leading and coordinating public service agencies.

DPMC is uniquely placed within the public service, in terms of our whole-of-government perspective and our inherent closeness to Ministers. Ultimately, DPMC's work is about making sure we are working together effectively across the public sector to deliver on the Government's priorities and provide the services and outcomes New Zealanders need.

We have three core roles, one of which is to support informed decision making so that Government is supported to shape and deliver its priorities. Our work on child poverty and child wellbeing contributes to achievement of this outcome.

## The Child Wellbeing and Poverty Reduction Group

Through its Child Wellbeing and Poverty Reduction Group (CWPRG), DPMC has a leadership and stewardship role in relation to this work. The Group's purpose is to contribute to achievement of improved child wellbeing and reduced child poverty by:

- embedding the child wellbeing and poverty reduction legislative framework, positioning it to effect positive change for children and young people
- supporting the system to focus on the things most likely to make a positive difference to child and youth wellbeing and child poverty reduction
- influencing change and driving action across the system to advance the Government's child and youth wellbeing and child poverty reduction objectives.

To fulfil this purpose, we:

- **Advise** Provide advice that supports informed decision making with a particular focus on the actions that will have the biggest impact on improving child and youth wellbeing and child poverty reduction, and cross-agency policy areas that need drive and direction.
- **Monitor** Monitor child wellbeing and poverty reduction and evaluate effectiveness to understand the progress being made, what is working, and where additional attention is needed.
- **Drive action and influence change** Grow alignment to the Strategy inside and outside government and mobilise collective action.

- **Steward** Act as a steward for the child poverty reduction and wellbeing legislative framework (eg, a focus on data integrity and governance).

The CWPRG is a small group led by Executive Director, Clare Ward and Director, Hannah Kerr. In addition to the director, the group includes 10 full-time equivalent staff who specialise in policy, monitoring, engagement, and Ministerial support.

Until June last year, DPMC had two business units leading this work, the Child Poverty Unit and the Child Wellbeing Unit. The latter was funded by both Oranga Tamariki and DPMC under a year-to-year arrangement. Since July 2022 both teams have been brought into one group (the CWPRG) which has baseline funding for this work in Vote Prime Minister and Cabinet (see below). This change was to support greater integration across the child wellbeing and poverty workstreams, reduce duplication, and provide greater flexibility in the use of resources within the group. This Group is working well in its new configuration.

### Funding and reporting are managed by DPMC

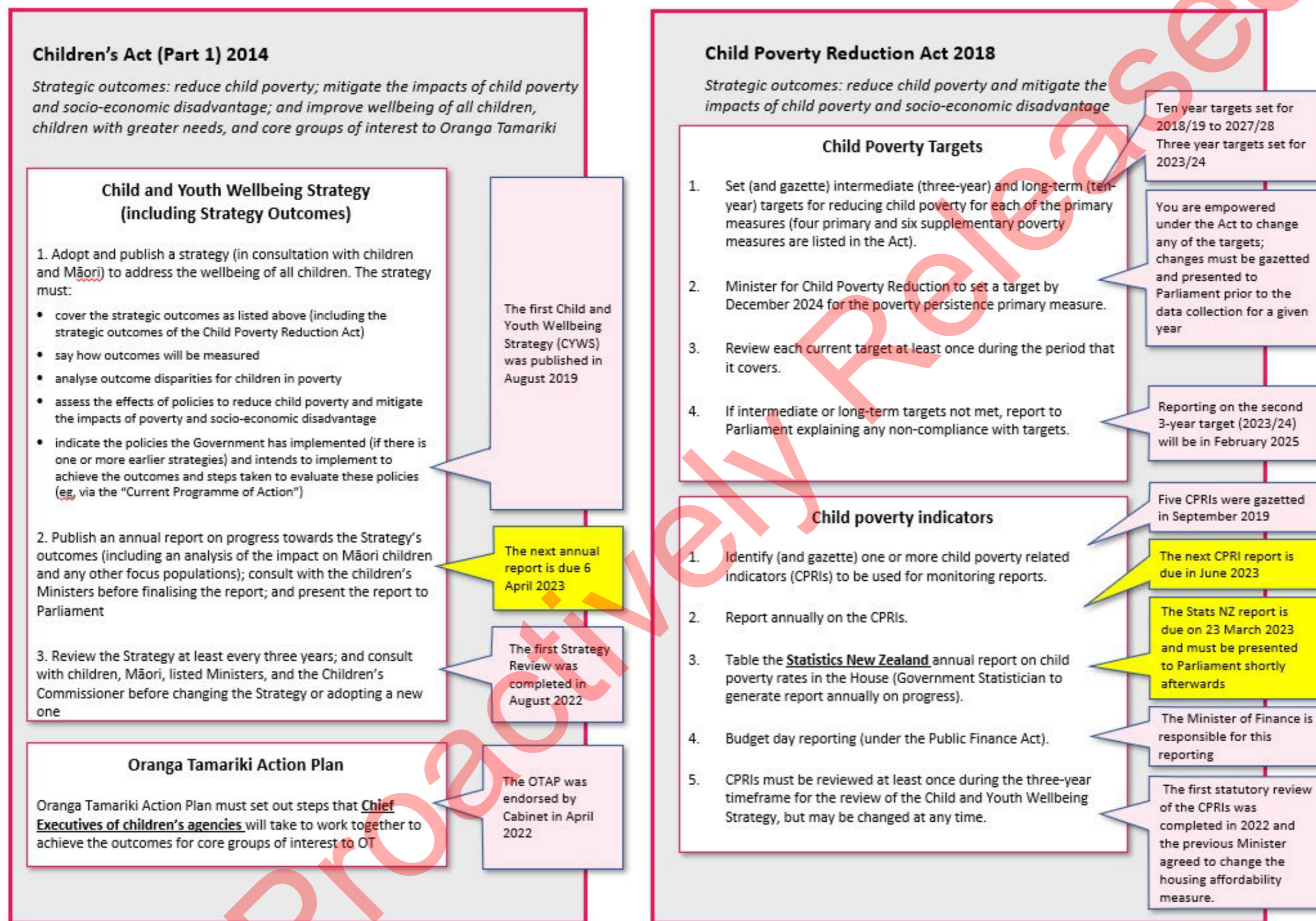
The CWPRG is funded through baseline funding of \$2.1m (approximately \$1.6 million once overheads are removed) in Vote Prime Minister and Cabinet (PMC), with the majority of funding being for staffing costs. Although initially a separate appropriation within the Vote, this funding is now part of the Advice and Support Multi-Category Appropriation in Vote PMC for which the Prime Minister is accountable.

DPMC administers all appropriations within Vote PMC. DPMC is also responsible for coordinating the annual accountability processes, responses for the Governance and Administration Select Committee hearings, and funding proposals. As part of the Estimates of the Appropriations passed by Parliament, performance measures are attached to funding within your portfolio. This includes an annual Ministerial satisfaction survey, which you will be required to complete, although we appreciate feedback at any time.

### Appendices

Appendices	Title	Security classification
<b>Appendix 1</b>	Status of child poverty and wellbeing legislative requirements	UNCLASSIFIED
<b>Appendix 2</b>	Overview of the Child and Youth Wellbeing Strategy	PUBLISHED
<b>Appendix 3</b>	Child poverty reduction measures and targets	PUBLISHED

## Appendix 1: Status of child poverty and wellbeing legislative requirements



## Appendix 2: Overview of Child and Youth Wellbeing Strategy

### OVERVIEW: THE FRAMEWORK

**Our Vision:** New Zealand is the best place in the world for children and young people.

**Essence:** Whakatōngia te kākano aroha i roto i ā tātou taitamariki kia puāwai i roto i tō rātou tupuranga aranui orange. Plant the seed of love in our children and they will blossom, grow and journey towards the greatest pathway of life.

CHILDREN and  
YOUNG PEOPLE...



... are LOVED, SAFE  
and NURTURED



... have WHAT  
they NEED



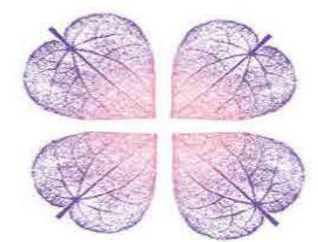
... are HAPPY  
and HEALTHY



... are LEARNING and  
DEVELOPING



... are ACCEPTED, RESPECTED  
and CONNECTED



... are INVOLVED and  
EMPOWERED

**This means:**

- they feel loved and supported
- they have family, whānau and homes that are loving, safe and nurturing
- they are safe from unintentional harm
- they are safe from intentional harm (including neglect, and emotional, physical and sexual abuse)
- they are able to spend quality time with their parents, family and whānau

**Indicators:**

- Feeling loved
- Feeling safe
- Family/whānau wellbeing
- Injury prevalence
- Harm against children
- Quality time with parents

**This means:**

- they and their parents or caregivers have a good standard of material wellbeing
- they have regular access to nutritious food
- they live in stable housing that is affordable, warm and dry
- their parents or caregivers have the skills and support they need to access quality employment

**Indicators:**

- Material wellbeing
- Child Poverty: Material Hardship
- Child Poverty: Low income BHC50
- Child Poverty: Low income AHC50
- Food insecurity
- Housing quality
- Housing affordability

**This means:**

- they have the best possible health, starting before birth
- they build self esteem and resilience
- they have good mental wellbeing and recover from trauma
- they have spaces and opportunities to play and express themselves creatively
- they live in healthy, sustainable environments

**Indicators:**

- Prenatal care
- Prenatal exposure to toxins
- Subjective health status
- Preventable admissions to hospital
- Mental wellbeing
- Self-harm and suicide

**This means:**

- they are positively engaged with, and progressing and achieving in education
- they develop the social, emotional and communication skills they need as they progress through life
- they have the knowledge, skills and encouragement to achieve their potential and enable choices around further education, volunteering, employment, and entrepreneurship
- they can successfully navigate life's transitions

**Indicators:**

- Early learning participation
- Regular school attendance
- Literacy, numeracy and science skills
- Social skills
- Self-management skills
- Youth in employment, education or training

**This means:**

- they feel accepted, respected and valued at home, school, in the community and online
- they feel manaakitanga: kindness, respect and care for others
- they live free from racism and discrimination
- they have stable and healthy relationships
- they are connected to their culture, language, beliefs and identity including whakapapa and tūrangawaewae

**Indicators:**

- Ability to be themselves
- Sense of belonging
- Experience of discrimination
- Experience of bullying
- Social support
- Support for cultural identity
- Languages

**This means:**

- they contribute positively at home, at school and in their communities
- they exercise kaitiakitanga: care of the land and connection to nature
- they have their voices, perspectives, and opinions listened to and taken into account
- they are supported to exercise increasing autonomy as they age, and to be responsible citizens
- they and their families are supported to make healthy choices around relationships, sexual health, alcohol, tobacco, and other drugs

**Indicators:**

- Involvement in community
- Representation of youth voice
- Making positive choices
- Criminal offending

The following principles reflect the values New Zealanders have said are important. They guide the development and implementation of the Strategy.

1. Children and young people are taonga.
2. Māori are tangata whenua and the Māori-Crown relationship is foundational.
3. Children and young people's rights need to be respected and upheld.

4. All children and young people deserve to live a good life.
5. Wellbeing needs holistic and comprehensive approaches.
6. Children and young people's wellbeing is interwoven with family and whānau wellbeing.

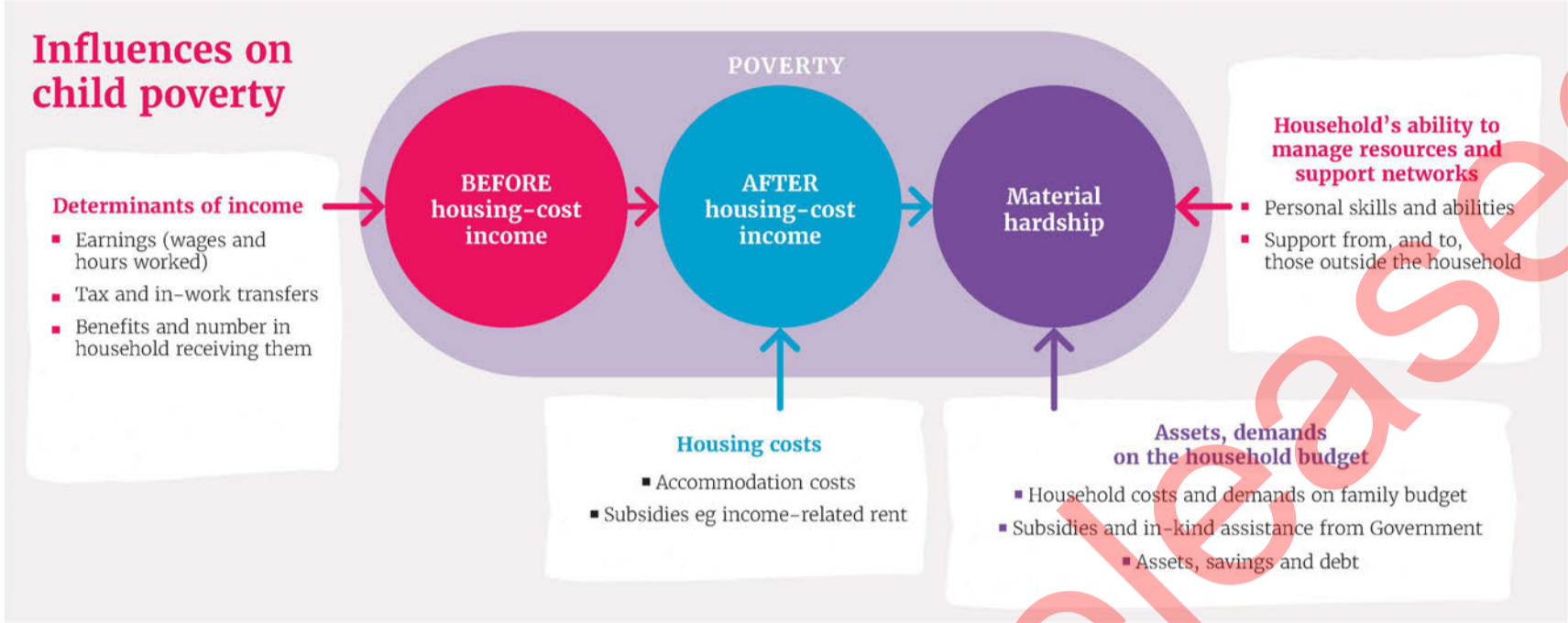
7. Change requires action by all of us.
8. Actions must deliver better life outcomes.
9. Early support is needed.



**Child and Youth  
Wellbeing**

Appendix 3: Child poverty reduction measures and targets

Child Poverty Reduction – at a glance



Child Poverty Reduction legislation

The Child Poverty Reduction Act (2018) requires current and future Governments to set three- and ten-year targets to reduce child poverty.

The Act establishes a balanced suite of child poverty measures and requires regular reporting to track progress against them.

The Government's goal is to at least halve child poverty within ten years, in line with the Sustainable Development Goals. This will take the rate to world-leading low levels.

Regular reporting requirements include:

- annual report on nine child poverty measures (produced by Stats NZ)
- Budget Day report on progress toward the targets, and how the Budget will reduce child poverty
- annual report on child poverty related indicators.

Find out more: [childyouthwellbeing.govt.nz/reducing-child-poverty](https://childyouthwellbeing.govt.nz/reducing-child-poverty)

Current child poverty measures

Poverty and material hardship are multi-dimensional and trends can be quite different, depending on the focus.

There are currently nine measures which must be reported on annually, including three primary and six secondary measures. (A fourth primary measure, capturing persistent poverty, is currently being developed and must be reported on for the 2025/26 year onwards.)

Current primary measures:

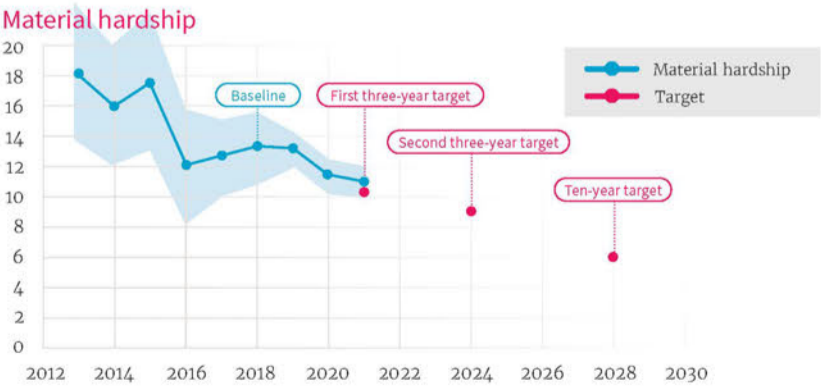
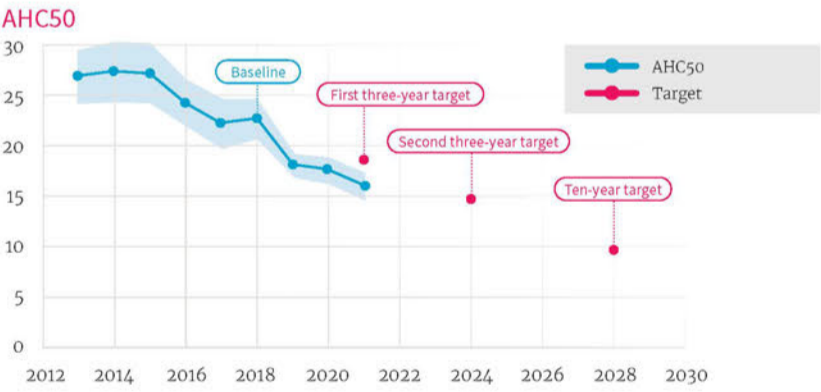
<b>BHC50:</b>	the number of children in households with much lower incomes (50%) than the median household income.
<b>AHC50:</b>	the number of children in households with incomes much lower (50%) than a typical 2018 household, after housing costs.
<b>Material hardship:</b>	a lack of six or more out of the 17 items in the material deprivation index, which include things like having two pairs of shoes in good condition and not putting off doctor visits.

The 95% confidence interval around the estimated rate is shown as the light blue shaded area in the figures to the right. A target is met if it is equal to, or above, the lower bound of the shaded area.

How we're tracking...

For the year ended June 2021, all nine measures of child poverty were trending downwards, over the three years since the 2017/18 baseline. The figures also show the Government has met the first round of child poverty targets on two of the three primary measures.

Percentage of children in poverty



For more information: <https://childyouthwellbeing.govt.nz/reducing-child-poverty>