

Solutions to  
**Child Poverty**  
in New Zealand  
**evidence for  
action**



Expert Advisory Group on  
Solutions to Child Poverty

---



This report *Solutions to Child Poverty in New Zealand: Evidence for Action*,  
was prepared by the Children's Commissioner's  
Expert Advisory Group on Solutions to Child Poverty.

Published December 2012

**References**

ISBN 978-0-909039-37-0 Print

ISBN 978-0-909039-38-7 Electronic

For further copies go to [www.occ.org.nz](http://www.occ.org.nz)

# Contents

List of Figures and Tables	ii
Foreword	iii
Acknowledgements	iv
Expert Advisory Group on Solutions to Child Poverty	v
Executive Summary	vi
1 Child Poverty in New Zealand	1
1.1 Defining child poverty	2
1.2 How many and which children are living in poverty?	3
1.3 How New Zealand compares with other countries	11
1.4 The causes of child poverty	13
1.5 The consequences of child poverty	14
1.6 The impact of poverty on children	17
1.7 Some common misconceptions	18
1.8 Conclusion	18
2 What You Told Us	20
2.1 Feedback on initial solutions to child poverty	20
2.2 Summary of all feedback	21
2.3 Children's voices	22
2.4 Feedback from consultations, surveys and submissions	23
2.5 Responding to your feedback	26
3 Our Approach	28
3.1 Our principles	28
3.2 Using the best evidence available	29
3.3 Policy choices, trade-offs and costs	30
3.4 Building on the work of others	33
3.5 Conclusion	34
4 Priority Recommendations	35
5 Our Recommendations	37
5.1 Strategy and accountability	37
5.2 Tax credits, benefits and income support	38
5.3 Child support	42
5.4 Employment, skills and training	42
5.5 Housing	45
5.6 Māori children	50
5.7 Pasifika children	52
5.8 Problem debt	55

## Contents – *Continued*

5.9 Health and disability	56
5.10 Education	59
5.11 Local communities and family	62
5.12 Justice system	64
5.13 Research and evaluation	65
5.14 Areas for further consideration	66
6 Conclusion	67
References	69
Appendix	72

## List of Figures and Tables

	<i>Page</i>
<b>Figures</b>	
<b>Figure 1.1</b> Child poverty rates in New Zealand from 1982 to 2011 (based on 50% and 60% of median disposable household income, after housing costs)	5
<b>Figure 1.2</b> Poverty rates in New Zealand from 1982 to 2011 by age (moving-line poverty measure, 60% of median disposable household income, after housing costs)	5
<b>Figure 1.3</b> Child poverty among two-parent and sole-parent households in OECD countries, 2008	6
<b>Figure 1.4</b> Poverty rates for children in workless and working households (fixed-line/constant value poverty measure, 60% median income, after housing costs)	7
<b>Figure 1.5</b> Material deprivation for children and other age groups, 2007 to 2011, Economic Living Standards Index (ELSI)	8
<b>Figure 1.6</b> Child poverty rate and overall poverty rate in 35 economically advanced countries	12
<b>Figure 1.7</b> A model of family poverty	15
<b>Tables</b>	
<b>Table 1.1</b> Proportion of children living in poverty in 2011 by household type and adult work status (fixed line, reference year 2007, 60% of median disposable household income, after housing costs)	6
<b>Table 1.2</b> Children’s deprivations of necessities, and other restrictions or stress points in their day-to-day lives, by their family’s Economic Living Standards Index (ELSI) score, 2008	9
<b>Table 1.3</b> Deprivation rates in 13 countries comparing children with older people and the total population in 2007 (Europe) and 2008 (New Zealand)	11
<b>Table 2.1</b> Submission types, numbers and representative groups	21

# Foreword

In August this year we released our *Issues and Options Paper: Solutions to Child Poverty in New Zealand*, for public consultation. Since then we have had the privilege to travel around the country and receive advice and feedback from hundreds of people. It has been both an invigorating and troubling experience. The real-life stories we have heard of children living in hardship has strengthened our resolve to seek better outcomes for our children. After all, children are New Zealand's most valuable resource and its best hope for the future.

At one consultation seminar participants were asked: 'what is the one thing you think the Prime Minister should do to address child poverty?' A woman stood up and responded vigorously: 'come and live my life for a while'. For this woman and her children and for tens of thousands of others across the country, child poverty is both real and debilitating. It means missing out on many of the things which the majority of children take for granted: adequate and nutritious food, good shoes and clothing, a separate bed, a warm, dry house, participation in school trips and occasional holidays away from home. Material deprivation of this kind should not be tolerated, least of all in a land of relative abundance.

At the request of the Children's Commissioner, Dr Russell Wills, the Expert Advisory Group on Solutions to Child Poverty has explored how New Zealand can reduce child poverty and mitigate its effects. We have reviewed the international and New Zealand literature, spoken with overseas and local experts, discussed the policy options with MPs, officials and civil society groups, and publicly tested our proposals. We are indebted to the many hundreds of people who have offered their advice, prepared formal submissions, attended forums or provided other responses to our initial proposals. We are also heartened by the recent attention paid to child poverty by the media. The issue has been embraced as a critical one for all New Zealanders and this has been reflected in thoughtful articles, reports and campaigns.

We wish to thank all the members of the Expert Advisory Group, together with the Group's Secretariat and the staff of the Office of the Children's Commissioner, for their hard work, good will, perseverance and support. We are also greatly indebted to Dr Russell Wills and Dr Jo Cribb for their wisdom, encouragement and assistance.

Above all, we hope that this Report will contribute to better outcomes for New Zealand's most needy and deprived children. The goal is clear and within our grasp. All children, whatever their family background, should have the opportunity to thrive and enjoy the fullness of life to which they are entitled as citizens of this bounteous land.



Jonathan Boston



Tracey McIntosh

Co-Chairs, Expert Advisory Group on Solutions to Child Poverty

# Acknowledgements

The Expert Advisory Group (EAG) wishes to express sincere appreciation to the individuals and organisations who have generously contributed their knowledge, expertise and experience to support this important work.

We thank the many New Zealanders who participated in consultations, made submissions and engaged in the wider public debate on the importance of taking action now to address child poverty.

We wish to thank the following community leaders and researchers for contributing their valuable time, informed perspectives, and research to raise our awareness of specific issues:

- Professor Sir Peter Gluckman, *University of Auckland and Chief Science Advisor to the Prime Minister*
- Professor Innes Asher, *University of Auckland*
- Professor Tony Dowell, *University of Otago*
- Iris Pahau, *Solutions for Tamariki*
- Deborah Morris-Travers, *Every Child Counts*
- Anton Blank, *Te Kahui Mana Ririki*
- Alison Hussey, *Plunket*
- Mike Munnely, *Barnardos*
- Kate Amore, *University of Otago*
- Associate Professor Michael Baker, *University of Otago*
- Dr Fiona Imlach Gunasekara, *University of Otago*
- Dr Kristie Carter, *University of Otago*
- Alan Johnson, *Salvation Army*
- Dr Susan Morton, *University of Auckland*
- Dr Polly Atatoa Carr, *University of Auckland*
- Prue Kapua, *Māori Women's Welfare League*
- Michelle Egan-Bitran, *Office of the Children's Commissioner.*

We are grateful to the following international experts for their generous contributions to the EAG at various stages of the process:

- Professor Greg J. Duncan, *School of Education, University of California, Irvine, USA*
- Professor Jonathan Bradshaw, *Social Policy Research Unit, Welfare and Employment Team, University of York, UK*
- Professor Peter Saunders, *Social Policy Research Centre, University of New South Wales, Australia.*

We are also thankful to the School of Government at Victoria University, especially the Head of School, Professor Peter Hughes, for their assistance and for providing office space for the Secretariat.

Thank you to the many officials and organisation representatives who attended workshops to develop the issues and options, especially: Bryan Perry, Ministry of Social Development; Margaret Davison, Ministry of Pacific Island Affairs; Vince Galvin and Denise Brown, Statistics New Zealand; and Nic Blakeley, Dr Tony Burton and Dr Margaret Galt from The Treasury.

We wish to express our appreciation to the Secretariat for the quality and timeliness of their work and their generosity of spirit throughout the process. The Secretariat members were Donna Provoost, Janine Moss, John Hancock, Dr Constance Lehman, Alister Newton and Dr Simon Chapple. Louise Munro and David Preston also contributed to the Secretariat work. Also, thanks to Anna Santos and Rebecca Blaikie of the Office of the Children's Commissioner.

# Expert Advisory Group on Solutions to Child Poverty

The Children's Commissioner has identified child poverty as a key priority during his five-year term. In March 2012 he established the Expert Advisory Group (EAG) on Solutions to Child Poverty.

The Children's Commissioner sought advice from the EAG that would result in a systemic approach to defining the causes and consequences of child poverty, which drew on the best available local and international evidence, including actions taken in similar countries. The advice in this report addresses the specific needs of Māori and Pasifika children. The advice includes short-term actions to reduce child poverty and its effects that are realistic, pragmatic, effective, and takes into consideration current and likely future fiscal constraints. A longer-term strategy for reducing child poverty and its negative effects is also proposed.

The Children's Commissioner appointed the following people to the EAG:

- Professor Jonathan Boston (co-chair), *Professor of Public Policy, School of Government, Victoria University of Wellington*
- Dr Tracey McIntosh (co-chair), *Department of Sociology, University of Auckland; past Director Centre of Research Excellence (CoRE) Ngā Pae o te Māramatanga*
- Dr Airini, *Head of School, Critical Studies in Education, University of Auckland*
- Dr Fiona Cram, *Researcher, Consultant, Katoa Ltd, Ngati Pahauwera*
- Professor Mark Henaghan, *Dean and Professor of Law, University of Otago*
- Professor Philippa Howden-Chapman, *Professor of Public Health, University of Otago*
- Phil O'Reilly, *Chief Executive, Business New Zealand*
- Professor Richie Poulton, *Director Dunedin Multidisciplinary Health and Development Research Unit; Co-Director, National Centre for Lifecourse Research, University of Otago*
- Dr James Prescott, *Senior Lecturer in Accounting, Auckland University of Technology; Families Commissioner*
- Major Campbell Roberts, *National Director, Social Policy and Parliamentary Unit, the Salvation Army*
- Bob Stephens, *Senior Associate, Institute of Policy Studies, Victoria University of Wellington*
- Dr Nikki Turner, *General Practitioner; Director of Conectus and the Immunisation Advisory Centre; Senior Lecturer in the Division of General Practice and Primary Health Care, University of Auckland*
- Sharon Wilson-Davis, *Chief Executive, Strive Community Trust.*

Some of the issues covered in this Report were subject to substantial debate among EAG members. We sought a consensus view on all key issues. While all members might not subscribe to every statement printed here, they endorse the Report and recommendations as a whole.

# Executive Summary

We like to believe that New Zealand is a great place for children. For the majority of our children this is true. But it is not true for children living in poverty. As many as 25 percent of children – about 270,000 – currently live in poverty.

The Expert Advisory Group (EAG) has spent the past ten months working on the task given to us by the Children's Commissioner, Dr Russell Wills, to provide him with realistic, pragmatic and effective solutions to address child poverty in the short and longer-term. We shared our initial thinking with New Zealanders in an *Issues and Options Paper* in August 2012, and have incorporated many suggestions and views from the feedback into this Report.

**Child poverty is costly:** Child poverty imposes costs on the children involved and on our society. For individual children, the short-term impacts include having insufficient nutritious food, going to school hungry and living in a cold, damp house. It often means missing out on important childhood opportunities like school outings and sports activities. The impacts also include lower educational achievement, worse health outcomes and social exclusion. These differential outcomes, as well as the neurological responses to growing up in poverty, mean that childhood poverty can leave life-time scars, with reduced employment prospects, lower earnings, poorer health, and higher rates of criminal offending in adulthood. It need not be this way; nor should such outcomes be tolerated. No child should experience severe and persistent poverty, least of all in a land of relative abundance.

Currently, the economic costs of child poverty are in the range of \$6-8 billion per year and considerable sums of public money are spent annually on remedial interventions. Failure to alleviate child poverty now will damage the nation's long-term prosperity. It will also undermine the achievement of other important policy priorities, such as reducing child abuse, lifting educational attainment and improving skill levels.

**Child poverty can be reduced:** There is no question that child poverty can be reduced. There is extensive international evidence on what can be done, which policies are most effective, and what strategies deliver the greatest returns. But overseas experience also highlights that a significant and durable reduction in child poverty takes time and money. It thus requires political vision, courage and determination. Above all, it means giving children a high priority and making effective use of the best available evidence.

**A multi-pronged approach is needed:** There is no simple solution to addressing the causes and consequences of child poverty. Accordingly, solutions to child poverty require a range of mutually reinforcing actions. These need to give specific attention to overcoming inequalities for Māori and Pasifika, and be sensitive to the particular issues facing children in sole-parent families. We have focused on solutions that reduce severe and persistent child poverty, and we have concentrated on young children experiencing poverty as many significant aspects of child development occur in the earliest years and early intervention is likely to deliver the greatest returns.

This report includes 78 separate recommendations. We believe each of these is important for addressing some aspect of child poverty. Some of these actions can be achieved through careful reprioritisation of current public expenditure, but the actions that will have the greatest impact on reducing child poverty will require significant new investment.

In difficult fiscal and economic circumstances, as currently prevail, the challenges for governments are all the greater. Accordingly, we have divided our proposals into four categories.

**The first step:** We have recommended that governments adopt a strategic framework for addressing child poverty issues and ensuring accountability for outcomes. This includes the enactment of legislation requiring the measurement of child poverty, the setting of short-term and long-term poverty-reduction targets, the establishment of various child poverty-related indicators, and the monitoring and regular reporting of results.

**Initial priorities for immediate attention at relatively low-cost:** Second, we have recommended a series of practical, cost-effective and relatively inexpensive measures that will mitigate some of the worst consequences of child poverty. Most of these measures can be implemented quickly and will make a difference to the lives of many children. Their impact on child poverty rates, however, is likely to be only modest.

- pass-on child support payments to sole parents who are on a state-provided benefit (Recommendation 13)
- establish a Warrant of Fitness for all rental housing (both social and private sector) (Recommendation 20)
- support a public-private-partnership micro-financing model with the banking sector and community groups, with the aim of providing modest low-interest and zero-interest loans, as a mechanism to help low-income families access affordable credit and effectively manage debt (Recommendation 48)
- implement a collaborative food-in-schools programme (Recommendation 60)
- support young people who are pregnant and/or parenting to remain engaged in education (Recommendation 63)
- support effective delivery of local services through community hubs (Recommendation 66).

**Initial priorities over the longer-term:** Third, we have recommended a more ambitious package of policy measures designed to reduce child poverty over time to a much lower rate (e.g. at least 30-40 percent below the current rate). These include significant reforms to social assistance programmes, including greater support for low-income families with young children, and major changes to policy settings in the areas of child support, education, housing, health care, and criminal justice. We fully recognise that these changes will be costly. They will require either the reprioritisation of current public expenditure or higher taxes. These are matters for the democratic process to resolve.

- review of all child-related benefit rates and relativities, with a primary goal to reduce child poverty (Recommendation 10)
- create a new, simpler income support payment for families with dependent children allocated to 100 percent of children aged 0 to 5 years inclusive and targeted based on family income from age 6 years onward (Recommendation 11)
- increase the number of social houses by a minimum of 2,000 units per year through to 2020 (Recommendation 22)
- fund free primary care visits for all children 24 hours/7 days a week from birth to age 5 years inclusive; extending over time to all children to age 17 years inclusive (Recommendation 52).

**Priorities identified by children:** Finally, we consulted with children on the solutions they thought were most important and they identified an action we had missed: it relates to them having the opportunity to play with friends, even if they are poor. For this reason, we have also put forward the following recommendation:

- all local governments ensure that their parks, playgrounds and public spaces are safe and welcoming for children, and free leisure and recreational activities are available, especially in disadvantaged neighbourhoods (Recommendation 72).

The EAG is confident that the initial priorities identified here will assist in reducing child poverty and mitigating some of its worst impacts. But it must be stressed that to reduce child poverty in a comprehensive way we need to move beyond the starting point that these priority lists provide.

The 78 recommendations we have included in Chapter 5 cover the full range of solutions needed to address child poverty. The topics include: strategy and accountability; tax credits, benefits and income support; child support; employment, skills and training; housing; Māori and Pasifika children; problem debt; health and disability; education; local communities and family; justice system; and research and evaluation. We have not looked at these areas in isolation, but have considered each recommendation as one element of a holistic approach to reduce and mitigate the effects of child poverty. Together, all these actions will bring us closer to our long-term aim to achieve and maintain low levels of child poverty, based on both international and domestic benchmarks.

The Government has an important leadership role to play; consequently, the majority of our recommendations are directed at the Government. But there are also important roles for business, non-government service providers, communities and families to alleviate child poverty. We were heartened and inspired by the range of initiatives to reduce child poverty that are already underway by businesses and local community groups. We fully support these activities and urge all New Zealanders to consider how they can make a difference for children in their local communities.

# 1 Child Poverty in New Zealand

New Zealanders like to believe that our country is a great place for children. For the majority of our children this is true. For a substantial minority, however, it is not. These children experience hardship or are excluded from the normal patterns of modern life, sometimes for long periods. We call this poverty. Using one of the available measures of poverty, based on household incomes after housing costs, as many as 25 percent of children currently live in poverty. This is about 270,000 children. Other measures generate lower numbers, but they still indicate that child poverty in New Zealand is a very significant problem.

Child poverty involves material deprivation and hardship. It means, for instance, a much higher chance of having insufficient nutritious food, going to school hungry, wearing worn-out shoes or going barefoot, having inadequate clothing, living in a cold, damp house and sleeping in a shared bed. It often means missing out on activities that most New Zealanders take for granted, like playing sport and having a birthday party. It can also mean much narrower horizons – such as rarely travelling far from home. For instance, many children in low-income families in the Hutt Valley and in Porirua have never been the short distance to Wellington city (*The Dominion Post*, 27-28 October, 2012). A major reason is because their families cannot afford the very modest transport costs. This is not the kind of country most New Zealanders experience or know much about. But it is the harsh reality for many of our children.

Child poverty imposes costs. It harms the children directly affected and our wider society. It reduces the opportunity for children to develop their gifts and talents. It undermines their rights. It stifles educational achievement, reduces labour productivity and earnings ability, and increases the costs of health care and crime. Considerable sums of public money are spent dealing with these negative consequences of child poverty. Moreover, a failure to address child poverty now will damage the nation's long-term prosperity.

**Finding solutions:** If child poverty is to be alleviated, we must first identify the scale and seriousness of the problem, as well as understand its causes and consequences. These issues are addressed in this Chapter. The remaining Chapters present our approach and the solutions we have identified to reduce child poverty and mitigate its effects. We begin in Chapter 2 with a summary of the feedback on our *Issues and Options Paper*, including priorities identified from the community meetings, survey, submissions, and consultations with children. Chapter 3 summarises the main principles and other considerations that have informed the policy framework we have adopted and that have guided our selection of recommendations. Chapter 4 provides advice on where to start and highlights our initial priorities. Chapter 5 briefly outlines the rationale for each of our 78 recommendations, and Chapter 6 offers a way forward on the journey to reduce child poverty in New Zealand.

Full, detailed consideration of the topics explored in this Report and the evidence underpinning all our recommendations is included in 24 Working Papers and related Background Papers. See the Appendix for a listing by title.

We begin this Chapter by specifying the definition of child poverty we have employed for the purposes of this Report. Following this we discuss the primary features of child poverty in New Zealand. This includes a brief analysis of how poverty is measured, how child poverty rates vary across family types and how New Zealand's rate of child poverty compares with other countries. We then examine the causes and consequences of child poverty, including the economic costs.

## 1.1 Defining child poverty

New Zealand has no agreed definition of poverty or official poverty measures. Without an authoritative definition and widely accepted measures we will lack a common purpose or agreed goals. Likewise, we will be less able to develop focused solutions to child poverty or evaluate their success in achieving specified poverty-reduction targets. Accordingly, we need a clear definition and agreed measures. The issue of poverty measurement is addressed later in this Chapter.

Child poverty should be defined in a manner that is consistent with recognised international approaches. Amongst other benefits, this will allow us to compare how New Zealand is faring relative to other countries. In our view, child poverty should be defined as follows:

Children living in poverty are those who experience deprivation of the material resources and income that is required for them to develop and thrive, leaving such children unable to enjoy their rights, achieve their full potential and participate as equal members of New Zealand society.

The definition identifies that both material resources and income are key components of child poverty. *Material deprivation* refers to a person or family lacking essential consumption items because they cannot afford them. *Income* refers to disposable income (i.e. market income less direct income tax plus social assistance benefits and tax credits), adjusted for family size and composition. For most low-income households with dependent children, the current level of income is a reasonable indicator of the level of resources that they can use for current expenditure, because such families generally lack savings or other assets.

Our definition of child poverty also highlights the socioeconomic *rights of children* as citizens. These rights are enunciated in the United Nations Convention on the Rights of the Child (UNCROC), to which New Zealand is a signatory. Articles 26 and 27 of UNCROC refer to children's rights to social security, and to a standard of living adequate for a child's physical, mental, spiritual, moral and social development. Equally, our definition affirms that children should be given the opportunity to *achieve their full potential* – both for their own future well-being and for the economic and social well-being of society. Finally, the emphasis on children being able to *participate as equal members of New Zealand society* reflects the philosophy articulated four decades ago by the Royal Commission on Social Security (1972) that one of the central objectives of social assistance programmes should be 'to ensure, within limitations which may be imposed by physical or other disabilities, that everyone is able to enjoy a standard of living much like the rest of the community, and thus be able to feel a sense of participation in and belonging to the community' (p65).

**International approaches:** While there is no single, internationally agreed definition of child poverty, our approach is consistent with the definitions adopted by various other developed nations. For example in Wales, child poverty is defined as 'a long-term state of not having sufficient resources to afford food, reasonable living conditions or amenities or to participate in activities (such as access to attractive neighbourhoods and open spaces) that are taken for granted by others in their society' (Welsh Assembly Government, 2011, p6).

International organisations, such as the United Nations, make a distinction between child poverty in developed countries, like New Zealand, and in developing countries. This distinction is generally related to the difference between *abject* poverty and *relative* poverty. Abject poverty involves being deprived of one or more of the absolute essentials for life, such as food, water, sanitation facilities, shelter and basic health-care services. We recognise that this type of poverty is much worse than the poverty typically experienced in New Zealand. Nevertheless, simply because relative poverty is less debilitating and harmful than abject poverty does not render the notion of relative poverty meaningless or inappropriate. On the contrary, we believe that the term 'poverty' accurately describes the circumstances and hardship experienced by numerous citizens, including many children, in countries like New Zealand.

**Well-being and child poverty:** Ensuring that all children have a good start in life involves more than alleviating poverty. Child well-being comprises several components including material well-being, safety and security, health, education, the environment, housing, care and support, civil and political rights, cultural identity and social connectedness (MSD, 2008; OECD, 2009). While we agree that enhancing child well-being is vitally important, our mandate is to find solutions to child poverty and ways to mitigate its harmful effects. Accordingly, this has been the focus of our work. Reducing child poverty will enhance child well-being.

A related concern has been that our definition of child poverty gives insufficient weight to the social, cultural and religious dimensions of poverty; it does not, for example, address 'poverty of spirit'. We acknowledge this. But our definition has been crafted so that it can be applied in practical ways by policy makers. Having said this, we recognise that child poverty exists in a spiritual, social and cultural context and these factors are inseparably associated with poverty for Māori and Pasifika children, and contribute to its alleviation. The need for a holistic measure of Māori well-being is a common theme in the literature. Henare, Puckey and Nicholson (2011) argue that current measurements of well-being are inadequate and there is a need to develop new measures and indices that reflect Māori and Pasifika values, spirituality and capabilities.

## 1.2 How many and which children are living in poverty?

Children living in poverty in New Zealand and their families are diverse. There is no one typical poor child. Assessments of the scope and scale of child poverty depend on how poverty is measured. Accordingly, having an agreed approach to measurement is critically important. In particular, it is vital to distinguish between poverty and its causes, consequences and correlates. This is essential not merely for conceptual clarity but also to ensure that policy makers can identify and implement appropriate solutions, and subsequently evaluate their success in achieving specified poverty-reduction objectives.

**Measuring poverty:** In the international literature there are two common approaches to poverty measurement. One relies on specific measures of disposable household income; the other uses measures of material deprivation. Both approaches are important and capture different aspects of poverty (UNICEF, 2012).

Under the first approach, poverty is measured on the basis of whether (equivalised) disposable household income is below a particular threshold. In such circumstances, all household members, including children, are considered to be poor. The most commonly used thresholds are 50 percent and 60 percent of median disposable household income. These thresholds have been chosen partly because they broadly equate to the level of income below which many households experience significant hardship. Disposable income means market income that is adjusted for direct taxes, social welfare benefits and tax credits. Adjustments are also made for the size and composition of the households. Further, adjustments can be made to take into account major fixed costs like housing – so that poverty thresholds can be calculated both before and after housing costs have been deducted. Similarly, the relevant thresholds can be adjusted periodically to reflect changes in median incomes, thereby enabling changes in poverty rates to be tracked over time. Annual adjustments provide a moving-line measure, while a fixed-line (or constant-value) measure can be generated by establishing a reference year and then making annual adjustments for inflation. The latter measure shows how poverty rates have changed in 'real' terms compared to the reference year.

Under the second approach to measuring poverty, surveys are used to determine the proportion of the population (or children) who cannot afford specific consumption items that most people regard as essential. Such items might include having a raincoat, sturdy shoes

and warm clothes, and being able to repair or replace appliances, visit the doctor and keep the house warm in winter. A threshold can then be set, based on the number of items that a family lacks (e.g. three items out of ten), in order to determine the poverty rate. Deprivation measures of this nature provide a more direct indication of poverty than income-based measures as they are an outcome measure based on the standard of living actually achieved. Such measures thus incorporate the ability of a family to use assets, or borrow, to maintain current consumption patterns. Unlike income-based measures, they vividly convey the nature and magnitude of the hardship facing children and their families.

The precise rate of child poverty at any given time depends on whether the measure being used is income-based or deprivation-based and where the poverty thresholds are set. In what follows, we draw on a range of measures to highlight the nature and extent of child poverty in New Zealand and how our rates of poverty compare with other countries (where such comparisons are meaningful).

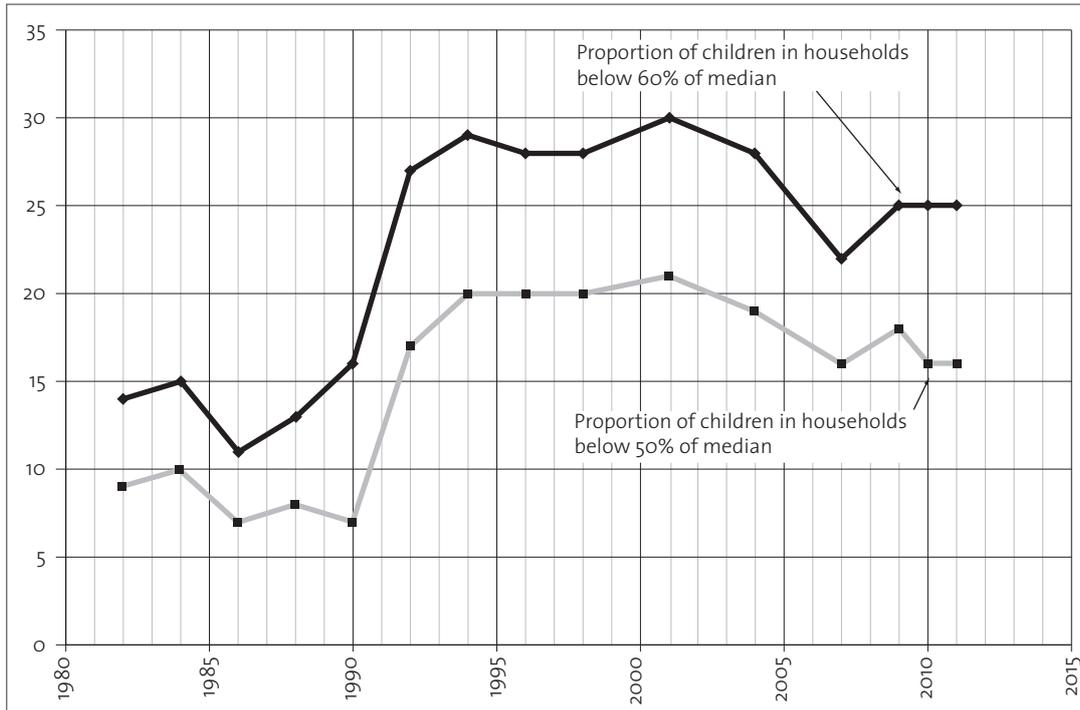
**Trends in child poverty:** Figure 1.1 shows child poverty rates in New Zealand based on both 50 percent and 60 percent of median disposable household income (after housing costs). Note that the rates in 2011 were around 16 percent and 25 percent respectively. This equates to about 170,000 children using the lower threshold (indicating deeper levels of poverty), and 270,000 children with the higher threshold. Using data based on disposable household incomes before any adjustment for housing costs generates somewhat lower child poverty rates (because housing costs make up a large proportion of outgoings in low-income households). On this basis, for instance, and using a 60 percent poverty threshold, about 19 percent of children were in poverty in 2011, and about 11 percent using a 50 percent threshold (Perry, 2012).

Notice that child poverty rates (after housing costs) were about half their current levels in the mid-1980s. They increased dramatically during the early 1990s as a result of much higher levels of unemployment and cuts in the real value of most welfare benefits. The fall in child poverty, especially between 2004 and 2007, reflects a stronger economy and the impact of the Working for Families package in lifting the disposable incomes of low-income families. Similar data on longer-term trends in material deprivation rates are not available, but data for 2007 to 2011 are shown in Figure 1.5.

To give greater specificity to what such poverty data mean, the median disposable household income (after housing costs) in New Zealand for a family of two adults and two children in 2011 was \$1,000 per week (Perry, 2012). (The median varies according to family size and composition.) This means that those with incomes equivalent to 50 percent of the median were receiving \$500 per week. Hence, to lift such a family's income to the 60 percent threshold would require an additional \$100 per week. Of course, receiving 60 percent of the median disposable household income rather than a lower percentage does not automatically eliminate material deprivation even though technically the family is no longer experiencing 'income poverty'. Moreover, low-income families often face very high housing costs. Accordingly, their disposable income after paying their rent or mortgage will frequently be lower than the figures noted above. For such reasons, it is important to use a range of poverty measures (including both income and deprivation-based measures) and not rely solely on one particular approach or threshold.

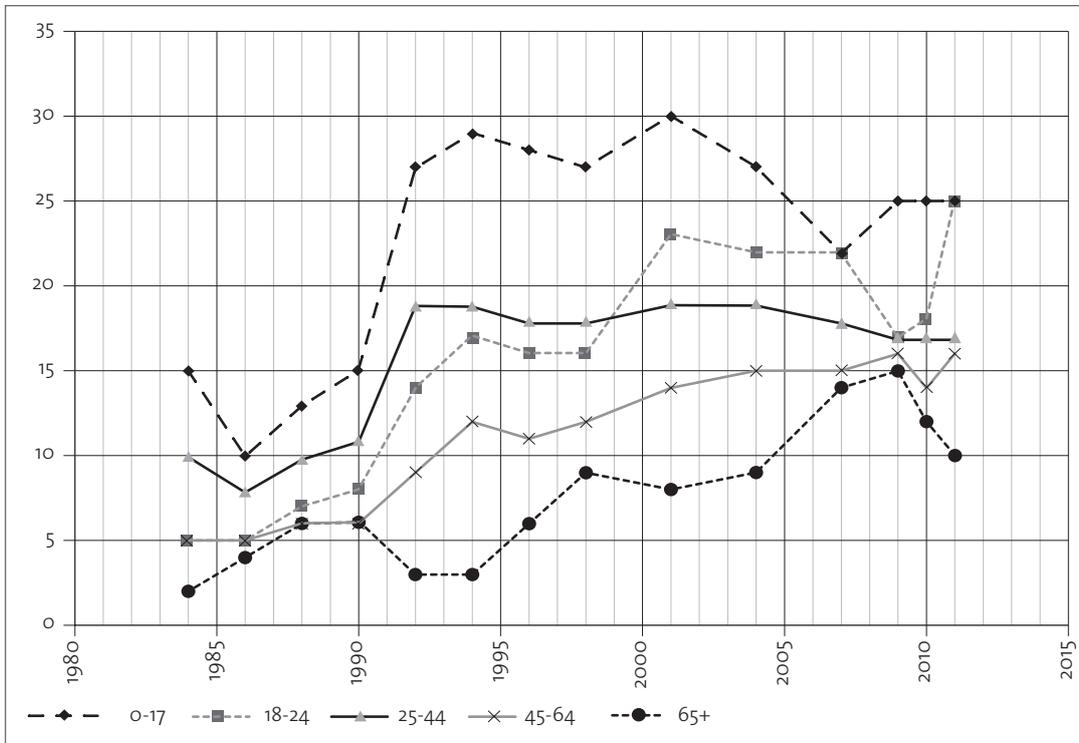
**Poverty by age:** As highlighted in Figure 1.2, over recent decades children (i.e. those under age 18) have consistently been more likely to experience poverty than any other age group. Likewise, child deprivation rates are higher, sometimes much higher, than for other age groups (see Table 1.3). This pattern is consistent with the experience of many other OECD countries (see Figure 1.6), although there are some countries (especially in Scandinavia) where the child poverty rate is below the overall population rate.

Figure 1.1 Child poverty rates in New Zealand from 1982 to 2011 (based on 50% and 60% of median disposable household income, after housing costs)



Source: Perry, 2012, p124

Figure 1.2 Poverty rates in New Zealand from 1982 to 2011 by age (moving-line poverty measure, 60% of median disposable household income, after housing costs)



Source: Perry, 2012, p117

In New Zealand, younger children (i.e. those aged 0 to 11 years) are more likely to experience poverty than older children (i.e. those aged 12 to 17 years). For instance, whereas 27 percent of children aged 0 to 11 were in poverty in 2011 (based on a 60 percent poverty line, after housing

costs), the rate for 12 to 17 year olds was 22 percent (Perry, 2012). Such differences reflect the tendency for parental incomes to be lower when children are young. Current policies, which deliver greater financial assistance to families with older children, reinforce this pattern.

**Household type and employment status:** Like most other countries, New Zealand children living in sole-parent families are much more likely to experience poverty than children with two parents (see Table 1.1 and Figure 1.3). This is particularly concerning because New Zealand has a comparatively high rate of sole-parenthood; in 2011 around a quarter of children were in such circumstances. There are two main reasons why sole-parent families in New Zealand have a high rate of poverty: sole-parents have a comparatively low rate of paid employment by OECD standards, and welfare benefits are low relative to the poverty line.

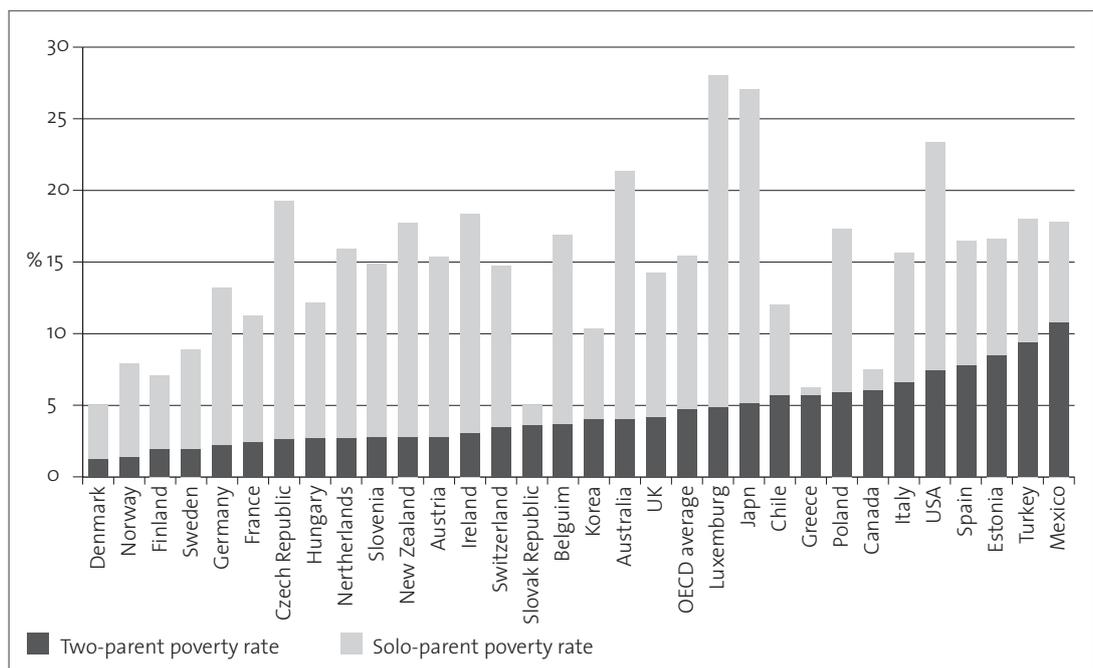
Children with two or more siblings are also more likely to be living in poverty. In part, this reflects current policy settings which deliver relatively greater assistance to smaller families.

Table 1.1 Proportion of children living in poverty in 2011 by household type and adult work status (fixed line, reference year 2007, 60% of median disposable household income, after housing costs)

	%
<b>Type of household</b>	
Sole parent	56
Two parents	13
Other types of households	16
<b>Number of children in household</b>	
1 or 2 children	18
3 or more children	28
<b>Work status of adults in household</b>	
One or more adults in full-time work	9
Self-employed	17
No adults in full-time work	61
Workless	65

Source: Perry, 2012, p127

Figure 1.3 Child poverty among two-parent and sole-parent households in OECD countries, 2008

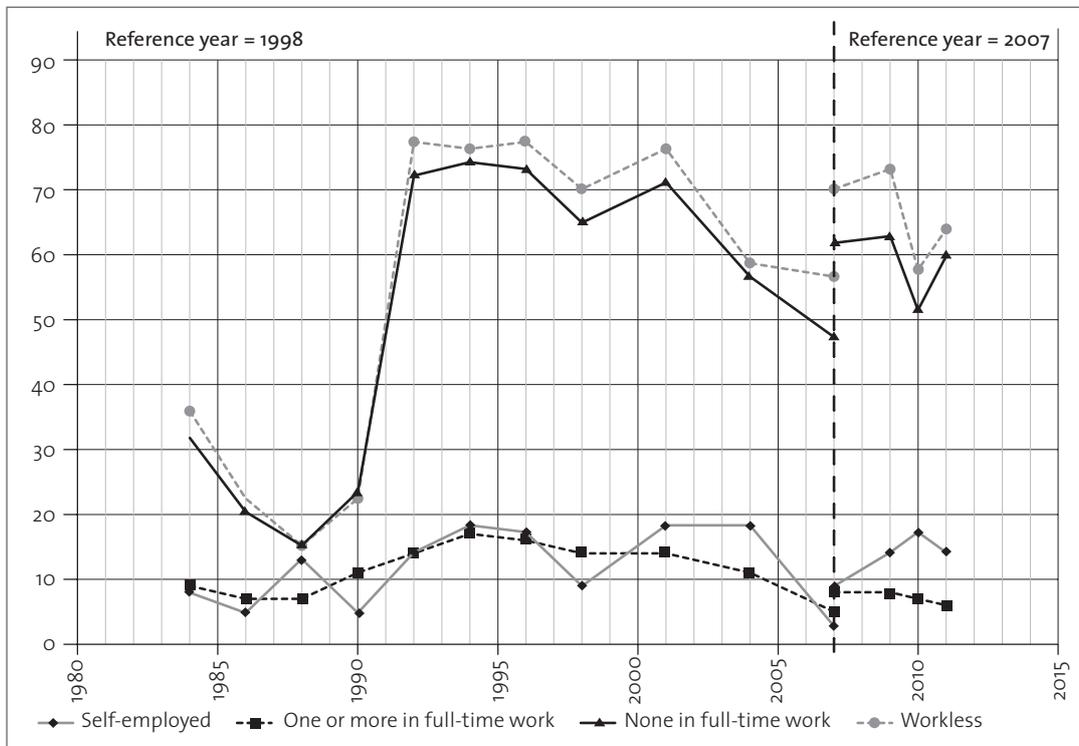


Source: Presentation by Peter Saunders for EAG, 2012, based on OECD Family Database

Figure 1.4 displays poverty rates for children in workless and working households (using a 60 percent threshold, after housing costs) relative to poverty lines set in the reference years 1998 and 2007. It shows trends in child poverty in real terms compared to these reference years.

As highlighted in Figure 1.4, children living in families where the adults are unemployed are much more likely to grow up in poverty. In 2011, 65 percent of children in families dependent on a benefit were living in poverty compared to 9 percent of children in families where at least one adult was in full-time employment. However, on average from 2007 to 2011, two in five children living in poverty were in families where at least one adult was in full-time employment or self-employed. As shown in Figure 1.4, the rate of 'in-work' poverty was much higher prior to the implementation of the Working for Families package (which incorporated an In-Work Tax Credit in 2006). Other policy changes have also impacted on child poverty rates in different types of households in recent decades. Notice, for instance, the sharp rise in poverty after the benefit cuts in the early 1990s, and the reduction in poverty amongst households without a full-time worker after Income-Related Rents were introduced in the early 2000s.

Figure 1.4 Poverty rates for children in workless and working households (fixed-line/constant value poverty measure, 60% median income, after housing costs)



Source: Perry, 2012, p127

**Ethnicity:** Child poverty rates differ significantly by ethnicity in New Zealand. Poverty rates (after housing costs) for Māori and Pasifika children are around double those of Pākehā/European children. Further, Māori and Pasifika children are approximately twice as likely as Pākehā/European children to be living in severe poverty and are also at a higher risk of persistent poverty (Imlach Gunasekara & Carter, 2012). (Severe and persistent poverty are discussed later in this Chapter.) The higher rate of poverty for Māori children reflects, amongst other things, the number of such children who live with an unemployed sole-parent (Perry, 2012). At the same time, it is important to note that about half of all children living in poverty are Pākehā/European (Perry, 2012). In other words, child poverty is not simply a Māori or Pasifika issue. Reliable data on the rate of child poverty experienced by smaller ethnic groups are not available.

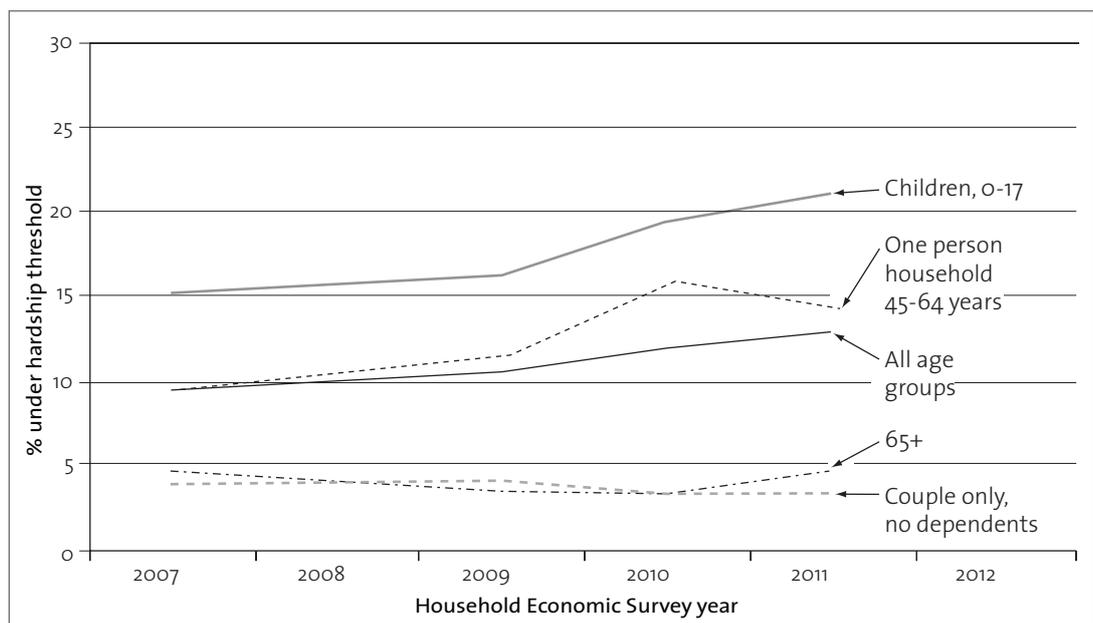
**Disability:** An estimated 107,000 New Zealand children have a disability. People with disabilities are significantly disadvantaged compared with the general population, especially in employment, education, access to public transport and their overall standard of living (Statistics New Zealand, 2006). Children with disabilities are more likely than other children to live in poverty. One reason for this is that having a child with a disability increases family stress. This includes the likelihood of a higher rate of divorce, lower rates of parental employment and a greater reliance on welfare benefits (Swaminathan et al., 2006; Reichman et al., 2008). Children with a disabled parent are also more likely to experience poverty (Pillai et al., 2007).

**Housing type:** Children living in poverty are more likely to live in rented accommodation. In 2011, 50 percent of children in poverty lived with their family in private rental accommodation and another 20 percent lived in a state house (Perry, 2012). We are particularly concerned about the number of children living in temporary and substandard accommodation, including boarding houses and caravan parks. Anecdotal evidence suggests that this is a growing problem.

**Geography:** Poverty tends to be clustered in particular geographic areas. The New Zealand Index of Deprivation 2006 (White et al., 2008) allows for a regional comparison of deprivation within New Zealand. Areas with significant concentrations of deprivation include Northland, South Auckland, the East Cape and pockets of the central North Island.

**Material deprivation:** Considerable work has been undertaken on material deprivation rates in New Zealand (see Jensen et al., 2006; Perry 2009, 2012). Table 1.2 and Figure 1.5 highlight some of the available deprivation data based on the Economic Living Standards Index (ELSI). Perry’s analysis suggests that about 20 percent of children experienced material deprivation in 2011, close to 5 percent higher than in 2007 (prior to the global financial crisis). Importantly, Table 1.2 shows the level of deprivation experienced by children in households with the lowest 10 percent of living standards: around 60 percent of these children were missing out on at least three of the 12 listed items. This compares with 24 percent of children in the second lowest decile of households. None of the children in the top 45 percent of households by living standards were deprived using this particular threshold. Such data highlight the stark contrast in childhood circumstances across household types in New Zealand.

Figure 1.5 Material deprivation for children and other age groups, 2007 to 2011, Economic Living Standards Index (ELSI)



Source: Perry, 2012, p166

Table 1.2 Children's deprivations of necessities, and other restrictions or stress points in their day-to-day lives, by their family's Economic Living Standards Index (ELSI) score, 2008

	Significant deprivation		In-between	Little or no deprivation	
Living standard level (1=low, 7=high)	1	2	3	4	5-7
Distribution of children across the 7 ELSI levels (%)	10	10	14	22	45
<b>Enforced lacks of children's items (%) – do not have because of the cost</b>					
warm winter clothes	23	6	3	-	-
two pairs of good/sturdy shoes	42	11	9	3	-
waterproof coat	44	16	9	4	-
all school uniform items required by the school	33	9	6	1	-
separate bed	27	8	5	2	-
separate bedrooms for children of opposite sex (aged 10+)	31	17	12	4	1
friends to birthday party	40	13	5	1	-
<b>Economising 'a lot' on children's items to keep down costs to enable other basic things to be paid for (%)</b>					
continued with worn-out shoes/clothes for the children	39	21	8	3	-
postponed child's visit to doctor	13	5	4	-	-
unable to pay for school trip	18	6	5	-	-
went without music, dance, kapa haka, art, swimming, etc	38	23	13	4	1
involvement in sport had to be limited	34	21	11	3	-
<b>Multiple lacks of children's items</b>					
3+ of the 12 children's items above	60	24	13	1	-
<b>Enforced lacks reported by respondent in child's family (%)</b>					
could not keep main rooms warm because of cost	41	20	11	4	-
cut back or did without fresh fruit and vegetables ('a lot')	65	34	15	10	-
postponed own visit to doctor ('a lot')	56	48	22	9	-
delayed repair or replacement of appliances ('a lot')	73	45	25	14	1
no home computer/internet access	33	18	10	5	-
<b>Housing and local community conditions (%)</b>					
difficult to keep house warm in winter (major problem)	61	39	33	19	4
dampness or mould (major problem)	47	40	26	14	2
crime or vandalism in the area (major problem)	30	16	12	7	4
<b>Financial strain (%) – for the first 4 items below, the selected response was 'more than once in the last 12 months'</b>					
received help (food, clothes, money) from food bank or similar	38	23	9	4	-
borrowed from family/friends for everyday living costs	62	47	33	12	2
late payment of car registration/insurance	57	35	26	8	1
late payment of electricity, water, etc	59	36	25	15	1
unable to cope with unexpected \$500 expense (i.e. cannot pay within a month without borrowing)	81	57	40	18	2
<b>Children's serious health problems reported by respondent (%)</b>					
serious health problems for any child in the last year	50	30	31	30	21
<b>Overall dissatisfaction with living standards reported by respondent (%)</b>					
dissatisfied or very dissatisfied with material standard of living	60	30	20	8	-
<b>Summary multiple deprivation scores (based on 12 children's items plus 8 general household items)</b>					
5+ of 20	81	38	12	2	-
8+ of 20	47	11	3	-	-

Source: Adapted from Perry, 2011, p14

**Severe poverty:** International evidence suggests that the severity or depth of poverty during childhood matters, both for the level of hardship experienced and for the magnitude of the long-term impacts (Duncan et al., 2010; Gibb et al., 2012; Ziol-Guest et al., 2012). Assessing the depth of child poverty depends on the way severity is measured. One approach is to set a lower income threshold or, alternatively, a more demanding threshold of material deprivation. Another approach, which we recommend, is to devise a measure based on a combination of income and material deprivation. Imlach Gunasekera and Carter (2012) have used data from the New Zealand Survey of Family Income and Employment (SoFIE) to calculate the severity of child poverty based on this approach. Depending on the deprivation threshold and using an income threshold based on 60 percent of median gross household income (before taxes, welfare benefits and housing costs are taken into account), about 7-10 percent of children were in severe poverty in 2004/05. The rates of severe poverty for Māori and Pasifika children were close to twice these levels. Broadly similar results have been found using the Household Economic Survey (Perry, 2012).

Another approach is to measure the 'poverty gap'. This refers to the gap between a particular income-based measure of poverty (e.g. 60 percent of median incomes) and the median income of those who fall below this income measure. For instance, in New Zealand in 2010 the child poverty gap was about 16 percent (using a 50 percent poverty line, before housing costs) and about 19 percent (using a 60 percent poverty line). By OECD standards, these figures appear to be comparatively low. Care needs to be taken, however, in interpreting the results because of the relatively poor quality of the data at the bottom end of the income distribution.

**Persistent poverty:** Living on a low-income for an extended period is correlated with increasing levels of material deprivation (Imlach Gunasekara & Carter, 2012). Persistent poverty in childhood is also linked to worse outcomes, such as lower employment and earnings, over a person's life (Ratcliffe & McKernan, 2010). Just as 'advantages accumulate, so do disadvantages' (Heckman & Masterov, 2004, p3).

Information about poverty persistence can only be gained from longitudinal survey data, which are limited in New Zealand. Based on SoFIE data, from 2002 to 2009, and defining persistent poverty to mean living for at least three out of four years below a particular income threshold (based on 50 percent of median gross household income), it is estimated that 12 percent of children were in persistent poverty during this period. About 6 percent of children lived in poverty for the entire seven-year period. Using a material deprivation measure based on a lack of three or more essential items, 13 percent of children in the SoFIE sample experienced at least two out of three years living in a household experiencing deprivation. The SoFIE data suggest that those with a higher risk of persistent poverty include younger children, Māori and Pasifika children, those living in sole-parent families and those living in more socioeconomically deprived neighbourhoods (Imlach Gunasekara & Carter, 2012).

Another approach is to assess the proportion of children experiencing chronic low-income. This refers to those living in households whose incomes, when averaged over an extended period, are below a particular poverty threshold. For instance, over the seven years of SoFIE data (2002 to 2009), 16 percent of children experienced chronic poverty (using a 50 percent poverty threshold), and 60 – 70 percent of children living in poverty in any one year were also in chronic poverty (Imlach Gunasekara & Carter, 2012; see also Perry, 2012). Importantly, too, while there is evidence to suggest that New Zealand has at least a moderate level of upward social mobility (i.e. as assessed by income mobility), a substantial proportion of families on low-incomes remain relatively 'stuck' at the lower end of the income distribution. Based on SoFIE data, a family with a low-income in one particular year has a 65 percent probability of having a low-income during the following year (Imlach Gunasekara & Carter, 2012).

### 1.3 How New Zealand compares with other countries

Comparing child poverty rates across countries needs considerable care. For one thing, the relevant data are not always available or directly comparable. For another, comparisons using poverty measures based on relative income thresholds are not necessarily very meaningful because of the different standards of living and median incomes across countries. Comparisons based on standardised measures of material deprivation, as shown in Table 1.3, are arguably more meaningful than those based on relative income poverty.

Table 1.3 highlights that child deprivation rates in New Zealand are higher than in most Western European countries, but lower than in the poorer countries of Eastern Europe. Such results are not entirely surprising. They reflect the fact that living standards in New Zealand are somewhat lower than in many Western European countries while income inequality is greater. We note that the rate of material deprivation amongst those aged 65 and over in New Zealand is very low by international standards. This suggests that achieving a much lower rate of childhood deprivation is possible if this were a policy priority.

Table 1.3 Deprivation rates\* in 13 countries comparing children with older people and the total population in 2007 (Europe) and 2008 (New Zealand)

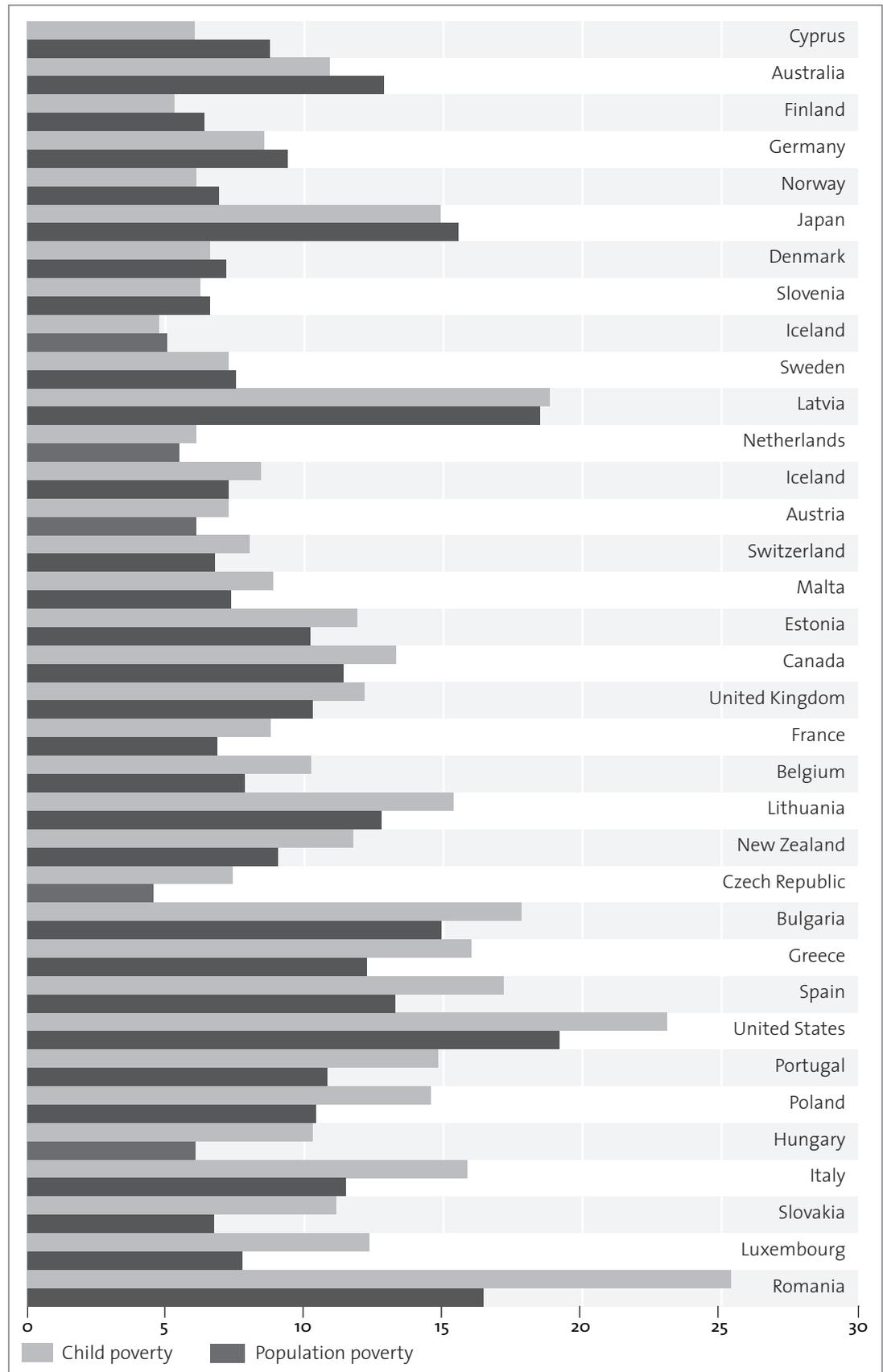
Country	Children 0-17	Aged 65+	Total population
Netherlands	6	3	6
Norway	6	1	5
Sweden	7	3	6
Spain	9	11	11
Germany	13	7	13
Slovenia	13	18	14
Ireland	14	4	11
United Kingdom	15	5	10
New Zealand	18	3	13
Italy	18	14	14
Czech Republic	20	17	20
Hungary	42	35	38
Poland	39	41	44

\* The deprivation rates in this table are based on the proportion of households who lack at least three items from a list of nine because they cannot afford them. All nine items are regarded as essential by the majority of the population.

Source: Perry, 2009, pp30-33

While bearing in mind the limitations of comparing poverty rates between countries based on income data, Figure 1.6 provides comparative data on child poverty rates and overall population poverty rates in 35 countries (based on a 50 percent poverty line, before housing costs). Ranked on the basis of the gap between these two rates, New Zealand comes 23rd. This is because the gap in New Zealand between the child poverty rate and the overall rate of poverty is reasonably wide. Note that using the 50 percent poverty line, New Zealand's child poverty rate was 11.7 percent in 2011, higher for instance than Ireland (8.4 percent) and Australia (10.9 percent), just lower than the United Kingdom (12.2 percent), but much lower than the USA (23.1 percent). Of the 35 developed countries, New Zealand ranked 20th. Using the 60 percent poverty line we ranked 18th.

Figure 1.6 – Child poverty rate and overall poverty rate in 35 economically advanced countries



Note: For each country, the poverty calculations are based on a poverty line set at 50% of the national median income in recent years. Countries are ordered by increasing gap between the rates of child poverty and overall population poverty.

Source: UNICEF Innocenti Research Centre, 2012, p21

## 1.4 The causes of child poverty

Child poverty is dynamic and the causes are multiple and varied. While some children experience only a brief period of poverty during their childhood, others experience repeated periods, and yet others live in poverty for many years. Different pathways and ‘trigger events’ can lead families into and out of poverty (Ballantyne et al., 2004). Families living in poverty often face multiple challenges, often with cumulative effects.

In analysing the nature and causes of child poverty, we have sought to draw on the best available international and New Zealand research. We have considered the *antecedents* of child poverty (the factors that existed before poverty occurs); the factors which *cause* child poverty; the factors that are *correlated* or *associated with* child poverty; and the outcomes that are *caused by* child poverty.

Low household income is a major dimension of child poverty and is the result of a combination of factors. These include labour market conditions, low skill levels or limited expertise, social and health issues, housing costs, and government policies and spending priorities.

Low household income in New Zealand is frequently caused by unemployment, low pay and insecure employment. Unemployment may be caused by a mismatch between skills and the labour market, disability, low educational attainment and limited job experience, and the general performance of the domestic and global economy. The labour market can exclude workers by discrimination (age, race, gender) and by not providing family-friendly workplaces or policies (e.g. leave to care for a sick child). Accessible, affordable and quality childcare, including care before and after-school, also needs to be available to support parents to work.

Lower educational achievement also contributes to child poverty. Education is a major route out of poverty, but currently in New Zealand there is a strong pattern of poorer educational achievement by children from lower socioeconomic backgrounds. This is shown in lower participation rates in early childhood education, lower levels of skills assessed at entry to primary school, and lower rates of achievement during both compulsory and tertiary education.

Research indicates that social and health issues can lead to children living in poverty. Issues include: parental separation leading to sole-parenthood; being born to a teen parent; families with a member with a chronic physical or mental health problem or a disability; families with problem debt or problem gambling; drug and alcohol abuse; having a parent in prison; family violence; and specific issues (including language barriers) faced by refugee and migrant families.

The cost of housing is relatively high in New Zealand. Most low-income families cannot afford to buy their own home. Market rents, especially in the major cities, can be very high in proportion to household income. In 2011, close to 40 percent of low-income households spent more than 30 percent of their income on accommodation costs (Perry, 2012). High accommodation costs can lead to overcrowded homes. In addition, housing in New Zealand is generally of lower quality than in most OECD countries. Children in poverty frequently live in poor quality houses. Combined with overcrowding, this causes many health issues.

Finally, government policies and spending priorities can significantly affect household incomes, particularly for families dependent on benefit payments. Issues include: access to, and the value of, benefit payments and tax incentives for working families; and unpaid child support and child support that is not passed-on to the custodial parent.

Māori poverty needs to be considered against the backdrop of colonisation. Recent research documenting the experiences of Māori whānau living in financial hardship notes that any analysis of the financial and material deprivation of whānau is incomplete without understanding Māori economic development pre-colonisation, and the impact of land confiscation and war (Baker K., et al., 2012). The alienation of land and resources saw the loss

of a cultural, spiritual and economic base (Cram, 2011). It has had a long-reaching impact that continues to shape attitudes towards Māori in New Zealand. The devastating effects of racism and discrimination in health and elsewhere have been well documented (Reid, 1999; Robson & Harris, 2007; Mills et al., 2012). The legacy of colonialism has been the 'differential distribution of social, political, environmental and economic resources and well-being within this country with Māori bearing the brunt of disparities in many areas' (Cram, 2011, p156).

**Perspectives on the causes of child poverty:** This diversity of causes and experience complicates the search for solutions to child poverty. It also generates much debate, as witnessed after the release of our *Issues and Options Paper* in August 2012. An individual or organisation's political orientation, personal experiences, values and worldview all influence their perspectives on the causes of child poverty. A leading US poverty researcher, Rebecca Blank (2003) has summarised this range of perspectives. Leaving aside the causes of poverty of relevance only to developing countries, poverty is variously attributed to:

- people who are either unprepared or unable to participate productively in the market economy – due to age or disability, or a lack of productive skills or resources, resulting in low wages
- the dynamic (and sometimes unstable, if not dysfunctional) nature of markets, including rapid technological change that can lead to job displacement for older workers and those with obsolete skills
- social norms and institutional practices, such as racism, prejudice or discrimination that limit inclusion in the labour market
- the behaviours and choices of individuals, including willingness to work, problem drinking, gambling and drug abuse, leaving school early without qualifications, and high rates of teen and sole-parenthood
- badly designed or poorly implemented policies to alleviate poverty, including policies that may lead to dependency.

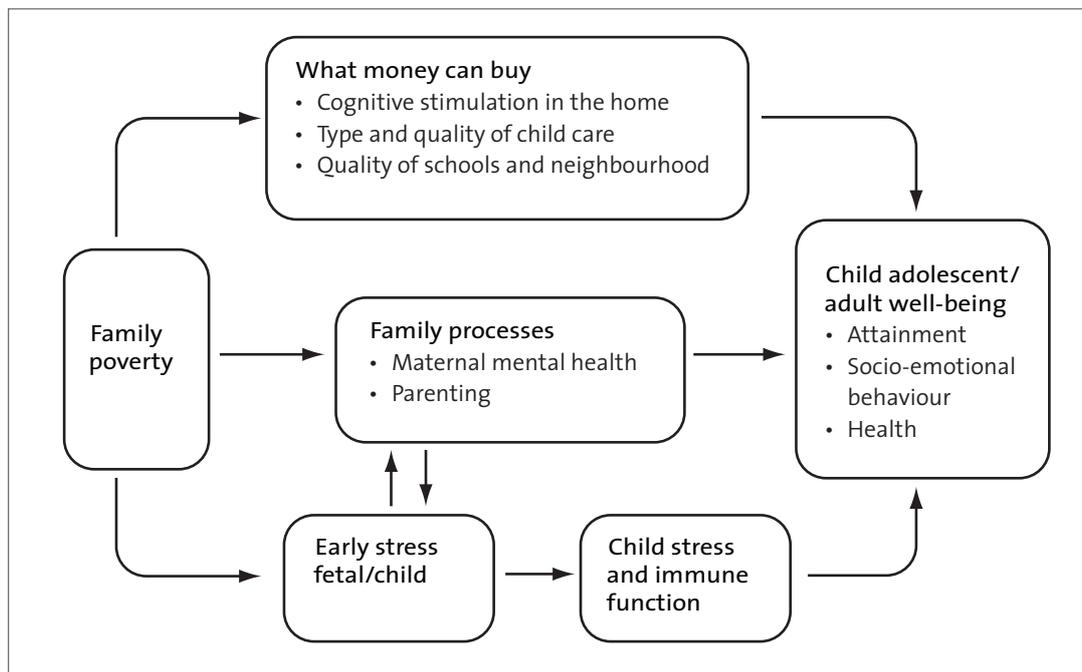
Blank highlights that the recommended solutions to poverty will depend on which of these causes (or combination of causes) is given weight. For example, a belief that poverty is caused by inadequate skills will lead to education and training programmes; a belief that various market processes can exacerbate poverty might lead to greater regulation, including minimum wage laws; a belief that discrimination inhibits employment may lead to legislation requiring equal employment opportunities; a belief that poverty is self-inflicted may lead to drug rehabilitation programmes or sanctions; and a belief that benefit payments create welfare dependency may lead to time-limited assistance or imposing work requirements as a condition of benefit receipt. In our view, all these factors can contribute to child poverty. Any effective anti-poverty strategy must therefore be comprehensive in nature and tackle a range of issues.

## 1.5 The consequences of child poverty

Child poverty can negatively affect child development in numerous ways. As illustrated in Figure 1.7, one pathway impacts on the ability of parents to invest in their child's development via the simple provision of material resources (e.g. nutritious food and educational opportunities). A second pathway works via sub-optimal child-rearing practices that result from poverty-related stress that is experienced by parents (e.g. relationship difficulties and parental mental health problems). A third and newer major pathway represents the biological embedding of socioeconomic stress via dysregulation of stress-sensitive biological systems, namely, the nervous, immune and endocrine or metabolic systems (Aber et al., 2012; Danese et al., 2009; Ziol-Guest et al., 2012). These pathways do not exist in isolation; rather they tend to co-exist, reinforcing or exacerbating one another (Conger & Donnellan, 2007).

The negative consequences of child poverty include poor child and adult health, poor education outcomes, and poor cognitive, psychological and social functioning.

Figure 1.7 A model of family poverty



Source: Personal communication from Greg Duncan, 2012

**The impacts on children and their families:** New Zealand children living in poverty, especially Māori and Pasifika children, have poorer health and education outcomes than those living in households with average and higher incomes. For instance, compared with non-poor children, those living in poverty are:

- at a 1.4 times higher risk of dying during childhood (Shaw et al., 2005)
- more likely to die of Sudden Unexpected Death in Infancy (CYMRC, 2010)
- three times more likely to be sick (Easton & Ballantyne, 2002)
- over two times more likely to be admitted to hospital for acute infectious diseases (Baker M., et al., 2012)
- at least 1.5 times more likely to be hospitalised (Craig, 2011)
- less likely to have fruit and vegetables (Walton et al., 2009)
- more likely to skip breakfast and to consume fast food regularly (MoH, 2006)
- hospitalised at a 5.6 times higher rate for injuries from assault, neglect or maltreatment (Craig, 2011)
- less likely to participate in early childhood education (MoE, 2012a)
- less likely to leave school with NCEA level 2 – the entry level qualification to skilled employment (MoE, 2012b).

The health effects of growing up in poverty persist into adulthood. Children in the Dunedin longitudinal study who grew up in poverty were more likely to have poor health outcomes in adulthood, including higher risk of heart disease, alcohol and drug addiction, and worse dental health at age 26. These effects were independent of the children's initial infant health (Poulton et al., 2002). Similar results have been found in other countries.

**Health correlates:** The research is clear that not having enough food or adequate nutrition during pregnancy and childhood is linked to poor health outcomes. These include developmental delays and more frequent illness. In addition, lack of healthy food is associated

with higher cholesterol intake and obesity (Quigley et al., 2005). In a survey of 136 Dunedin and Wellington families, 47 percent of the low-income families reported that they ran out of food because of lack of money 'often' or 'sometimes'. This group also purchased fewer vegetables per week (Smith et al., 2010).

One of the main reasons why children living in poverty have poor health is low-quality housing. Health problems include infectious diseases, respiratory illnesses and preventable injuries (Baker M., et al., 2012). These problems can impede normal child development. Babies and pre-schoolers are particularly vulnerable to the health effects of poor housing as they spend around 90 percent of their time at home.

Household overcrowding contributes significantly to the extraordinarily high rate of infectious diseases among children in New Zealand including pneumonia, rheumatic fever and meningococcal disease. Overcrowding also affects children's mental health, social well-being and school performance. For instance, they lack space to study at home, do not sleep as well and are tired in class.

Further, New Zealanders living in low-income communities are significantly more likely to be problem gamblers and current smokers (Wheeler et al., 2006; Craig et al., 2007). Parents on low-incomes who abuse alcohol, drugs, smoke tobacco around their children and have a gambling problem are adversely affecting their children's well-being: they are less likely to parent well; they will have less money to spend to meet their family's needs; and they may be less able to work.

**Residential mobility:** Many children in poverty live in private rental accommodation where tenancy can be insecure. Research has found an association between high residential mobility and child behavioural problems (Evans, 2004). Homelessness can be another consequence of poverty. Māori children are overrepresented in New Zealand's homeless population (New Zealand Coalition to End Homelessness, 2009).

**Educational achievement:** There is both New Zealand and international evidence that childhood poverty has negative impacts on cognitive development and educational attainment (Biddulph et al., 2003; Duncan & Brooks-Gunn, 1994). Poverty impacts on learning in practical ways. Children who lack adequate food have difficulty concentrating, have lower academic achievement and poorer performance, especially in numeracy and literacy, and are more frequently absent or late to school than their peers (Yates et al., 2010). Health problems, such as glue ear, can also inhibit children's learning. Low-income families can struggle to pay school fees, buy school and sports uniforms, and provide space for children to study at home. Older children may be kept home from school to care for younger siblings while their parents work. Low-income families are also less likely to have a computer at home or have access to the internet (Smith et al., 2009).

**Parenting and the family:** Living in poverty is stressful and this can be reflected in parenting behaviour. Research indicates that parents with lower socioeconomic status (SES) are more likely to use 'authoritarian' parenting styles than those in higher SES groups (Katz et al., 2007). Personal and family resilience and protective factors (such as a good marital relationship or strong social support) can mediate the stress associated with having a low-income (Kalil, 2003). Social and emotional problems in children are associated with exposure to parental stress. Chronic stress has an adverse effect on a child's developing brain, especially in the foetal and early childhood periods (Gluckman, 2011). Moreover, living in poverty can affect the way people process information about their circumstances, leading to poor decision making and less effective coping (Shah et al., 2012).

**The wider social and economic costs:** Child poverty imposes a high cost on our society and economy. In the short-term, the government spends a significant amount on remedial services to treat the effects of child poverty, including primary health care and hospitalisations, housing subsidies, benefit payments and tax credits to low-income and unemployed families.

Long-term child poverty is detrimental to New Zealand's economy. Adults who were raised in poverty as children have less earning capacity, so there are productivity costs and a reduction in government revenue through lost taxation. Children who grow up in poverty are more likely to participate in crime, incurring costs for our criminal justice system. There are also significant additional costs in treating the health issues of adults who grew up in poverty.

International evidence suggests that child poverty rates such as those experienced in New Zealand pose an economic burden in the order of 3-4 percent of GDP (Holzer, et al., 2008; Infometrics, 2011). As noted earlier in this Chapter, the evidence also indicates that severe and/or persistent poverty, especially in early childhood, is the most costly, both for society and the children concerned. There is, therefore, a good case for spending more in the short-term to prevent the longer-term negative impacts of poverty.

## 1.6 The impact of poverty on children

In 2010 the Office of the Children's Commissioner asked 96 children and young people about their views and experience of poverty in New Zealand (Egan-Bitran, 2010). The children and young people identified a lack of essentials including food, clothing and warmth as a common part of living in poverty. Participants spoke of the impact on their health:

*Poor health...Sick easily...High risk of getting sick or disease...Can't afford doctors fees...  
Can't afford to go to the doctor or dentist...Unpaid doctors fees.*

The participants talked about not having enough clothing, lacking warm clothing, of their clothing being in poor condition, and not having the correct school uniform or sports uniform. Being picked on, rejected by their peers, bullying and social exclusion were significant issues for many of the children and young people.

*Teachers causing shame to students in front of their peers because they have no stationery, uniform etc. Schools should deal with parents and not punish the kids for not having shoes, books.*

The children and young people spoke of having to move a lot because the rent was unpaid:

*Poverty is...moving houses, always moving – stressful. Having to move in the middle of the night – unable to pay rent, scary.*

They also said that moving affected their ability to make and maintain friends. Many participants spoke of run-down, cold, unheated, damp housing and overcrowding. A number of young people spoke of difficulties in accessing state housing. Some children said that they did not want to invite people home because they were too ashamed of their house.

Participants spoke of having to look after siblings while their parents worked, often meaning they missed school. Some of the young people said that 'financial difficulties, a lack of education, qualifications and work experience along with responsibilities to provide for their families had led them, or their mothers into [prostitution]'. Many children and young people associated poverty with abuse, neglect and family violence. They talked about the stress of growing up in poverty and how this could 'cause them to get involved in risky and health-compromising behaviours such as drinking, smoking and taking drugs'. Many of the participants in the project who were living in poverty did not have much hope for their future prospects.

## 1.7 Some common misconceptions

There are many misconceptions about the nature, dynamics, causes and consequences of child poverty. For instance, some people think that all poor families are persistently poor or that all children from poor families become poor as adults. This is not so. As highlighted in this chapter, only some families remain poor for long periods. Equally, substantial numbers of those who experience childhood poverty secure above-average incomes during adulthood – although not nearly to the same extent as those who are born into wealthier families.

Another misconception is that if poverty is measured on the basis of relative income it will be impossible to reduce poverty very much. This is because, it is argued, no matter how quickly incomes rise there will always be a significant proportion of people who fall below the relevant poverty threshold. Such a conclusion, however, is misplaced. Poverty thresholds are based on (equivalised) median incomes, and there is a fundamental difference between median and average incomes. The median is simply the mid-point in a particular distribution; that is, the point in the middle when a set of things has been arranged from the lowest value to the highest value. Accordingly, the distribution of income (and other things) can be changed without necessarily changing the median. In theory, it would be possible to eliminate child poverty completely if the incomes of those below the poverty threshold (e.g. 60 percent of the median income) were raised above the threshold (as this would have no effect on the median income). Relative poverty rates are thus responsive to government policies which alter the distribution of income. New Zealand demonstrated this during 2005 to 2007 when the Working for Families package raised the incomes of many families, especially those earning less than the (equivalised) median. This reduced child poverty rates.

Finally, it is often stated that the children who experience material deprivation do so because their parents spend too much of their income on non-essentials. In short, childhood deprivation is due to poor parental choices. From this perspective, every family has enough income, but some parents don't make good choices on how they use their income. There can be no doubt that many parents struggle to cope with life, make unwise decisions or get trapped with high debt. Some suffer poor mental health or have drug, alcohol and gambling problems. These issues are real and need addressing. But there is little hard evidence that poor people, as a group, are much worse than rich people in their capacity to manage their finances. The primary problem is that some parents simply don't have enough income to provide adequately for their children. While many parents who fall into this category are wholly dependent on welfare benefits, many others are in part-time or full-time work.

## 1.8 Conclusion

Child poverty afflicts a significant number of young New Zealanders. This matters for many reasons. The costs of poverty, both to children and the wider society, are high. These costs are all the greater when poverty occurs in early childhood and when it is severe or persistent. Failure to address child poverty now will thus detrimentally affect our future prosperity as a nation.

In New Zealand, current child poverty rates exceed those of the 1980s. Moreover, during recent decades child poverty rates have been substantially higher than those of most other age groups. It is particularly significant that the rate of child deprivation, at least on one measure, is six times that of people aged 65 and over (which is a very large difference by OECD standards). Nobody wants the elderly to be deprived. But why should such high rates of childhood deprivation be tolerated?

The relevant New Zealand data show that child poverty is especially high amongst sole-parent families and those where no adult is in full-time employment, families with young children or more than two children, Māori and Pasifika families, households with disabled people, and families who do not own their own home. While child poverty is more heavily

concentrated in such families, there are also large numbers of poor children living in other kinds of families (e.g. those where at least one parent is in full-time employment and where there are two parents). This evidence is highly relevant when considering how best to reduce child poverty and mitigate its effects.

Finally, child poverty can be alleviated. Prudent policy interventions can make a difference. We know this from our own recent history. There is also good international evidence about what works. For instance, the child poverty-reduction strategies employed in other countries, such as Australia, Ireland, Sweden and the United Kingdom, highlight which policy levers have the greatest impact. There are many lessons from these countries for New Zealand. We have drawn on their experience in formulating our recommendations.

## 2 What You Told Us

On 28 August 2012 we published *Solutions to Child Poverty in New Zealand: Issues and Options Paper for Consultation*. The purpose of undertaking consultation on the *Issues and Options Paper* was to find out whether the proposals we had identified to reduce and mitigate the effects of child poverty would work for New Zealand and in our communities, identify any gaps, and get a sense of the priorities for action. There was remarkable congruence between the feedback received and our views. The analysis confirmed a number of the proposed recommendations and informed our thinking on many of the final recommendations. Submissions were due by 12 October 2012, and people provided feedback on the following questions:

- Which proposals will be effective in reducing child poverty?
- Which proposals are less likely to be effective?
- What are the most important proposals to reduce child poverty?
- What needs to be done first and why?
- What is missing from the package?

This Chapter summarises the feedback we received. Two papers (available at [www.occ.org.nz](http://www.occ.org.nz)) have been prepared to fully capture the nature of the feedback:

- *Solutions to Child Poverty in New Zealand: What You Told Us*
- *Our Views Matter: Children and Young People Talk About Solutions to Poverty*

### 2.1 Feedback on initial solutions to child poverty

The EAG sought input from a broad range of stakeholders, including children and young people living in poverty. Feedback was received from:

- 8 consultations involving almost 300 children and young people group across New Zealand
- 20 hui with community groups involving more than 1,200 individuals across New Zealand
- 100 responses to a web-based survey with open-ended questions
- 234 free-form emails and formal submissions from individuals and organisations.

**Children and young people's feedback:** The Office of the Children's Commissioner consulted with almost 300 children and young people aged between 9 to 24 years living predominately in low socioeconomic communities throughout New Zealand. This included ten young people who were also parents themselves. The process and questions used were ethics approved, and focused on what children and young people thought would make the most difference.

Facilitated discussions were held with children and young people from Auckland, Lower Hutt, Nelson, Porirua, and Whangarei. In addition to these facilitated discussions, formal submissions were also received from young people. This feedback was included in the summary of emails and submissions.

**Group meetings and workshops:** Facilitated meetings or workshops were held in 20 communities across the country. They ranged in size from 15 participants to over 150 participants and we estimate that a total of 1,200 individuals attended meetings and shared their views. Notes were taken at all the sessions and analysed for key themes, points of agreement, and points of disagreement. Participants represented a diverse mixture of New Zealanders, including: community and church leaders; health, education and social services

professionals; local government; advocates; academics and university students; and, Māori and Pasifika peoples.

**Surveys and submissions:** One hundred individuals responded to the web-based survey. They provided detailed and articulate responses to the five open-ended questions. Personal identification and affiliation was voluntary, and all responses are treated anonymously in the summary.

A total of 234 submissions were received that included short emails on single topics or hand-written notes, and formal submissions with detailed analysis and thoughtful position pieces. The submitters were a mix of individuals and organisations from all across the country, as detailed in Table 2.1.

Table 2.1 Submission types, numbers and representative groups

Submission category	Number	Description
General public	80	individuals from a range of backgrounds, but not representing or affiliated with any sector or organisation
Non-government organisations (NGOs)	50	mix of advocacy and umbrella groups, community groups, service providers, disability-specific, Māori and Pasifika organisations
Health sector	44	mix of District Health Boards, Primary Health Organisations, professional organisations, health researchers
Education sector	18	mix of principals, teachers, Boards of Trustees, professional organisations, sector-based unions
Faith-based	16	umbrella faith groups, churches and faith-based social service groups
Government	5	local and central government
Miscellaneous	21	unions, Judiciary, academic, business, philanthropic, political parties
<b>Total</b>	<b>234</b>	

## 2.2 Summary of all feedback

Overall the feedback we received was very positive and generally supportive of the proposed solutions presented in the *Issues and Options Paper*. Submitters, survey respondents and meeting participants all added constructive ideas on how to refine the solutions, expressed their priority recommendations for action, and provided numerous examples of local activities that demonstrated how communities are currently implementing aspects of the proposed community-based solutions.

Māori and Pasifika respondents emphasised that it is important to clarify that, although child poverty is a serious problem for some Māori and Pasifika families, it is not experienced by the majority. These groups wanted the final report to ensure that the recommendations did not reinforce stereotypes of Māori and Pasifika peoples.

There was a high level of agreement across the feedback on the priority actions:

- improve accountability mechanisms for addressing child poverty, through the enactment of legislation (e.g. a Children’s Act) to formalise the process of setting targets to reduce child poverty, monitor progress, and report results
- strengthen the income and the tax-benefit system by introducing a child payment and undertaking an independent review of all child-related benefit rates
- pass-on child support payments to custodial parents who receive a sole-parent benefit
- establish a Warrant of Fitness for all rental properties
- provide food-in-schools to help hungry children.

We have included quotes in this Chapter from the feedback we received.

## 2.3 Children's voices

The consultation with children and young people focused on children's everyday experience of poverty, and the measures they think should be taken at a local and national level to improve children's lives now, and eradicate child poverty in the longer-term.

The overarching message is that children and young people want to be involved in the solutions to child poverty and can provide a unique perspective on how to reduce child poverty and support the well-being of children living in poverty.

The main themes children and young people spoke about have implications for the policy and practice of tackling poverty in relation to the areas of: housing, family, social, leisure and cultural activities, education and health. A synopsis of their views and suggestions follows here.

**Housing:** Children raised housing as a primary concern. They spoke about damp and cold houses affecting their health, and wanted rental properties to be safer and healthier. They noted that more insulation of homes would make heating homes more affordable, as they reported that families are struggling to pay household bills, which leads to no heating, no water, and the inability to cook. Children spoke about overcrowded housing and the impacts, including lack of privacy, arguments and tensions which affect family relationships, and difficulty in doing their homework. The impact of insecure and unstable housing was raised, including the stress and upheaval associated with children leaving their friends and their schools.

**Role of family:** Family is key in ensuring children have a good childhood. Children spoke of needing love, support, encouragement and guidance from their families. Children valued doing things together as a family and having fun. They recognised that poverty can impact negatively on family, and spoke of stress, possible tensions and arguments as a result of living conditions and the impact this has on family relationships. Some children spoke of having to take on more responsibility and higher roles within their families in order for their parents to work. This resulted in them sometimes feeling overwhelmed and unable to focus on their education. Some children spoke of the importance of government and communities creating job opportunities and supporting people into work. Others suggested ways their family could be supported, including life skills and budgeting courses for parents.

*Just cos people are poor doesn't mean they can't be strong.  
Support from your family and supporting families helps.*

**Social, leisure and cultural activities:** Leisure, social and cultural activities are particularly important for children growing up in poverty, allowing them the opportunity to play alongside other children. Local community parks and playgrounds are important for poor children, as they are free and do not require transportation. Children spoke of needing these spaces to be safe and accessible, and needing more leisure, social, and cultural activities in their neighbourhoods. They also stressed that young people should be included in planning the facilities and activities.

**Education and health:** Schools were seen by the children as places which have the potential to improve the well-being of children experiencing poverty and disadvantage – they see education as key to getting a good job and escaping poverty. They also recognised the importance of having affordable quality childcare and after-school programmes available so that their parents can work. The children talked about the importance of having parents, teachers and other adults encouraging their educational aspirations, and recognising the varied talents that all children have. They also spoke of the need for more support to access higher education through grants and scholarships and by supporting transition to work through offering incentives such as free transportation. Teen parents talked about the importance of being supported to gain qualifications while pregnant and then alongside their

child. Teen Parent Units that brought services in to the students were positively viewed, as they overcame the typical transport barriers they face in accessing services.

The negative view of school centred on being picked on, bullying and social exclusion. Children spoke of barriers to education and inclusion such as costs of textbooks, stationery, uniforms, school trips and sporting activities. They also spoke of hunger and food insecurity.

*At school there was a Computer in Homes thing and my Mum was in it and we got a computer with internet. It has helped me to do my school work.*

Children suggested that secondary schools should have health services available, including medical, dental, and sexual health. They said that there should be free health care for children up to age 18 years. The children spoke of the importance of food-in-school initiatives so that children are not hungry and can focus and achieve at school. They stressed the importance of children being involved in the design and delivery of such programmes so that they are inclusive and do not cause shame. Finally, many children called for schools to act as community hubs.

*School is one of the most important places in your life, the schools could provide financial advice for the parents – or provide a space for services to work with families – or direction to parents on the services available.*

## 2.4 Feedback from consultations, surveys and submissions

The respondents emphasised that a multifaceted, whole-of-government strategy will be required to make real progress in reducing child poverty in New Zealand. Moreover, they stressed that leadership over the long-term, with cross-party commitment, will ultimately determine the degree that child poverty is reduced and its effects mitigated. This section presents a summary of the main areas of feedback as well as some minority points of disagreement.

**Improved accountability mechanisms for addressing child poverty:** There was very strong support for the enactment of legislation (e.g. a Children’s Act) to formalise the process of setting targets to reduce child poverty, monitor progress, and report results. Feedback indicated that legislation would embed accountability mechanisms to ensure the continued focus on addressing child poverty in New Zealand, beyond electoral cycles. Numerous submitters referred to this as ‘de-politicising’ the child poverty issue.

Some respondents felt that the targets should be more ambitious, and a small number of submitters specifically called for a ‘Minister for Children’. Still others suggested more emphasis of a child rights-based approach for reducing child poverty, particularly using UNCROC. A small minority of feedback called for Māori-specific child poverty targets and measures.

*Children can be socially, emotionally, culturally or spiritually poor, as well as economically.*

**Income, tax, and benefits:** There was very strong support for:

- establishing a Child Payment. The majority of submitters favoured a Child Payment for all children, with the highest payment during infancy and decreasing as children get older. Some respondents preferred that the payment be targeted to children living below a specified income threshold rather than to all children.
- undertaking an independent review of all child-related benefit rates. Of particular concern was the In-Work Tax Credit, as it was considered by a number of respondents to be inequitable and discriminatory for children whose parents are not employed.
- passing-on child support payments to the custodial parent receiving a main benefit.

This was viewed as an efficient and pragmatic way to get more income to families that need it the most.

*There are questions around the affordability of a Child Payment and whether or not it is wise to provide a universal payment. It would be affordable in the longer-term if it replaced other tax credit payments and childcare subsidies.*

One issue that respondents called for action on, which was not recommended in the *Issues and Options Paper*, is raising the minimum wage or having a living wage. A small number of respondents also suggested the EAG solutions were too employment centred and more value needed to be placed on the important job of parenting.

**Housing:** Addressing the quality and affordability of housing was seen as the most important action to mitigate the effects of child poverty. There was very strong support for establishing a Warrant of Fitness for all rental properties. The Warrant of Fitness proposal was viewed as the most effective means to ensure that rental properties met minimum health and safety standards, with many comments on how to best implement the system to avoid unintended consequences such as rent increases or decrease in supply of rental properties. Insulation was seen as the first step in upgrading for a housing Warrant of Fitness. There were a number of respondents concerned with the growing trend for children in poverty to be living in non-standard accommodation, such as caravan parks, and questions about how they might be included in a regulatory regime.

*I see dreadful houses in South Auckland every day in my job. [It is] absolutely disgusting that people are usually working and paying rent for such damp, worn and unsuitable houses for babies and mothers.*

There was substantial agreement that the affordability, supply, and quality of housing for low-income and beneficiary families must be urgently addressed. Respondents strongly supported: a review of the Accommodation Supplement; increasing the supply of affordable housing, especially social housing; and approaches to improve community planning and housing design. A small number of respondents recommended rent control as a means to providing affordable housing.

*Many children move between houses occupied by other families, living in shared situations with no tenancy rights or privacy and potentially open to abuse from host family members.*

**Māori :** There was support for the continuation and expansion of the Whānau Ora approach to empower families and children to identify goals and progress toward them. The analysis indicated that the learning from this way of working could be applied across government and community to reduce child poverty and mitigate its effects. There was some suggestion that a kaupapa Māori approach would be the most effective route to reducing child poverty, and others that indicated more could be done through Treaty settlements to implement solutions to child poverty and disadvantage. Overall, respondents were supportive of trying different and innovative approaches for addressing Māori child poverty.

*[We want] development and implementation of new measures and indices that reflect Māori values [regarding] spirituality, their world view and their capabilities.*

Respondents emphasised the need for workforce training to increase the capacity of health, education, and the social sector to deliver culturally responsive services and support. There were also some suggestions that marae could be more effectively utilised as hubs for service delivery, adult learning activities, and social and cultural support for vulnerable children and young people.

**Pasifika:** Respondents identified the unique housing issues and needs of Pasifika peoples and recommended building social housing using village design concepts. Respondents emphasised the need for providing financial services that work for Pasifika peoples; including budgeting, low or no interest loans, and culturally effective approaches to helping people with their budgeting and financial management. Similar to feedback on addressing Māori issues, respondents called for workforce training to increase the capacity of health, education, and the social sector to deliver culturally responsive services and support.

**Health:** There was support across all submissions for free primary health care 24 hours/7 days a week for all children aged 0 to 5 years inclusive, with most respondents indicating funding should be expanded until all children under age 18 receive free health care. Health professionals emphasised that even with free office visits, many families need assistance to overcome barriers to taking their children to the doctor before a condition becomes serious (e.g. owing money to the GP, cost of transportation balanced with meeting basic needs, previous negative experiences with the health care system).

Respondents generally supported steps to improve maternity and early childhood health, including connecting pregnant women with services earlier, enrolling babies in Public Health Organisations, the National Immunisation Register and Well Child services before leaving the hospital or birthing unit, and providing customised support for pregnant teenagers (e.g. continuity of maternity care, monitoring of alcohol and drug use, provision of child development and parenting information, and retaining them in education).

**Education:** There was very strong support for food-in-schools, with a range of suggestions for how to operationalise this recommendation, including discussion of the roles that each school, community, parents, local business and government could play in supporting its delivery. A number of specific suggestions were made, and examples of good practice provided on how to engage parents and develop strong sustainable partnership models. There was consensus that the government should provide the policy, leadership, and support required to make sure that all children who come to school hungry are provided nutritional food while at school.

*With better education many of these children might escape the poverty cycle.*

Respondents also supported improving the quality, affordability, and access to early childhood education (ECE). In addition, respondents emphasised the need to increase the number of ECE programmes, especially in low-income communities. There was strong support for expanding resourcing of before-school, after-school and holiday programmes that are high-quality and free to families with low incomes. These programmes should provide children with enriched experiences as well as enable parental employment.

*Ensure that there are accessible, high-quality and free ECE places available for low-income families.*

**Training and employment:** Respondents called for more family-friendly employers and workplaces to enable parents, especially sole-parents and families where a disability features, to maintain employment.

An issue raised at almost all consultation events and represented across a range of submissions is the importance of job creation in local communities. Respondents felt more needed to be done by government to provide jobs.

*Children and families deserve to have a decent living wage and conditions of work.*

**Community and family:** Discussions in consultations and in submissions highlighted the willingness of community leaders and organisations to play a bigger part in addressing child poverty in their communities, but often sought role clarity and noted that the government's

unilateral contracting approach was not good partnering practice. A common theme was that there needs to be flexibility in solutions to allow for tailoring to the strengths and needs of the local community. Many community leaders called for stocktakes of existing resources and the sharing of good practice among communities.

Support for community hubs was expressed across all respondent groups. Some submissions identified existing hubs while others stated the types of services and activities that should be available in the hubs. Respondents stressed that the process for developing hubs needs to incorporate community development principles and will take time, funding and leadership.

*We need to value and acknowledge the vital role of parenting and count it as work. Sole-parents already do the work of two – to dismiss that contribution is insulting.*

There was general agreement that the final report should more thoughtfully consider the role of parents. There was a wide range of comments on ways to help some parents better parent and support their children, from improving parenting skills to helping some parents learn basic life skills (e.g. budgeting, cooking, literacy). Many respondents noted that some parents need support to better understand child development, engage with their children's schools, and provide for their children's health and nutritional needs. A small number of submissions stressed the need for more focus on adolescents, highlighting the importance of parental relationships with their teenage children along with good supervision during this developmental stage. A very small number of submissions expressed the view that 'poor parents need to take responsibility' and 'poor parents are having too many kids'.

**Financial literacy and debt management:** Financial literacy services were supported across respondent groups, and there was support for establishing social lending programmes. A small number of submissions called for increased regulation of loan sharks and reduced advertising of Lotto.

*The schools could provide financial advice for the parents.*

**Disability:** The *Issues and Options Paper* did not address disability, and a number of respondents questioned this omission. They also provided feedback on how to reduce child poverty among children with disabilities and parents with disabilities, including: making persons with disabilities a priority for poverty-reduction targets, improving the educational experience for children with disabilities from ECE to tertiary, easier access to information about entitlements and allowances, and accessibility as an indicator when measuring housing quality (e.g. a Warrant of Fitness).

**Other topics:** Many respondents expressed strong views on the need for social and cultural change in how people view those who live in poverty. In addition, these respondents agreed that the whole community has a role in reducing child poverty and mitigating its effects.

A small number of respondents raised issues that we agree are important. However, these concerns were beyond the scope of the EAG to address. They included the impact on children living in poverty of the recent legal aid changes and changes implemented as a result of the *Family Court Review*.

## 2.5 Responding to your feedback

Analysis of all of the feedback indicated a high level of support across respondent groups for the recommendations, with many suggestions for refinements and how to best operationalise the recommendations. The EAG has incorporated many suggestions in setting priorities and framing final recommendations, but not all suggestions have been included. The most significant points are clarified below.

**Balance between parenting and employment:** Many respondents felt the EAG was too focused on parental employment and did not adequately demonstrate a commitment to the important role of parenting. In response, our overarching principles have been revised to include the importance of balancing the role of parenting with employment, with an emphasis on making sure that children receive quality care and ECE regardless of parental employment status. Moreover, this Report places greater emphasis on the importance of family-friendly employers and workplaces to enable parents to maintain employment than the *Issues and Options Paper*.

**Disability and poverty:** The EAG recognised that the *Issues and Options Paper* did not sufficiently acknowledge the impact of child disability and parent disability on child poverty and family stress. Therefore, this Report explicitly discusses the relationship between disability and child poverty and incorporates inclusion of children with disabilities as an underlying principle for all solutions. In addition, we specifically include a number of recommendations to support the needs of families on low-incomes or benefits where disability features.

**Role of community:** Respondents felt the EAG had not adequately addressed the role of community, acknowledged the efforts already underway or identified solutions that supported community to undertake local initiatives. The EAG has strengthened and expanded the section on community and have taken on-board suggestions to consider community development principles. Particular focus has been given to recommendations on community hubs, including the suggestions that they could be based in schools, marae, churches, or health centres.

**Definition of poverty:** A small number of respondents called for the EAG definition of poverty to be expanded to include social and emotional well-being. The EAG understands the desire to improve all aspects of child well-being, but has made a deliberate decision to confine the scope of this work to reducing and mitigating the impacts of income poverty and material deprivation. We are starting here because the evidence shows this to be the most prevalent and significant factor leading to poor life outcomes for children. These are areas where tangible steps can be taken and progress measured.

**Increase the minimum wage:** A number of respondents challenged the EAG's view that increasing the minimum wage was not an effective way to address child poverty. While the EAG agrees that increasing the minimum wage could provide an ancillary solution to some poverty problems, there is little evidence that further increases in the minimum wage are likely to effectively address child poverty for families. As discussed in Working Paper 12, most people on the minimum wage are not parents on low-incomes, and for those that are, any wage increase would be offset by increased tax and ACC levies and abatements to tax credits. In order for an increase in the minimum wage to be effective in reducing child poverty, the rise would have to be large. We are of the view that there are more efficient and effective mechanisms to get additional income into the families of children in poverty.

**Poor parenting decisions and practice:** A small number of respondents indicated that child poverty was because of poor parenting decisions and practices, and poor parents should not have so many children. The EAG has taken a child-centred view, that regardless of the cause, children in poverty need our collective support to help them achieve their potential in the future. Many other respondents agreed that the wider community has responsibility to help reduce child poverty. These respondents also suggested ways the community could support the parents to do a better job and fulfil their parental responsibilities. The EAG has strengthened the section of this Report addressing the role of the community and family, including recommendations on ways to better support some parents.

# 3 Our Approach

As highlighted in Chapter 1, there is a wealth of evidence, both from New Zealand and overseas, that child poverty can be reduced. There is also robust evidence that many of the negative impacts of child poverty can be mitigated. The fact that well-designed policies can make a positive difference raises two questions:

- What should be the specific goals of public policy with respect to child poverty in New Zealand?
- How can child poverty in New Zealand be reduced, and its effects mitigated, in the most efficient, effective, fair and fiscally responsible manner?

Our Report attempts to answer these questions. It is the view of the EAG that New Zealand should embrace ambitious, yet realistic, goals. Every child in New Zealand has the right, and should have the opportunity, to grow up without experiencing severe or persistent material deprivation.

The actions recommended by the EAG to achieve better outcomes for poor children are described in more detail in Chapter 5. They recognise that child poverty is complex and has many elements, so to be effective an anti-poverty strategy must incorporate a range of responses. There is no one ‘silver bullet’. Such a strategy will require sustained effort and strong, committed political leadership for the long haul.

We must acknowledge that large reductions in child poverty rates cannot be achieved without a substantial investment, or at the very least, some careful reprioritisation of public funds. This poses undeniable challenges for policy makers, all the more so in a time of global economic uncertainty and fiscal restraint. However, the good news is that rather than starting from scratch, we can build on existing policy initiatives, programmes and service that are known to be effective or have shown potential. At the same time, given the magnitude of the challenge, we must be willing to innovate and experiment with new approaches. We must be open to new possibilities, without losing focus on effectiveness.

## 3.1 Our principles

In developing our recommendations and priorities, we have been guided by a number of principles.

**Children at the centre:** We have deliberately embraced a child-centred focus. This has meant taking account of children’s developmental needs at different ages, acknowledging the vital importance of the early years of a child’s life, and recognising critical transition points that occur through the lifecourse. It has also meant that we have been committed to listening to children and young people and taking their views of poverty into account. Equally, we have been guided by the rights enunciated in the United Nations Convention on the Rights of the Child (UNCROC), to which New Zealand is a signatory. Article 3 states that ‘in all actions concerning children, whether undertaken by public or private social welfare institutions, courts of law, administrative authorities or legislative bodies, the best interests of the child shall be a primary consideration’. Articles 26 and 27 of UNCROC respectively refer to children’s rights to social security and to having a standard of living adequate for a child’s physical, mental, spiritual, moral and social development.

With children at the centre of our approach and with their welfare and best interests a core guiding principle, we have taken a broad view of the individuals, social groups, organisations and systems that influence children – including their parents, family, whānau,

neighbourhoods, schools, community organisations, hapū, iwi, business and government. Clearly, parents, family and whānau are the most important people in children's lives, especially during their early years. But many parents are confronted with difficult choices, in particular, balancing their parenting responsibilities with the need for paid work. As a society, we must value and support parenthood. Accordingly, we need to provide adequate support to help reduce some of the tensions that parents face, to give them realistic choices and enable them to balance their parental responsibilities appropriately.

**The Treaty of Waitangi:** We have been guided by the provisions and principles of the Treaty of Waitangi. Ensuring that Māori children achieve better outcomes in health, education, housing, employment and justice will make a huge contribution to New Zealand's future economic, cultural and social prosperity. Poverty disproportionately affects Māori and if child poverty is to be reduced, the solutions will need to work for Māori. Many of New Zealand's most promising initiatives take a kaupapa Māori approach.

**An investment approach:** Linked to both previous principles, and based on strong evidence, we are convinced that an investment approach will reap the greatest benefits. Such an approach involves giving preference to those policies which generate the largest long-term returns, both for children and our wider society. There is considerable evidence, for example, that investments in the early years of a child's life generate the greatest marginal benefits. To quote the Nobel laureate James Heckman (2006, p3), 'It is a rare public policy initiative that promotes fairness and social justice and at the same time promotes productivity in the economy and in society at large. Investing in disadvantaged young children is such a policy'. This investment strategy is consistent with the capability approach recommended by another Nobel laureate Amartya Sen – adequate financial resources enhance the capability of children and families to function well and lead lives that they have reason to value.

**A 'social contract' approach:** The EAG has been guided by the notion of a 'social contract' that recognises the mutual responsibilities of parents, the community and wider society for the care and well-being of children, with support available for those who need it through:

- income support for those unable to work or secure income from paid employment that is sufficient to meet the basic needs of children
- support to balance the importance of parental employment in reducing child poverty with the developmental needs of children (e.g. through accessible, affordable, quality early childhood education and after-school care)
- adequate housing, high-quality education and training, and equitable access to health care
- respecting and valuing cultural identity.

### 3.2 Using the best evidence available

In all our efforts to understand child poverty in New Zealand and propose practical and effective solutions, we have drawn upon the best available New Zealand and international research evidence. In so doing, we prepared 24 Working Papers on various child poverty-related issues, and commissioned a further two Background Papers. We commissioned separate research and consultation to obtain children's views of poverty. We also sought advice from numerous local and international experts in a range of disciplinary areas in universities and research organisations.

In addition, we considered the evidence-based findings of other specialist reference groups, such as the Early Childhood Education Taskforce; the Productivity Commission on Affordable Housing; various reports by the Law Commission; and child poverty-related work undertaken by other organisations such as the Salvation Army, the New Zealand Council of

Christian Social Services, Every Child Counts, and the Child Poverty Action Group. We examined the many current interventions, services and policy strategies (including various governmental initiatives and reforms) of relevance to different aspects of child poverty in New Zealand, and particularly those with a focus on child well-being and the income support system.

There is overwhelming evidence that the early years of a child's life matter most for their future lifecourse. For example, New Zealand and overseas evidence finds that early childhood poverty has a persistent effect on educational and employment outcomes, even if family income increases in later childhood (Wylie, 2001). Advances in neuroscience shows that the stress of growing up in poverty affects the developing brain, and manifests in physical and mental health issues throughout life (Aber et al., 2012). Research also shows that early childhood is the time when interventions are most cost-effective in addressing child poverty. Some early intervention programmes have been shown to have high returns (Ziol-Guest et al., 2012; Duncan et al., 2010). For such reasons, we have given priority to interventions that are likely to benefit children during the earliest years of their life.

There are, however, also limits to the evidence available, and in some cases the evidence is unclear or inconsistent. We have been explicit in our Working Papers where the limitations of available evidence mean we are basing recommendations on other factors. We have also signalled particular areas where there are opportunities for further research, as well as the evaluation and testing of innovative practices, so that we can build a stronger evidence-base to guide future policy interventions.

Applying the evidence to develop the best solutions to child poverty in New Zealand requires judgement. We have kept our guiding principles at the forefront as we have addressed these complex issues. Applying the evidence means carefully considering the policy choices, trade-offs and costs that different solutions imply.

### 3.3 Policy choices, trade-offs and costs

**Government policy choices matter:** Both New Zealand and overseas evidence demonstrates that there are policies available that can reduce and/or mitigate the effects of child poverty. But not all policies are equally effective. A UNICEF analysis highlights the differential effectiveness of various approaches by contrasting the relative child poverty rate before, and then after, taxes and transfers (UNICEF, 2012). The more effective policies contribute to significantly lower poverty rates after taxes and transfers. To illustrate, Canada and the US have similar rates of child poverty at market-incomes; after taxes and transfers are taken into account, the Canadian rate is nearly halved, but the US rate is barely changed. This indicates that Canadian policy settings are much more effective in reducing child poverty than their US counterparts. The UNICEF analysis indicates New Zealand has high market-income child poverty, and that our tax and transfer policies are reasonably effective in reducing the rate. We can, however, do better.

**There are a range of policy levers and trade-offs to consider:** Resources are always scarce. Hence, policy choices and trade-offs are unavoidable. In considering such choices in relation to alleviating child poverty, we need to be clear about our objectives and select those policies which are most likely to achieve the desired objectives in a fair, effective and fiscally prudent manner. More specifically, there is the issue of whether to:

- focus on the immediate or the longer-run consequences of child poverty, i.e. the policies selected to ease the current burdens of material hardship may be different from those designed to break the intergenerational transmission of poverty (although some overlap is likely)
- focus on reducing the rate of child poverty or mitigating the effects of such poverty (recognising different policies or combinations of policies will be relevant depending on the chosen priority)

- give preference to low-income families, meaning fewer resources are available to low-income adults with no children (e.g. for housing assistance or employment and training opportunities).

Wherever possible we have sought to recognise and highlight such trade-offs. At the same time, we have deliberately chosen to recommend a mix of policies that are designed to achieve a range of objectives, both in the short-term and over the longer-term.

In shaping our approach we have considered three critical issues concerning the appropriate mix and design of a poverty-reduction strategy: cash transfers versus in-kind assistance; welfare transfers versus an employment strategy; and universal versus targeted social assistance and service provision.

**Cash transfers versus in-kind assistance:** The cash versus in-kind provision debate addresses whether it is more effective to give poor children and/or families direct financial assistance (e.g. by increasing the value of welfare benefits or providing more generous tax credits) or in-kind assistance (e.g. food vouchers, subsidised childcare, or free education and health services). A common argument against cash transfers is that low-income families may not spend the extra cash in ways that will benefit their children. Similarly, there is good evidence that the provision of in-kind assistance (e.g. subsidised early childhood education and after-school programmes, and free primary health services) is the most efficient way to address some poverty-related issues. Against this, the provision of adequate cash assistance is important for reducing material deprivation and giving low-income families choices, dignity and respect. Further, as the OECD (2009, p171) has observed:

*It would be naïve to promote increasing the family income for children through the tax-transfer system as a cure-all to problems of child well-being. Nevertheless, the balance of evidence suggests that there is a causal relationship especially for educational and cognitive outcomes and that the causal relationship is likely to be stronger early in the life cycle.*

That is, raising the income of families with young children is likely to be effective in reducing child poverty.

In short, an anti-poverty strategy – and especially one with multiple objectives of the type we are recommending – requires a *mix of cash transfers and in-kind assistance*. The appropriate mix will obviously depend on the particular context. Currently, the evidence in New Zealand suggests that many low-income families, including those where at least one adult is in full-time paid work, have insufficient income to cover their necessities. This suggests the need for a combination of policies to lift the incomes of such families. Equally, there is evidence that various forms of in-kind provision (e.g. housing and primary health care) require extra governmental support. Our recommendations reflect these twin realities.

**Welfare transfers versus employment income:** The welfare versus employment strategy debate considers the appropriate balance between increasing the benefit rates for low-income families and policies to increase the level of paid employment amongst such families. Raising benefit rates can be an effective strategy in reducing child poverty, but it can be costly and may reduce incentives for paid employment. Further, for New Zealand it would involve a relatively high fiscal cost compared to many other countries to achieve similar drops in poverty because of our level of income inequality (Whiteford & Adema, 2007). This suggests that increasing benefits alone will not be efficient. Also, OECD (2009) simulations indicate that increasing the numbers of New Zealand parents in paid work would generate the largest reductions in child poverty. For this reason, the OECD suggests that policy reform to reduce joblessness among families with children should be a priority in New Zealand. Accordingly, an employment

strategy has merit, albeit within the context of an adequate system of supports to protect the best interests of the child (e.g. access to affordable, high-quality early childhood education, and supports for work such as transportation, training, and family-friendly workplaces).

There is strong evidence that minimising early childhood poverty is critically important. As the OECD (2009, p57) points out, 'before the age of three, and more often immediately following birth, poverty risks for families with young children are at their highest'. Any strategy to reduce early childhood poverty needs to recognise the time restrictions on parents' workforce availability due to their significant (and important) childcare responsibilities. This suggests the need to design policies to ensure that adequate income support is provided when children are young (e.g. especially infancy, but pre-school more generally) and opportunities for paid employment are diminished.

For such reasons, we believe the best approach is one that *combines a welfare strategy and an employment strategy*, with the policy mix reflecting the age of the children in the families concerned. Such an approach recognises the importance of welfare support during the most vulnerable time when children are young and when many parents are unable to sustain high levels of employment. Such an approach also recognises that the best chance of a child moving out of poverty is when they have at least one parent in paid employment. This means we need an overall policy package which is sufficiently sophisticated to achieve multiple objectives and, in particular, is responsive to the changing circumstances of low-income families as their children age.

**Universal versus targeted debate:** The universal versus targeted debate considers whether it is best, on various grounds, for government to provide cash assistance and/or services universally or to a specific group (usually based on income). Universal services (e.g. education) and cash assistance (e.g. superannuation) are provided to everyone who qualifies, so they are generally more costly than targeted programmes. Universal benefits (such as superannuation) often have strong social support (as people know they will benefit from their tax contributions) and are therefore more politically durable. Targeting public assistance enables scarce resources to be used more intensively to address a specific problem, but often entails higher administrative and compliance costs, lower take-up rates, the stigmatisation of users and greater incentive problems (e.g. via higher effective marginal taxes). In addition, targeting mechanisms may require a broad delivery to reach a narrower target group. Family Start is an example of a targeted social service. Working for Families provides targeted cash assistance (e.g. tax credits) to low-to-middle income families.

Whether a universal or targeted approach is best depends on the policy objectives, and there are times when a combination of universal and targeted approaches is most appropriate. Based on analysis of child and family benefit policies across all OECD countries, the OECD (2009) recommends 'cascading' benefits and services (e.g. beginning with a universal entry point and a universal support, and then adjusting the intensity of the support in response to social risks). This fits especially well in times of constrained budgets, where governments are looking for affordable options. Our recommendations include a *mix of universal and targeted forms of assistance*, depending on the policy context.

**Costs, savings and costings:** The evidence we have investigated confirms that there are significant negative consequences associated with child poverty. The evidence also indicates that investing early in a child's life is more cost-effective than investing later. Moreover, spending on young children should be regarded as an investment, not a cost. The challenge is whether governments are prepared to invest now in order to reap dividends (and save on expenditures) in the future. Equally, it is important to ensure that public expenditure is

effectively targeted and that policies and programmes are adopted which deliver the highest returns.

Whether the cost of an action to reduce poverty is relatively high or low will influence decisions to implement the policy. Other things being equal, the degree of certainty about the likely benefits needs to be higher to justify the more costly options. While it is possible to estimate the relative scale of costs, precise policy costings depend on which policies are implemented, the sequencing of change, and fundamental design choices. Further, there will often be a large difference between the gross fiscal costs of the programme and the net fiscal costs. Unfortunately, we are not in a position to provide robust costings for any of our proposals since we have not had access to the relevant data and modelling capability.

We are of the view that some of the policies recommend in Chapter 5 can be achieved through careful reprioritisation of current public expenditure. Some of our proposals, such as those to address problem debt and provide food-in-schools, are likely to entail only a very modest fiscal cost (e.g. less than \$5 million per year), especially if undertaken in partnership with business and voluntary organisations. The actions that will have the greatest impact on reducing child poverty and/or mitigating its effects will require significant new public investment. In EAG Working Paper 10, we indicated as a rough estimate our recommended changes to the benefit support and tax credits changes would be in the range of \$1.5-2.0 billion. Finally, other options offer the potential for securing better value for money from existing expenditure (e.g. better targeting of the Accommodation Supplement). We welcome additional contributions by agencies on costing the recommendations in this Report. There may be alternative approaches to fund some initiatives we recommend, and we are particularly interested in further investigation of the social impact bond models for this reason.

### 3.4 Building on the work of others

Our recommendations to addressing child poverty were not developed in a vacuum. We are very aware of and support the Government's efforts to improve outcomes for children and young people, including actions to:

- implement Whānau Ora
- improve participation in early childhood education and educational success for Māori and Pasifika children, and expand the Positive Behaviour for Learning initiative in schools
- provide free primary health care for children under 6 years of age
- reduce the numbers of young people not in education, employment and training
- improve the welfare system
- address child abuse through implementation of the White Paper on Vulnerable Children Action Plan
- reduce rheumatic fever and increase immunisation rates through the Better Public Services targets
- review parenting programmes for disadvantaged parents
- reform alcohol legislation and local community alcohol licensing regulations.

We acknowledge the ongoing contribution of New Zealand researchers, particularly the Dunedin Multidisciplinary Health and Development Study, the Christchurch Health and Development Study, the Competent Children Project, and the Growing Up in New Zealand study. Such robust, longitudinal New Zealand data is essential for informed policy-making. Likewise, other university-based research has and will continue to contribute to our understanding of child poverty, including the He Kainga Oranga/Housing and Health Research Programme.

### 3.5 Conclusion

There are many competing values, priorities and practical issues to consider when evaluating the best solutions to child poverty. We have sought at all times to take a principled, evidence-informed approach. As highlighted above, our recommendations are designed to achieve multiple goals. These include simultaneously alleviating childhood poverty, reducing the negative impacts of poverty during childhood and breaking the intergenerational transmission of family poverty. For the reasons discussed, reducing poverty during early childhood is an absolute imperative. A strong focus on alleviating severe and persistent poverty is also critical.

Achieving these objectives will require a comprehensive strategy – one that is implemented in a concerted manner over an extended period of time. Accordingly, strong and committed political leadership will be essential. To be effective such a strategy will require a combination of mutually reinforcing initiatives across a range of policy domains. This includes extra cash transfers and improved in-kind provision, a mix of universal and targeted forms of assistance, and a balanced approach to welfare support and employment incentives, based on the age and best interests of the child.

We fully acknowledge that the implementation of our recommendations will entail fiscal costs, and in some cases significant costs. These need to be set against both the moral imperative to relieve suffering and hardship and the realisation of significant long-term economic and social benefits. For such reasons, the costs represent a sound investment and will contribute to a better future for all our citizens.

# 4 Priority Recommendations

We can reduce the current level of child poverty in New Zealand, and we can take actions to ensure those children growing up in poverty have brighter futures. In this Report, we have identified an approach that will reduce child poverty and mitigate its impacts on future generations.

This Report makes 78 separate recommendations. We believe each of these is important for addressing some aspect of child poverty. Some of these actions can be achieved through careful reprioritisation of current public expenditure, but the actions that will have the greatest impact on reducing child poverty will require significant new investment.

Our recommendations are intended to: address the causes and consequences of child poverty, which requires giving specific attention to overcoming inequalities for Māori and Pasifika; be sensitive to the particular issues of children in sole-parent families; and be informed by the best available evidence. We have focused on solutions that address severe and persistent forms of poverty and we have concentrated on young children experiencing poverty as significant aspects of child development occur in the earliest years.

We know that tough choices and trade-offs will need to be made if all these recommendations are to be implemented. After testing our initial ideas through our *Issues and Options Paper*, and hearing the response from a range of New Zealanders, including children who are experiencing poverty right now, we offer direction here on how best to begin to tackle child poverty.

**The first step:** In our view, the first step must be to establish an overall framework for reducing child poverty. We have provided four recommendations aimed at the Government implementing a strategy and improving accountability for addressing child poverty. These include recommendations for establishing a suite of poverty measures, specific poverty-reduction targets, a separate set of child poverty-related indicators, and a comprehensive monitoring and reporting framework. In the interests of credibility and durability, these arrangements should be embedded in legislation. This strategy should adopt specific targets and actions to ensure Māori and Pasifika children achieve parity with poverty rates for other children.

In addition to a statutory-based poverty-reduction strategy, the EAG have identified two sets of initial priorities for Government action. The first are short-term initiatives that will help mitigate the consequences of child poverty, using relatively inexpensive policies that can be introduced quickly. The second set of initial priorities are longer-term initiatives of a more ambitious and expensive nature that are designed to reduce child poverty rates substantially over time.

## **Our initial priorities for immediate attention at relatively low-cost:**

- **pass-on child support payments** from non-custodial parents to eligible sole-parents who are on state-provided benefits: *costs can be kept relatively low by beginning with a pass-on of \$10 per week per eligible child* (Recommendation 13)
- ensure that all **rental housing** (both social and private sector) meet minimum health and safety standards, according to an agreed **Warrant of Fitness**: *this can be implemented in a staged and cost effective way by beginning with piloting innovative approaches at a local community level* (Recommendation 20)

- investigate and **implement a public-private-partnership micro-financing model** with the banking sector and community groups, with the aim of providing modest low-interest and zero-interest loans, as a mechanism to help low-income families access affordable credit and effectively manage debt: *for a very modest government investment, the private banking and voluntary sector can make this a success* (Recommendation 48)
- design and implement a **collaborative food-in-schools programme**, commencing with decile 1 to 4 primary and intermediate schools: *this will support schools, community organisations and businesses to implement successful local initiatives* (Recommendation 60)
- ensure that **young people who are pregnant and/or parenting** receive effective support to **remain engaged in education**: *a small investment now will go a long way to breaking the intergenerational cycle of poverty* (Recommendation 63)
- support effective delivery of local services through **community hubs** by providing information and advice on developing hubs and partnering with local groups to fund start-up of feasible initiatives: *supporting local initiatives is an effective way to build on the strengths of a local community to address child poverty* (Recommendation 66).

#### **Our initial priorities over the longer-term:**

- commission an independent and comprehensive **review of all child-related benefit rates and relativities**, with a primary goal to reduce child poverty (Recommendation 10)
- **create a new income support payment** for families with dependent children to replace a number of the existing benefits and tax credits, called the Child Payment. The Child Payment would be allocated to 100 percent of children aged 0 to 5 years inclusive; have the highest value during the first year of a child's life and reduce as the child ages; and be targeted based on family income from age 6 years onward (Recommendation 11)
- address the serious undersupply of social housing for families with children living in poverty by taking immediate actions to **increase the number of social houses** by a minimum of 2,000 units per year until 2020 (Recommendation 22)
- signal the critical importance of children's health by continuing to **implement free primary care visits** for all children 24 hours/7 days a week from birth to age 5 years inclusive; extending free visits over time to all children to age 17 years inclusive; setting specific targets to make timely progress towards 100 percent free coverage of primary health care (Recommendation 52).

When we consulted with children on their experience living in poverty and actions they thought were most important, they identified an action we had missed: it relates to them having the opportunity to play with friends, even if they are poor. For this reason, we also put forward the following recommendation:

- all local governments ensure that their parks, playgrounds and public spaces are safe and welcoming for children and that free leisure and recreational activities are available, especially in disadvantaged neighbourhoods (Recommendation 72).

The rationale for these and all other recommendations is provided in Chapter 5.

We are confident that the priorities identified here will assist in reducing child poverty and mitigating some of its worst impacts. But it must be stressed that to alleviate child poverty in a comprehensive way we need to move beyond the starting point that these priority lists provide. The 78 recommendations included in the next Chapter address the full range of solutions needed to address child poverty.

# 5 Our Recommendations

Alleviating child poverty requires a range of mutually reinforcing actions that address its various causes and consequences. The 78 separate recommendations we make here are intended to reduce child poverty and mitigate its impacts both now and in the future. Some are focused on easing the immediate burdens of material hardship, while others are aimed at breaking the intergenerational cycle of poverty. Some are aimed at reducing the level of child poverty, while others are focused on mitigating its effects.

We have included context and rationales for the recommendations, based on our EAG approach outlined in Chapter 3. However, we have not presented here the full range of evidence we have considered. This is contained in our series of 24 Working Papers, two Background Papers and two consultation reports (see Appendix).

There were a number of issues considered by the EAG in the course of this project or raised by respondents in our consultation process that stretch beyond our scope of addressing child poverty. We have summarised these issues in the final section of this Chapter.

## 5.1 Strategy and accountability

New Zealand does not have an official definition or measure of child poverty. We have never had a national strategy to combat child poverty. We believe that a robust policy framework is required to drive a reduction in child poverty in New Zealand. We believe legislation should be enacted to institutionalise such a strategy. Our approach was strongly endorsed by the majority of those who made submissions during the public consultation process.

1

We recommend the enactment of child poverty legislation to ensure the proper and regular measurement of child poverty, the periodic setting of government targets to reduce child poverty, the setting of child poverty-related indicators and targets for selected indicators, and the annual reporting to Parliament of progress towards the achievement of the designated targets by the responsible Minister.

We need to measure child poverty to assess our progress. The Prime Minister, Rt Hon John Key, said in relation to educational standards: 'If you don't measure, monitor, and report on things, I don't think you can make progress.' (*The Dominion Post*, 3 July, 2012). Likewise, UNICEF (2012, p5) notes: 'It is monitoring that makes possible evidence-based policy, political accountability, informed advocacy and the cost-effective use of limited public resources. The availability of timely data is therefore in itself an indicator of whether the commitment to protecting children is being taken seriously or not'. Child poverty is a complicated concept to measure and there is much literature debating the technical methods of measurement. In our view, a suite of measures is needed to capture all the different aspects of child poverty.

2

We recommend that the government institute at least five official poverty measures to capture the different aspects of child poverty including: a fixed-line income measure; a moving-line income measure; a material deprivation measure; a severe poverty measure; and a measure of poverty persistence.

We need to measure both income and material deprivation. Day-to-day living standards are determined by more than just income. Also of relevance are a household's previous income, savings, assets, the amount of support being received from people living outside the household (e.g. money, food, childcare or paying for school fees), the amount of debt and so forth. Hence, if we are to capture the impact of such factors we need reliable measures of material deprivation, as well as good income-based measures of poverty (including measures of severe and persistent poverty).

*Legislation can protect the plan and mission to reduce child poverty from the vagaries of political ideology... the approach must be multi-faceted and structured to take place over time with the full co-operation of all political parties.\**

\* This and all subsequent quotes appearing in margins are from the feedback on our *Issues and Options Paper*.

*Progress on child poverty will be extremely difficult without, firstly, an agreed suite of measures, and secondly, a regular system for measuring and reporting on child poverty.*

A comprehensive measurement framework requires not only a suite of poverty measures but also a separate series of child poverty-related indicators covering education, health, social inclusion, disability and the quality of life. These indicators should be designed to measure the impact of child poverty (and the effectiveness of poverty-reduction efforts) and should be incorporated into the proposed monitoring and reporting framework for child poverty.

We strongly recommend the setting of targets for reducing child poverty and mitigating its effects. In our view, this is essential if effective governmental action is to be sustained over the long-term. Setting poverty-reduction targets would also be consistent with recent government policy initiatives in New Zealand, such as the Better Public Services targets. Under the approach we propose, the periodic setting of targets would be mandatory. However, the targets themselves would not be legally binding.

All targets should balance ambition with realism. Setting unrealistic or overly ambitious targets is likely to undermine the credibility of the whole process. Setting soft or easy targets could have the same affect. With this in mind, we believe that New Zealand's long-term aim should be to reduce child poverty progressively over time, with the objective of achieving, and then maintaining, low levels of poverty. The meaning of 'low' should be based on both international and domestic benchmarks. Given New Zealand's current rates of child poverty, achieving such a goal will require reductions of at least 30-40 percent depending on the particular measure of child poverty, with even more ambitious targets for reducing severe and persistent child poverty.

3

We recommend that the government set targets to reduce child poverty. Such targets should cover both the short-term (three years ahead) and the longer-term (ten years ahead) and should be reviewed at least every three years.

4

We recommend that the targets set for reducing child poverty achieve parity for Māori and Pasifika with other children. This requires an accelerated rate of poverty reduction for these groups.

Our Working Papers 1, 5, 6 and 24 provide further detail on legislative mechanisms, the recommended suite of child poverty measures and indicators, as well as proposals for setting initial targets.

## 5.2 Tax credits, benefits and income support

*Some people just do not have enough. Budget advisors report not having anything to budget with.*

The immediate cause of child material deprivation is low family income. Family income is usually low due to low employment income. Family income, and therefore child poverty, can be directly influenced by government policy on tax and income support. Getting that system performing well is critical if child poverty is to be reduced. Relevant parts of the tax and benefit systems include parents' employment earnings, Working for Families tax credits (Family Tax Credit, In-Work Tax Credit, Minimum Family Tax Credit and Parental Tax Credit) and benefit support (mainly sole-parent benefits and the unemployment benefit).

Around 60 percent of children in poverty (on an income measure) are in beneficiary households, and most of these are sole-parent households. Sole-parents face considerable challenges in supporting their children through paid employment and meeting their childcare needs. Any system changes need to be sensitive to these challenges.

An investment approach is required, where opportunities are created for parents to find sustainable employment. Research indicates that a parent obtaining full-time paid employment with sufficient earnings is the most important event to lift children out of poverty. An adequate safety net is also required for those who are unable to work and to acknowledge the impact of economic conditions where jobs are scarce.

The system needs to take account of the fact that children have different care needs at different ages and the best interests of the child must be at the heart of any new policy package. The EAG is of the view that actions to increase the incomes of children in poor families need to be part of an integrated framework with a focus on:

- income generated by direct income support in the early years of a child's life
- income generated via parental employment, appropriate to the age and needs of the child, through measures that are designed: to support parental re-entry into the labour market starting in early childhood; to facilitate the availability of sustainable, secure and sufficiently flexible employment for parents entering the labour market; to assist parents in employment to increase their hours of work by the time the child enters the compulsory schooling system
- a base level of income support, targeted on the basis of family income, is provided across a child's lifecourse
- a mix of targeted and universal support for high-quality childcare, ECE and after-school care to ensure that child development goals and parental employment goals (appropriate to the age and needs of the child) can be met.

The recommendations we are proposing will have a mix of goals, including alleviating the worst material hardship now as well as reducing the extent of poverty over the longer term.

5

We recommend that, in the short-term, the government increase the Family Tax Credit by:

- initially raising the maximum rates for all children aged below 16 years to equality with the rate for the first child aged 16 years and over
- eliminating the different rates that are based on the number of children in a family
- subsequently and incrementally, raising the rates further for children aged 0 to 5 years inclusive.

The Family Tax Credit (FTC) is a payment for each dependent child aged 18 or younger. The payment depends on total annual family income, the number of dependent children, and the age of those children (more is paid for older children). We recommend eliminating the different rates based on the number of children in the family, and having one single per child rate (based on the maximum rate for the 'first or only child 16 years or older' which is currently \$102 per week). This would provide a reduction in child poverty rates where it matters most and where child poverty is higher – for younger children and larger families. This would raise the maximum weekly rate on average by \$17 per child.

Further, we recommend incrementally raising the FTC payment for children aged 0 to 5 years inclusive. Providing a higher rate for younger children reflects the significant research literature on the importance of giving children the best possible start in their first few years of life. Investing earlier is a more efficient use of public money.

We recognise that these changes involve fiscal costs. While additional investment is preferred, there are options that could be implemented immediately to better target the existing expenditure to be more effective, e.g. keeping the same rate as children ages 15 to 16, and using the savings to raise the rate for younger children.

6

We recommend that the Social Security Act 1964 be amended to require that consideration be given to the well-being and best interests of any child or children who may be directly or indirectly affected by the functions under the Act.

The Social Security Act 1964 is clear that benefits are not just for the individual recipients – benefit payments are 'to help people to support themselves and their

*Surely it's not too hard to see that an overhaul of our taxation/wage system is long overdue.*

*Increasingly, children are working not just for pocket money but to provide a necessary addition to household income.*

dependents while not in paid employment' (Section 1A(a)(i)). This means they are part of the total family income that, in many cases, is required to support the children in the household. In our view, all decisions made through the social security system that impact on children should consider their welfare and best interests as a primary consideration, consistent with the government's obligations under Article 3.1 of UNCROC.

**7** We recommend that the government undertake an annual calculation and publication of information on the take-up of all major benefits and in-work payments by eligible families with children (broken down by family size, structure and ethnicity), including the take-up of second-tier benefits like the Accommodation Supplement and the Child Disability Allowance. There should also be an annual analysis of the benefit take-up rates by those eligible for receipt of each benefit.

*Government needs to provide more accessible and plain language information about the benefits people are entitled to. Many people don't know the right questions to ask, are embarrassed to ask, don't use written material well, don't have internet, websites are not user-friendly.*

No regular information is collected on rates of take-up of child-related benefits in New Zealand. Providing a breakdown by family income would allow consideration of whether take-up is worse amongst poorer families with children. There is particular concern about the potential low take-up and the level and operation of the Child Disability Allowance amongst poorer families. We are of the view that the take-up of all major benefits and in-work payments for families with children should be monitored and published annually. This information could be used to create performance incentives for Work and Income and Inland Revenue, to ensure families living in poverty are receiving all their income support and tax entitlements.

This recommendation was supported by a number of submissions in our public consultation. In addition, respondents emphasised that, because accessing information about benefits and income support is not straightforward and, once accessed, difficult to interpret, many families need assistance to determine what their child and family may be entitled to receive.

**8** We recommend that the government add a member to the Work and Income Board who has expertise in child well-being and development issues in relation to family labour supply.

In May 2012 the Minister for Social Development announced a new Board to monitor Work and Income's performance and its implementation of the Government's welfare reforms. One of the main benefits targeted for reform is the sole-parent benefit which has a direct effect on child outcomes. However, no current Board member has expertise in child well-being or development. Possible positive and negative impacts on children of welfare reform were identified by the Welfare Working Group as important, and as a consequence it would seem entirely sensible to have an expert voice in the child development area represented on the Board. This will also provide oversight to check that the implementation of the legislation and policy does not have unintended consequences on the children involved.

**9** We recommend that the government index all child-related income support, benefits and tax credits to ensure support keeps pace with productivity growth in the broader economy.

**Longer term actions:** All the above actions could be implemented relatively quickly. However, there are a number of actions we believe should be started now, but will take more time and resources to progress. These actions follow.

**10** We recommend that the government commission an independent and comprehensive review of all child-related benefit rates and relativities, with a primary goal to reduce child poverty.

There has been no assessment of the value of welfare benefits in real terms for several decades, nor of their relationship to tax credits such as in-work payments. These ought to be reviewed both from an income support perspective, and in terms of encouraging gainful parental employment that is effective in reducing child poverty and meeting children's developmental needs.

11

- We recommend that, in the longer-term, the government create a new income support payment for families with dependent children to replace a number of the existing benefits and tax credits, called the Child Payment. The Child Payment would:
- be allocated to 100 percent of children aged 0 to 5 years inclusive
  - have the highest value during the first year of a child's life and reduce as the child ages
  - be targeted based on family income from age 6 years onward.

We are of the view that real gains could be achieved for children by pooling the current family-focused benefits and tax credits and designing a new, simpler and more generous payment. We propose the creation of a Child Payment, paid for all children from birth to age 5 inclusive, and from age 6 would be targeted on the basis of family income. The Child Payment would:

- support a parent to stay at home during infancy
- give proportionally more to children in poorer families, while recognising that all parents with young children face significant costs
- be simple and transparent, with relatively low transaction and compliance costs
- have virtually 100 percent take-up from birth
- be effective in reducing child poverty – a review of OECD practice shows that countries with universal child support programmes achieved lower poverty rates (OECD, 2011).

The Child Payment would need to be co-ordinated with out-of-school care services. The Child Payment could replace a number of existing child and family supports, including the Family Tax Credit, the Minimum Family Tax Credit, the Parental Tax Credit and the Childcare Subsidy.

The feedback from the public consultation showed strong support for this recommendation. Some respondents questioned whether a universal component was desirable, but the clear majority of feedback supported giving the Child Payment to all babies, with a targeted payment for older children.

12

- We recommend that the government reform the In-Work Tax Credit (IWTC) to better assist families in poverty.

There has been considerable debate in New Zealand about the IWTC. The Income Tax (Universalisation of In-Work Tax Credit) Amendment Bill has recently been added to the Parliamentary Order Paper. This Amendment Bill aims to extend the support to all low-income families, not just those in paid employment. While such a change would increase the incomes of many families in greatest need, it would no longer provide an incentive and support for families moving from welfare benefits to low-paid work to help 'make work pay'.

The solution does not need to be an either/or choice, and reform of the IWTC could look at a better balance of both these objectives. Moreover, there are a variety of problems with current policy settings (as outlined in EAG Working Paper No 10 and relevant scholarly papers) that it would be desirable to address. Among the policy options that could be considered are: amalgamating the IWTC with other in-work credits and redistributing the available funding to low-income families with children; making the payment larger, but abating the assistance more quickly to ensure those with the lowest in-work family incomes benefit most; altering the work-hours test and thresholds; making the value of

*The universal superannuation is intended to ensure that no elderly person will live in poverty. Why can't the same principle apply to children?*

assistance more closely related to the number of children; and having a time-limited IWTC to assist the initial transition to work (e.g. for six to 12 months).

Our Working Paper 10 provides further detail and evidence for these recommendations.

### 5.3 Child support

Children in sole-parent families are much more likely to live in poverty than children in two-parent families (53 percent versus 16 percent) (Perry, 2012). Child support is the financial contribution made by parents who do not live with their children to help ensure the children do not suffer financial hardship from family break-up. Child support payments should be an important source of family income to help many children move out of poverty. However, child support payments made to children in sole-parent beneficiary households are currently withheld by the government to offset the cost of the benefit.

In 2011, Inland Revenue withheld \$159 million in child support payments intended for some 133,500 children in sole-parent beneficiary households. We estimate that at least 89,000 of these children were living in poverty. US research indicates that pass-on can encourage child support contributions from non-custodial parents because they know their payment is going to their child rather than the government (Cancian et al., 2008). International studies show that child support payments can reduce child poverty on average over five percent (Skinner et al., 2008). Reductions in child poverty can be achieved if payments are made to those who need them most.

**13** We recommend that the government pass-on child support payments from non-custodial parents to eligible sole-parents who are on state-provided benefits.

The Child Support Amendment Bill is currently before Parliament, but does not include the pass-on of payments as an amendment, even after this was strongly recommended to the Select Committee considering the Bill. The Bill represents a rare opportunity to make this important policy change, and we urge the Government to include it.

The feedback we received strongly supported this recommendation. A pragmatic way of implementing this policy change is to begin with a capped per child pass-on of \$10 per week. This will get some much needed income to many children living in poverty, and will encourage higher compliance for the non-custodial parent to make payments (which will also reduce Inland Revenue collections costs). The net fiscal cost of this level of pass-on would likely be about a third of the total amount currently being withheld.

**14** We recommend that the government reduce income instability due to delays in child support payments by advancing the child support payment to eligible parents.

This recommendation requires government to underwrite child support payments for children whose custodial parent has a low-income. On average, one-third of non-custodial parents do not pay their child support on time. Advancing child support payments would give custodial parents more certainty about their income, and make the transition from benefit to paid employment less risky for them.

### 5.4 Employment, skills and training

One of the major causes of child poverty is the fact that many of these parents have limited educational qualifications, skills or work experience, leaving them to seek relatively low-skilled jobs. Compounding this is the fact that most low-skilled jobs are relatively poorly paid and their supply is limited. A crucial part of the solution to child poverty lies in building a vibrant, high-skill, high-wage economy. At the same time, the evidence suggests there are some

*To live off one wage is ridiculous. Can't pay for food, clothes, rent, power, heating with only one wage... So might as well not work.*

*The purpose of 'child support' payments is just that – not to further exacerbate the child poverty issue by diverting payments into a surplus fund, trapping sole-parents into a life of welfare dependency and stress.*

approaches that can be effective to get people into jobs even when the labour market is weak.

The Government's initiatives to ensure that young people are successfully prepared for further learning and work are welcome moves to increase the level of skills within the workforce. Better education and employment transitions can help young people from poor families to break the poverty cycle. But we also need to enhance the employment prospects for parents with more limited qualifications and skills. Policies that remove the barriers that keep many parents out of the workforce need to address the following:

- work needs to pay enough to encourage parents to move into paid employment
- high-quality, affordable and accessible childcare must be available, including ECE and out-of-school programmes
- some parents on a benefit will need support to enable them to work
- work tests for parents receiving a benefit need to be clear about the government's work expectations and serve the best interests of their children
- workplaces need to be family-friendly
- unemployed parents need to be matched with available jobs.

The EAG recommendations therefore recognise that having a parent in paid employment is the most important way to move a child out of poverty now, and having clear pathways for young people who have grown up in poverty to move into training and employment is important to breaking the intergenerational cycle of poverty.

**15** We recommend that government agencies work with businesses, the industry training sector and communities to establish support for parents in the workforce who have low or no skills to provide them with pathways into education and training that will enable better job progression opportunities.

In our view working parents with no or low educational qualifications need greater access to up-skilling opportunities. Up-skilling would help them build their employment capabilities, stay employed, find better paying jobs, and progress their careers, thus minimising the risk of child poverty. Without support to up-skill, many parents will be stuck in jobs with low pay, poor conditions, and few career prospects, making them highly vulnerable to short-term downturns in the economy.

Respondents to our public consultation voiced an urgent need to implement a training and employment strategy that would result in a significant increase in higher wage jobs in family-friendly work places for beneficiary and low-income parents. Christchurch residents emphasised that the revitalisation of their city offers an immediate opportunity to up-skill and employ parents with low or no skills, thus raising many children out of poverty.

Relevant and easily accessible opportunities need to be provided for up-skilling parents already working. We need alternative approaches to the education system to engage these parents, ensure their continued participation, and fit with their work and family responsibilities. Suggestions include:

- ensure programmes have relevant content and flexible delivery
- ensure that small modules of skills and knowledge can be credentialed separately (bite size chunks rather than long qualifications)
- expand partnerships between government agencies, tertiary providers and employers to enable literacy, language and numeracy skills to be delivered in workplaces.

**16** We recommend that the government continue to partner with the industry training sector, secondary and tertiary education representatives and businesses to ensure the effective implementation of the Vocational Pathways and other initiatives to improve the transition of secondary students into training and work.

*Meaningful, adequately paid employment is a pathway out of poverty but not all employment is meaningful or adequately paid, nor is all employment suitable when caring for children.*

*Economic development is starting to kick in. There are opportunities to put unemployed people in entry-level jobs where the employer provides the training. There is great opportunity for people to learn trades right now.*

Children growing up in poverty have a high risk of dropping out of school, not achieving qualifications, and have high unemployment rates throughout their lives. The education system cannot address poverty issues directly but it does have the potential to mitigate the impacts of child poverty by helping children in poverty to achieve at school.

The focus over the past several years on reducing the number of young people not in employment, education or training (NEET) and to improve their transition from school to work, or to further study, is a positive step to mitigate the impacts of child poverty. The recently announced Government target to reduce the number of 15 to 19 year olds not in employment, education or training will continue to drive policy to ensure that all 18 year olds are successfully prepared for further learning and work. This is a welcome move to increase the level of skills within the workforce.

The Vocational Pathways initiative aims to ensure there are clear pathways to qualifications and careers in five sectors: Manufacturing and Technology; Construction and Infrastructure; Primary Industries; Services Industries; and Social and Community Services. These pathways represent new ways to structure and achieve NCEA Level 2 and provide a more coherent framework for foundational vocational education and training. This initiative is the result of a partnership with government agencies, the industry training sector, secondary and tertiary education representatives, and industry and employer representatives.

Building on the Vocational Pathways initiative, pathways could be further enhanced by:

- framing the NCEA key competencies clearly for students
- working with business to develop competency standards/assessment tools so that competencies reflect workplace needs and expectations
- training teachers/tutors/industry training organisations to use the standards and tools
- adding a section to each school student's Record of Learning which clearly spells out the individual's key competencies and core skill levels.



We recommend that the government and industry bodies raise awareness as to the value that family-friendly workplaces can have and encourage employers to consider how they can make their workplaces more family-friendly by examining the design of jobs and workplace arrangements to support better work-life balance.

There is a role for the business community in helping to address child poverty issues. Family-friendly workplaces must work for both employees and businesses. Family-friendly workplaces can include flexibility in case of unexpected childcare emergencies, job-sharing schemes, subsidies for childcare, entitlement to work from home or switch to part-time hours. Research indicates that for employers, family-friendly practices result in increased employee retention, citizenship behaviour, and improved work attitudes (Bloom et al., 2010). Benefits from implementing such programs can offset costs. For employees, family-friendly practices can make the difference between being able to be employed or not. There are practical ways employers could play a greater role in supporting their employees, such as:

- working with industry bodies, regional associations, and or government agencies to identify local childcare, after-school care, and holiday programmes that employees can afford and access
- working with other employers in their locality to pool total employee demand for flexible childcare services and supporting service viability, so that childcare providers have enough customers to provide flexible services on an economically sustainable basis.

There are further steps that employers could take in providing advice to their employees on how to find community or social services their families might need from time

*Young parents should have more support from the Government.*

*Need more jobs available for young people. Put Gateway into more schools, hold more career expos.*

to time. But to do this, employers need to know what information and services are available and how best to access them.

- 18** We recommend that the government evaluate welfare-to-work programmes for the effectiveness and efficiency with which they achieve earnings and employment for participants who are parents, and establish an evidence base of what works and what does not.

The Government currently spends \$700 million or more each year on directly promoting employment outcomes for those on a benefit, including active employment programmes and Work and Income staffing. We need more research on what works to be informing this expenditure, including specific consideration of how best to address the employment and poverty needs of parents and children.

- 19** We recommend that the government establish a pool of funding to be utilised by highly trusted community providers to allocate as low or zero-interest loans to beneficiary parents or caregivers who are re-entering the workforce and who need initial financial support, to achieve and sustain employment.

There must be clear pathways for parents of young children to get back into paid employment, conditional on the needs of their children being properly catered for. Some parents will need additional support to make this transition. For example, a lack of reliable and affordable transport can be a barrier to sustained employment; unemployed parents could be assisted to get their driver's licence, or support could be given to purchase and maintain a car.

Training and social service providers who already have a relationship with parents are usually best placed to address the barriers to employment that parents face. If the family car breaks down, parents might not be able to get to training or employment, children may not get to ECE, and basic tasks like grocery shopping may be a struggle. Having funding at hand to help families overcome these problems, and having it repayable at low or no interest would be responsive to actual needs. Financing options available to low-income families are often at extremely high interest rates and risk pushing the family further in debt. See section 5.8 for other options to address problem debt.

## 5.5 Housing

Housing is critically related to child poverty. Overall, addressing the housing situation for children living in poverty was the top priority expressed by New Zealanders who provided feedback on our *Issues and Options Paper*. The recommendations we are proposing will have a mix of goals, including improving some housing conditions immediately so the short-term and long-term health of children is protected and improving housing affordability over the long-term.

Children in poverty frequently live in poor quality houses. Poor quality housing is a cause of many health issues for children, including infectious diseases, respiratory illnesses and preventable injuries. Overcrowding is linked to the spread of infectious diseases including respiratory infections, such as childhood pneumonia, rheumatic fever and meningococcal virus. Overcrowding also impacts on children's mental health, social well-being and school performance (e.g. because they don't have space to study, do not sleep well and are tired in class).

New Zealand housing is of a lower quality than most OECD countries. We do not tend to heat our homes adequately, leading to cold, damp houses. Housing quality is particularly important for babies and pre-schoolers as they spend much of their time at home.

Housing is a particular issue for many Pasifika families as they are far more likely than other ethnic groups to be living in overcrowded households. On average, Pasifika

*Most low-wage workers do not have any flexibility. They have to be on-site or they lose pay or in some cases their job.*

households are significantly larger than other New Zealand households, with multiple generations living in the same home. Having larger households makes finding private rental housing difficult and is compounded by the discriminatory attitudes of some landlords. These factors, combined with low-incomes, help explain why a quarter of Pacific peoples in New Zealand live in social housing.

Many Māori children also face housing issues. Following Pacific peoples, Māori are the next ethnic group most likely to be living in overcrowded households. Māori are the largest tenant group in social housing.

Our consultation with young people highlighted the need to address the quality and cost of housing and overcrowding. Children spoke about the effects of damp, cold houses on their health. They told us that families are struggling or are unable to pay household bills because rents are too high. This often meant no heating, no hot water, and the inability to cook. They asked for better insulated homes which are more affordable to heat. The children told us that there is a need for stricter rules for rental properties. The children and young people spoke of a lack of privacy in overcrowded homes, and arguments and tensions which affect family relationships. They also said that overcrowding affects their ability to do homework.

*For many children home is not a haven.*

There are a variety of well-recognised problems in the housing sector. Those most closely linked to child poverty issues include:

- a lack of supply of housing, leading to excess demand (especially in Auckland) overcrowding, temporary housing (including caravan parks) and homelessness. This is closely linked to affordability issues, both in terms of the cost of renting and purchasing a home
- a shortage of good quality, well-insulated, low-cost and secure rental accommodation
- insufficient investment in social housing
- historical issues over the quantity, quality, composition and location of social housing
- limited stock of community housing and lack of policy support of its expansion
- equity issues resulting from having two separate subsidy regimes for low-income families, the Accommodation Supplement and Income-Related Rents.

*The number of families living in garages is a completely disgraceful situation in a 'developed' country.*

There are a number of factors contributing to these problems that also need to be considered in any proposed solutions. These include: the misalignment between the interests of rental property owners (seeking short-term investment gains) and their tenants (seeking long-term tenancy stability); the rapid and continued population growth in Auckland and the loss of an estimated 11,000 houses in Christchurch, resulting in an urgent need to substantially increase the housing stock, particularly for low-income families.

Addressing housing issues will require seeing housing as a key part of the national infrastructure and comprehensive measurement over many decades. While there have been significant reviews of the issues, there is often difficulty implementing solutions because of the many diverse interests and trade-offs that need to be made. Placing a child poverty lens over housing issues can provide a clear starting point for government agencies to improve the quantity, quality and affordability of housing in New Zealand. The short and long-term cost of poor housing on health issues alone warrants an investment approach. An investment approach shifts resources into prevention of poor outcomes, as this will result in reduced expenditure over the longer-term.

We need to begin now to take the actions that will increase the supply of affordable housing over the longer term. We also need to act now to ensure that New Zealand children are not living in conditions that are putting their current and future health at risk.

20

We recommend that the government ensure all rental housing (both social and private sector) meets minimum health and safety standards, according to an agreed Warrant of Fitness, such as the Healthy Housing Index. These standards should be monitored periodically and effectively enforced, and gradually increased over time.

Living in poor quality housing is seriously damaging the health of many children in low-income families. Over 70 percent of all children in poverty live in rental accommodation (20 percent in HNZC state housing and 50 percent in private rental accommodation) (Perry, 2012). Research suggests that a significant proportion of private rentals are of poor quality. Many houses are cold and damp, and poorly maintained; insulation is inadequate or non-existent; heating is not efficient or effective. Some rental properties do not meet even basic standards for sanitation or safety.

The current regulatory arrangements are inadequate and have not been amended since 1947. The Government should ensure that all rental accommodation (both social housing and private rentals) meets minimum health and safety standards, according to a Warrant of Fitness. Costs associated with the Warrant of Fitness would be borne by landlords, but this could be partially offset through favourable tax treatment of any required improvements. Implementation planning should carefully consider how to mitigate the risk of costs associated with improving the quality of rental housing, which is required by a Warrant of Fitness, being shifted on to tenants.

There was almost unanimous support for having a rental housing Warrant of Fitness from the feedback we received, including the children's perspectives, community meetings, survey responses and formal submissions. One approach to implement a rental housing Warrant of Fitness is to undertake a pilot and evaluation at a local community level, as included in Recommendation 30.

21

We recommend that the government include housing as a lead priority in the National Infrastructure Plan.

Finding solutions to housing issues is seriously hampered by a lack of leadership. Including housing as a priority in the National Infrastructure Plan (NIP) would provide a platform for housing policy to be properly integrated with other NIP priorities (e.g. transport infrastructure, the Christchurch re-build, the Auckland Spatial Plan) and for housing to be properly integrated with urban development, energy, transport and environmental protection policy settings. It would also mean access to a portion of the \$17 billion which the Government has allocated to the NIP projects over the next four years. Including housing as a NIP priority would likely lead to the development of a comprehensive housing strategy.

22

We recommend that the government address the serious undersupply of affordable housing for families with children living in poverty by taking immediate actions to increase the number of social houses by a minimum of 2000 units per year until 2020.

Social housing refers to housing that is provided based on assessed financial and social need, at subsidised rates, and with active tenancy management. Social housing can include rental housing or home ownership support to individuals or families. In New Zealand, social housing is provided by the Government (69,000 properties managed by HNZC), local government (around 14,000 units) and community housing providers (around 5,000 units).

Social housing can directly mitigate the effects of child poverty and is of critical importance for many low-income families. Demand for social housing significantly exceeds supply. Increasing the number of social housing units should be a high priority for the Government. This is a long-term commitment and would require a considerable capital investment over an extended period of time.

*No matter how frugal these families are, parents face the tough choices of paying the rent – often eating up 70 percent or more of the household budget – or feed the family for the week, pay school costs or the power.*

- 23 We recommend that the government extend the current Social Housing Fund beyond 2015 and substantially increase the annual commitment with a particular focus on families with children. The Fund should be allocated through a competitive and transparent system.

The Social Housing Fund supports third-party providers of social housing.

- 24 We recommend that the government register or license all social housing providers (state, local government and community organisations) and have their properties monitored for quality, accessibility, and environmental and financial sustainability in order to be eligible for Income-Related Rent subsidies.

The Government should have clear expectations of the quality of the products and services it is receiving from social housing providers and its rental subsidies. In our view, all social housing providers (state, local government and community organisations) should: be registered or licensed; have their properties monitored for quality, accessibility, and environmental and financial sustainability; and be eligible for Income-Related Rent (IRR) subsidies. Feedback from our consultation strongly supported this view.

- 25 We recommend that the government refocus and redesign central government-funded housing subsidies (i.e. the Accommodation Supplement and Income-Related Rents) as part of a wider package of income and housing support. These changes should target a greater level of housing support to a smaller number of low-income families in greatest need, including large families, families living in areas with high rents and families experiencing multiple disadvantages.

The current provision of housing subsidies through the Accommodation Supplement (AS) and IRR is a substantial expense of almost \$2 billion annually. This investment could be re-focused to generate better value. In 2011 \$1.2 billion was spent on the demand-driven AS. There is wide agreement that the AS, as currently designed, is not the best way to improve outcomes for low-income families. The AS may also distort the private rental market. Households with children account for just 42 percent of AS recipients.

IRR subsidies should be reviewed in conjunction with any changes to the AS. The level of the IRR subsidy is the difference between 25 percent of the tenant's gross income and the unit's market rent (set by HNZC). In 2011 \$626 million was spent on IRR.

We believe the AS and IRR should be refocused as part of a wider package of income and housing support. We outlined some options in our Working Paper 18. If changes lead to savings, there should be a commitment to channelling spending into areas that will make a real long-term difference, including increasing the stock of social housing, and initiatives to increase affordable housing.

- 26 We recommend that the government consider establishing a single point of contact for housing needs assessment, which is independent of housing providers, so as to provide a comprehensive assessment service for people in housing need.

Assessment of housing need is currently run through separate processes – through HNZC for social housing, through community housing providers, and through Work and Income for the AS. Because there is no one point of assessment the true state of housing need is difficult to determine. We believe a single point of housing needs assessment should be established, independent of housing providers. An independent assessment would reduce transaction costs for the government and for clients, and provide better data about housing needs.

*It has always seemed wrong that the Government pays the Accommodation Supplement to tenants renting a property that is unhealthy or below an adequate standard.*

27

We recommend that the government provide ongoing direction and guidance to Housing New Zealand Corporation to balance its focus between asset management and outcomes for tenants to ensure improvements across both these priorities.

The EAG supports the work that HNZC has undertaken to upgrade the quality of its housing stock, improve insulation and heating, and rebalance the composition and location of its stock to meet demand. However, we are concerned about the new policy for assessing housing needs, the policy of evacuating tenants on short notice, and the move away from supported tenancy. We are of the view that the government should provide ongoing direction and guidance to HNZC to re-balance its focus to ensure that both asset management and tenancy management are improved.

28

We recommend that the government further extend and target the current subsidy programme for insulating homes known as Warm Up New Zealand: Heat Smart, with the longer-term aim of ensuring that all remaining uninsulated or poorly insulated homes (estimated at approximately 700,000) are properly insulated and effectively heated. Specific targeting is needed to incentivise landlords to insulate their rental properties.

The Government's Warm Up New Zealand: Heat Smart programme provides a subsidy for home insulation. The Government has a goal of 230,000 homes benefiting from the subsidy. Rigorous cost-benefit analyses of insulation programmes show them to be an effective way of improving health outcomes, including reducing deaths, improving school attendance and reducing heating costs. We are of the view that the Government should further extend and target the Heat Smart subsidy with the longer-term aim of ensuring that all remaining poorly insulated homes (estimated at 700,000 homes) are properly insulated. It is important that targeting enables the poorest of our households to participate in these programmes, so children in poverty can be amongst those who benefit most. Landlord uptake of the subsidy could be incentivised through favourable tax treatment of the cost of the required improvements, and be included as a requirement of the proposed rental housing Warrant of Fitness.

29

We recommend that the government develops a range of measures to increase the ability of low-income households to purchase their own home.

Home ownership provides stable tenure of housing and an asset base to support low-income families out of poverty. Many low-income families have been pushed out of home ownership by small-scale investors. Incentives are aligned so that home-owners are more likely than landlords to maintain homes in a healthy state.

There are a range of additional practical measures that could enable low-income households, particularly Māori and Pacific peoples, to purchase their own homes, including: greater uptake of Welcome Home Loans and the KiwiSaver first-home deposit subsidy programme; subsidising 5 to 10 year low mortgage interest rates for first time home owners; shared equity models; deposit assistance schemes; incentivising property investors to sell properties through changes to capital gains and land tax on rental properties.

The challenges of building homes on Māori land also need to be addressed. For many Māori communities, housing is valued for keeping whānau connected to land, tradition, tūpuna, and whānaunga, as much as a financial investment. Housing solutions for Māori will sometimes need to be different, particularly in areas of traditional settlement. Recommendation 32 presents an additional Māori-specific housing solution.

New Zealand lacks data and research on a number of important housing issues. We are of the view that the government needs to invest in housing data and research.

*Expenditure on power and doctor visits caused by damp unhealthy houses means less money for food, schooling and basic needs.*

30

We recommend that the government commission independent research and ongoing monitoring of housing issues affecting children, including:

- piloting and evaluating innovative approaches to implementing a rental housing Warrant of Fitness at a local community level
- analysis of the supply and demand for housing including social housing
- broad cost-benefit analysis of housing improvement policy options
- assessment of the quality of rental housing
- ongoing monitoring of housing quality and health outcomes amongst children linked to poor housing
- clarification of the legislation and regulation underpinning the quality of existing housing.

There is no current housing strategy in New Zealand. While HNZC has indicated they are undertaking a forecasting project, independent analysis would be useful. This analysis would provide data on the need for social housing and the shortfall in affordable housing by region. There is a need to consider the broad cost/benefit analysis of various policy options. For example, where dual or multiple systems of social housing provision prevail, there are issues about the appropriate balance, comparative efficiency and cost relativity of the various housing subsidy systems. HNZC tenants are a very economically and socially disadvantaged population, so the health and equity impacts of rationalising to a single system of assistance on existing state house tenants needs to be carefully assessed before policy changes are made. Undertaking an assessment of the quality of rental property (both social and private) would provide information needed to develop a regulatory framework for the proposed housing Warrant of Fitness.

Several of the research and monitoring gaps identified here could be met by a national housing survey, such as are conducted in most OECD countries. A survey could provide data on the condition of New Zealand housing.

Finally, there is a need to clarify the relationship between the Building Act 2004, Health Act 1956, and Housing Improvement Regulations 1947, in order to set out the minimum legal standard required of rental housing.

See Recommendations 32, 40 and 41 for additional housing solutions for Māori and Pasifika families.

## 5.6 Māori children

While Māori are found in all socioeconomic sectors of New Zealand society, Māori children are over-represented in child poverty statistics. There are particular issues about Māori child poverty that pose distinctive policy challenges and require distinctive responses, including being mindful of whānau dynamics.

It is important to recognise the impact of the experience of colonisation on Māori. The alienation of land and resources has seen the loss of a cultural and spiritual base and the loss of an economic base (Cram, 2011). Any analysis of the financial and material deprivation of whānau today is incomplete without understanding this context (Baker K., et. al., 2012). While mindful of the past, Māori whānau recognise the importance of investing in outcomes that will serve future generations and support strong, healthy and vibrant communities.

31

We recommend that the government take additional action to reduce poverty and mitigate its effects for Māori children and young people so that they are on a par with other children in New Zealand, and report annually on progress.

We have proposed a range of targets for reducing child poverty in New Zealand. We expect that Māori children's progress against these targets should be at least on par with

*If we get it right for  
tamariki Māori then  
we will get it right for  
all children.*

other children. If child poverty is to be reduced in New Zealand, the solutions will need to work for Māori.

- 32** We recommend that the government take immediate actions to ensure that Māori families with children have secure housing tenure in quality housing stock and ameliorate homelessness by:
- addressing the serious undersupply of social and iwi housing
  - increasing the number of affordable houses to meet the needs of whānau with children
  - increasing Māori home ownership.

Many Māori whānau with children are not able to access a standard of housing that will ensure their children grow up healthy. Social housing is an important part of the solution to this. Māori aspirations to own their home align strongly with the aspirations of other New Zealanders yet Māori home ownership rates are much lower than for the general population and have been falling since the 1950s. In our view, the government should develop a range of additional practical measures to increase the ability for Māori low-income households with children to purchase their own home.

The extent of homelessness in New Zealand and the impact it has on many lives is insufficiently acknowledged. Research suggests that Māori who are homeless are most likely to have had their first experience of homelessness as young teenagers, though many would have experienced unstable housing well before that (Groot et. al., 2010).

- 33** We recommend that the government increase the number of Māori young people successfully transitioning to meaningful employment by extending training allowances and providing employer incentives (e.g. to expand the number of apprenticeships for Māori youth).

Early labour market participation of young people is critical to alleviating poverty. However, even during times of considerable economic growth Māori unemployment figures remained high. Māori youth have experienced significant increases in unemployment with the unemployment rate for young Māori doubling since 2008 to over 30 percent (Department of Labour, 2012). In some rural areas and small towns the Māori youth unemployment rate is likely to be even higher.

Young Māori need support to transition from school to further education, training or work. Training allowances, incentives for employers to take on young people and trade training through apprenticeships are important strategies. Given the constraints in the labour market there is also a need for innovation to ensure early labour market engagement.

- 34** We recommend that the government provide sustainable funding for effective Whānau Ora initiatives and prioritise the alleviation of Māori child poverty within this service framework.

Māori children and whānau are likely to benefit from integrated health services like those funded through the Whānau Ora programme. We note that Whānau Ora providers are well-placed to co-ordinate initiatives designed to reduce child poverty, particularly in Māori communities that have traditionally faced barriers to accessing services.

- 35** We recommend that health providers prioritise integrated service delivery in the design of health services for Māori children.

Māori children growing up in poverty have two to three times poorer health than other children. We support the Ministry of Health's continued implementation of free primary health care for all children from ages 0 to 5 inclusive, 24 hours a day, seven days a week.

*There has been no credible rural Māori housing programme since the demise of the Department of Māori Affairs housing section in the 1980s.*

*[We] suggest that non-Māori health providers are trained to better engage with Māori whānau and their needs, as a majority of Māori access non-Māori providers.*

36

We recommend that the government scale up successful Māori education initiatives.

New Zealand has a high-quality, low-equity education system (McKinley & Hoskins, 2011). Māori children are less likely than non-Māori children to learn basic literacy and numeracy skills, and less likely to attend university. Māori make up the lowest proportion of students (51.3 percent) who leave school attaining at least NCEA Level 2 (MoE, 2012b).

We note that the achievement of Māori students is a priority for the current Government. Educational achievement for Māori students features in three of the Better Public Service targets. Government agencies have been tasked with significantly increasing Māori participation in ECE, increasing the numbers of Māori learners with NCEA Level 2 or an equivalent qualification, and increasing the proportion of Māori in the 25 to 34 year old bracket who have NCEA qualification of Level 4 or above. We endorse these targets.

Māori communities have made a significant contribution to education in New Zealand. The development of kōhanga reo, kura kaupapa, wharekura and wānanga has led to improvement in educational outcomes for Māori children and increased Māori participation at all educational levels. Schooling must enable Māori to live as Māori and to fully participate in and contribute to Māori communities and the broader society (Durie, 2001; McKinley & Hoskins, 2011).

37

We recommend that the government ensure continued investment in: the development of Māori-centric data that acknowledge and capture Māori concepts of poverty and wealth; and research that supports evidence-based practice that increases levels of achievement for Māori children.

The need for a holistic measure of Māori well-being is a persistent theme in the literature. We propose that the government work with iwi and Māori organisations to develop measures and indicators of Māori well-being that include Māori concepts of poverty and wealth. Developing holistic measures of Māori well-being will enable a better understanding of how Māori children and their whānau experience poverty.

## 5.7 Pasifika children

‘Pasifika’ is a collective term used by the EAG to refer to children and adults of Pacific heritage or ancestry who have been born in or migrated to New Zealand. There are more than 20 different Pasifika communities in New Zealand, each with a distinctive culture, language, history and health status. Most children of Pacific heritage in New Zealand have been born here, which means that Pasifika children are no longer considered an immigrant population. Growing up with Pacific heritage for New Zealand-born and/or raised children is not a homogeneous experience. The contemporary Pasifika social milieu is cross-cultural and culturally changing.

Pasifika New Zealanders are a young and growing population. In less than 20 years, one in five New Zealand children will be Pasifika. However, up to 40 percent of Pasifika children live in poverty on some measures. The rates of severe and persistent poverty amongst Pasifika children are at least double those of Pākehā children (Imlach Gunasekara & Carter, 2012). Unemployment figures show that 40 percent of Pasifika 15-19 year olds are without work (MPIA, 2011). For New Zealand to do well, Pasifika children must do well.

Our vision is of Pasifika children living as successful Pasifika people where there is family and community strength, and higher income and living standards through advancements in education and skills, health, employment and business.

*We support a greater focus on increasing Māori educational achievement and participation through targeted support for kōhanga reo, kura kaupapa, wharekura and in the staircasing of taiohi to higher education.*

*Measures and targets must mirror our aspirations, deficit models produce deficit outcomes.*

- 38** We recommend that the government take additional action to reduce poverty and mitigate its effects for Pasifika children and young people (including children in families who have recently arrived in New Zealand) so that they are on a par with other children in New Zealand, and report annually on progress.

We have proposed a range of targets for reducing child poverty in New Zealand. We expect that Pasifika children's progress against these targets should be at least on par with other children (non-Pasifika, non-Māori). Given the high number of Pasifika children currently living in poverty, we expect this parity could be achieved within ten years. To achieve parity for Pasifika children, government services will need to work harder for Pasifika children. We believe there may be opportunities for progressing this goal within existing whole-of-government initiatives such as Whānau Ora.

- 39** We recommend that the government ensure that Pasifika community and church groups are enabled to take a more central role in the design, implementation and delivery of social services specifically targeted at addressing Pasifika child poverty as a means of engaging some of the more difficult to reach Pasifika communities and families.

Community groups and churches play an important role in many Pasifika families. There is a need to explore and forge linkages between the government and churches. We are of the view that the government should work to ensure that Pasifika community and church groups take a more active role in the design, implementation and delivery of social services specifically targeted at addressing Pasifika child poverty.

- 40** We recommend that the government take immediate actions to address the serious undersupply of housing and the related overcrowding issues for Pasifika families by increasing the number of affordable, quality housing (for rent and ownership) that meet the needs of Pasifika families with children.

- 41** We recommend that the government support a strategy to improve Housing New Zealand Corporation's ability to deliver services to Pasifika peoples (e.g. by implementing the Orama Nui Housing Strategy for Pacific Peoples).

Having secure and affordable housing improves the ability of Pasifika households to provide a stable environment for their children, with consequent improvements in health, employment and educational outcomes. Overcrowded housing is most acute in South Auckland, where half of Pasifika people live.

Feedback from Pasifika groups through our consultation recommended that to meet the unique housing needs and preferences of Pasifika communities, social housing plans should use village design concepts. This type of planning would result in neighbourhoods that are able to comfortably house extended families and dwellings that would surround a community gathering place. This approach would not only reduce overcrowding, but would also maintain cultural and community ties. We support the current Government strategy focusing on improving HNZC's ability to deliver services to Pacific peoples and innovative ways to improve housing conditions for Pasifika while strengthening cultural connections.

- 42** We recommend that the government promote Pacific languages and cultures in the interests of enhancing Pasifika children's education success and improvement in academic performance, supporting their cultural identity, and promoting their social skills and economic prospects.

Educational success is a precondition for reducing Pasifika child poverty and building a healthy, productive society. Pasifika children are currently not well served by the New Zealand education system. Pasifika young people are under-achieving at all levels, from ECE,

*Cultural obligations to extended family and churches is part of Pasifika financial budget and is not acknowledged in terms the impact on a family's ability to pay the other living costs*

compulsory and tertiary education to apprenticeships and employment (MPIA, 2011).

As with Māori students, increasing educational achievement for Pasifika students is a priority for the current Government. Government agencies have been tasked with significantly increasing Pasifika participation in ECE, increasing the numbers of Pasifika learners with NCEA Level 2 or an equivalent qualification, and increasing the proportion of Pasifika in the 25 to 34 year old bracket who have NCEA qualification of Level 4 or above. We endorse these targets.

Improving educational achievement for all Pasifika young people must be a priority. Bilingualism has been shown to be effective in improving academic performance, supporting identity, and promoting social skills and economic prospects. In our view, Pasifika languages should be promoted as a way of lifting the success of Pasifika children.

**43** We recommend that the government increase the number of Pasifika young people successfully transitioning to meaningful employment by extending training allowances and providing employer incentives (e.g. to expand the number of apprenticeships for Pasifika youth).

Pasifika peoples' income levels are amongst the lowest of all New Zealanders. Pasifika unemployment rates have increased in the current recession. While most Pasifika peoples work, 30 percent are on some form of benefit. Pasifika peoples are over-represented in lower-skilled occupations and in jobs that are projected to have low future growth (e.g. clerical office positions), and are under-represented in occupations with high growth (e.g. business professionals) (MPIA, 2010). Pasifika young people are over-represented in unemployment statistics and in low-paid occupations. Some young Pasifika people need additional support when they leave school.

**44** We recommend that the government continue and enhance current health initiatives that aim to increase access by Pasifika children to health care services, including the Ministry of Health's Pacific health work programmes and Whānau Ora.

A Pasifika child growing up in poverty in New Zealand has two to three times poorer health than the non-Māori, non-Pasifika child. For example, Pasifika children's risk of being admitted to hospital with bronchiectasis is 11 times greater than for Pākehā children (Craig et al., 2007). Pasifika parents also under-utilise health services.

It is critical that all children have easy access to quality primary health care. We endorse current Government initiatives that aim to increase Pasifika children's access to health services.

**45** We recommend that government ensure continued investment in research that supports evidence-based practice that reduces Pasifika child poverty, and foster a collective approach to knowledge generation and policy development for Pasifika children's accelerated progress against measures of child poverty.

To ensure Pasifika children's progress against measures of child poverty will be at least on par with other children, decision-making needs to be informed by high-quality evidence. Current measurements of Pasifika well-being take limited account of Pasifika world views. New measurements and indices need to be developed that reflect Pasifika values, spirituality and capabilities, shifting the focus of economics to incorporate a child-orientated lens. Pasifika-specific evidence is needed. Building on Teu Le Va (Airini & Mila-Schaaf, 2010), a collective approach should be developed to knowledge generation and policy development for Pasifika children's progress against measures of child poverty. The aim would be to facilitate greater dialogue between researchers and public services that could result in higher uptake of evidence-based policy in public services and promote critical, innovative thinking about how to reduce child poverty among Pasifika peoples.

*Lift the performance of government services, by working with Pasifika community and church groups.*

## 5.8 Problem debt

Many New Zealand families have some form of debt, such as a mortgage or credit card debit. Fewer families experience problem debt, where debt repayment becomes unmanageable and leads to financial strain. Children living in families with problem debt have less money to meet their essential needs, including food, clothing, heating, transport and school-related expenses. Problem debt also increases stress and can strain family relationships. Problem debt can cause and is associated with child poverty. Feedback from organisations working with Pasifika families supports our focus on the issue of problem debt.

The government has a significant role as a collector of debts through Inland Revenue (e.g. child support payments), Work and Income (e.g. benefit related payments/advances), Ministry of Justice (e.g. Court-imposed fines), Housing New Zealand Corporation arrears, and infringement fines through local councils, the Police, and other prosecuting authorities (e.g. parking tickets, dog registration fees).

46

We recommend that the government review the impact of debt to government agencies on low-income families, including:

- reviewing its debt accumulation and recovery processes for low-income families to ensure that agencies take the well-being of children into account
- exploring whether a whole-of-government approach could be applied to assist households with debt to more than one government agency.

Debt to government agencies is one factor that can lead to financial crises for former beneficiaries. Judges consider fines to be a useful sanction for minor offences, but are also concerned at the number of people who are brought before the Courts who cannot afford to pay them. While fines are fairly easy to administer, they do not discriminate on the basis of a person's ability to pay and a series of minor fines can easily mount up quickly from one initial offence (Valins, 2004). We urge government to consider options to address the levels of debt low-income families have to government agencies, particularly to Work and Income, the Ministry of Justice and Inland Revenue.

47

We recommend that the government increase support for improving financial literacy and budgeting capability of low-income families by:

- increasing funding for budget advice services for parents, to keep pace with demand by low-income families for these services
- accelerating the implementation of a nation-wide education campaign on financial literacy, with a specific focus on low-income and beneficiary families in the community and at schools.

Research indicates that financial literacy programmes can prevent problem debt, and budget advice services help people work through their problem debt (Families Commission & Retirement Commission, 2009). We believe that targeting groups with low financial literacy should be a priority. We also urge the government to continue to support budget advice services in line with demand. The Government provides \$8 million annually to budget advice services. However, a major provider of budgeting advice in New Zealand, the Salvation Army, reports that it is struggling to cope with the increasing demand for its services.

48

We recommend that the government investigate and implement a public-private-partnership micro-financing model with the banking sector and community groups, with the aim of providing modest low-interest and zero-interest loans, as a mechanism to help low-income families access affordable credit and effectively manage debt.

*It's a shock to know that some families can have up to 10 different loans yet are still able to get loans.*

The government has a role in supporting philanthropic social lending. Social lending organisations fit between banks (who will not lend to those with a bad credit rating or little ability to meet loan conditions), and predatory loan sharks who charge high interest rates. The government could support social lending through leadership, co-ordination, modest funding and technical assistance.

As well as the government, we encourage the financial sector to step up to this challenge.

## 5.9 Health and disability

The research literature confirms that there is a strong relationship between poverty and poor health. This is detailed in our Working Paper 17. Children growing up in low-income households in New Zealand face multiple risks.

Poor health outcomes of this nature not only harm the individual child, they also impose substantial costs on the rest of society. If we are to address such problems, we must reduce child poverty. Health care interventions cannot solve the root causes of poverty, but they can certainly mitigate some of its worst effects. They can also help to reduce the likelihood of the intergenerational transfer of poverty.

Both neuroscience and longitudinal research highlights the importance of focusing particular attention on the early years of life. Investing in antenatal services and services early in a child's life will prevent a whole range of negative child and adult outcomes and their associated costs.

*Currently there appears to be a co-ordination issue in that many health providers are unaware of what others are doing and thus the child has the potential to slip through the cracks.*

**49** We recommend that the government work with all relevant organisations to develop, implement and evaluate a common assessment plan, pathway, delivery approach and service response for all children starting in the antenatal period and continuing to age 5 inclusive.

A key component of an effective and efficient universal health system is a common assessment pathway – that means that one assessment tool is applied and shared by all practitioners in the system, for every New Zealand child. A common assessment approach is used to identify a child's needs and vulnerabilities, develop a service plan and monitor progress. Starting in the antenatal period, a common assessment plan would engage women early with maternity services. Having one plan would provide more consistency for parents (reducing the need to repeat their story to numerous professionals), require better co-ordination among health professionals, and ensure a better transition from pregnancy through to child health services.

**50** We recommend that the government develop a maternity and child health funding strategy that will provide an adequate basic level of services for all children and targeted extra services based on an assessment of need.

This mix of universal and targeted services is called 'proportionate universalism' (Marmot Review, 2010). This means that, initially, every child receives some basic level of services and that those who need more receive more. We recommend that a universal and targeted policy of proportionate universalism underpin child health funding. This should be combined with a re-configuration of government expenditure for children to increase spending during the early years, starting with antenatal and early postnatal services. This would improve outcomes for children living in poverty and result in longer term success in school and adult life by preventing and ameliorating health and developmental issues early in the lifecourse.

51

We recommend that the government direct health services, using District Health Boards as one mechanism, to increase the uptake and early engagement with maternity services (by 10 weeks of pregnancy) of women from low socioeconomic backgrounds, especially teenagers, Māori and Pasifika.

A significant number of vulnerable pregnant women access maternity services late or not at all. In 2010, more than one third of all Pasifika women, just over one sixth of Asian, and nearly one sixth of Māori pregnant women were not seen by a community-based Lead Maternity Caregiver (MoH, 2012). Early engagement can enable health providers to inform and support pregnant women to eat well, stop smoking and drinking alcohol, and offer other services, such as housing, mental health and addiction services and income support. Maternity Quality Teams, established in all District Health Boards (DHBs), are responsible for monitoring and improving maternity services. In our view, the government should require these teams to prioritise early engagement with women living in poverty.

*Provide free dentist and doctors in school grounds for the whole family.*

52

We recommend that the government signal the critical importance of children's health by:

- continuing to implement free primary care visits for all children 24 hours/7 days a week from birth to age 5 years inclusive
- extending free visits over time to all children up to age 17 years inclusive
- setting specific targets to make timely progress towards 100 percent free coverage of primary health care for all children from birth to age 17 years inclusive.

A lack of preventive health care can lead to increased use of costlier interventions. Emergency department visits and hospitalisations of young children could be reduced and serious health problems (e.g. skin infections and respiratory problems) avoided if children were able to receive free primary health care services and after-hours services at any time, day or night. The Government should continue to focus on establishing free primary health care for all children from birth to age 5 inclusive. We are of the view that in the longer-term, this policy should be extended to include young people up to age 17 years inclusive. Setting targets to meet a goal of 100 percent free health care for children and young people would accelerate progress toward this goal.

*Government should be cautious when targeting services since many children who are poor will miss out if the service is not universally available.*

53

We recommend that the government direct District Health Boards to enrol all children at birth with a primary care provider, the National Immunisation Register, oral health services, and with a Well Child/Tamariki Ora provider.

The short-term goal is to ensure all children are identified, and linkages made between a general practitioner (i.e. primary care provider) and the family and enable monitoring of child immunisation and receipt of antenatal services, Well Child/Tamariki Ora services, including the Before School Check, through to the transition to compulsory school.

The enrolment at birth with a primary care provider will mean that each infant will be added to that primary care provider's database and be assigned a National Health Index (NHI) unique identifier before leaving the hospital. The primary care provider will be the child's health care co-ordinator. This recommendation could be implemented at minimal additional cost to the government. Some DHBs already enrol infants before they leave the hospital.

54

We recommend that the government improve the co-ordination and delivery of maternity and early years services by having a shared child health record, initially to age 5 years, and over time to all children to age 17 years inclusive, based on the shared Maternity Record of Care project.

The goal of the Shared Maternity Record of Care project is to have an electronic maternal and infant health record that is up to date and easily accessible to the patient,

Lead Maternity Carer, general practitioner, and Well Child/Tamariki Ora provider so that pregnant women and infants receive co-ordinated and appropriate care. The completion of this shared record can provide the starting point for developing a shared child record that extends to older children and across service systems.

Our current information systems across health and social services are disconnected, inefficient and administratively costly. This has the biggest impact on children and families who are least able to access services and need multiple services and supports. This lack of efficient information-sharing also means that parents have to repeat their story each time they see a different provider and that professionals from different sectors (e.g. health, education, welfare) often do not have a shared understanding of the child and family circumstances. We recommend the development of a single enrolment information system, combining information collected by the NHI, National Immunisation Register (NIR), Well Child/Tamariki Ora and the Shared Maternity Record of Care, through to age 17 years inclusive.

**55** We recommend that the government develop, implement and evaluate a national child nutrition strategy.

Poor nutrition is a significant problem in New Zealand. During pregnancy it can lead to premature birth, low birth weight and childhood cognitive and developmental issues. Poor nutrition in childhood can also lead to obesity and, in severe cases, impair brain development. Going to school hungry affects a child's ability to learn. New Zealand has never fully implemented a child nutrition strategy and it is our view that to do so would provide a planned approach to improving maternal and child nutrition, resulting in better outcomes for children and reduced health costs.

**56** We recommend that the government review the Housing Modification requirements with an aim to better meeting the particular needs of children in poverty when they and/or their parents have disabilities.

People with disabilities who are also living on low-incomes all too often live in housing that is not sufficiently accessible. New Zealand research indicates that government funding for house modifications is primarily for basic needs and does not consider the overall welfare and functioning of the family, including when there are children involved. The study found that:

- some people with disabilities are unable to care for their children because certain modifications, such as widening the doors to their children's rooms, were not seen as necessary
- people with disabilities often forego or do not fully take on educational or work opportunities because they cannot access adequate housing
- people with disabilities fear for their safety if there is a fire because only one accessible exit is seen as necessary.

Consultation feedback from the disability sector supported the need for accessible housing based on the specific needs of the child or adult with a disability. One group recommended that housing accessibility be included as a quality indicator in the proposed housing Warrant of Fitness.

**57** We recommend that the government commission research to clarify: how many children are living with a disability or are being cared for by a parent with a disability; how many of those children are living in poverty; and what the effects of poverty are on these children.

The New Zealand Disability Survey (NZDS) (Statistics NZ, 2006) does not include data on children with disabilities who live in poverty or on children who live in low-income

*Children from low income families are not getting the nutrition they need and this is hindering their learning and health.*

households where a parent has a disability. In recent years, government has commissioned studies to enable better-informed decision-making regarding monitoring of the NZDS, policy development, service planning, and allocation of resources to support people with disabilities. While welcomed, these studies focused on individuals with disabilities, rather than children and family units.

### 5.10 Education

The education system cannot solve the problem of child poverty, but it can have a powerful impact on the lives of children living in financially disadvantaged circumstances. When students achieve educationally, they bring more skills to the labour market, strengthening their earning potential over their working lives. Education can thus help reduce the likelihood of the intergenerational transfer of poverty.

Children born into poor families are more likely to have lower educational achievement. They are more likely to:

- have fewer resources and sources of stimulation, affecting early cognitive development
- go to school hungry
- move house and schools multiple times
- have parents and family who are not engaged with their school and learning
- live in an overcrowded home with inadequate space to do homework.

The Government's commitment to improving student educational achievement and, as such, their life chances, is demonstrated in the Better Public Services targets. We endorse the following targets which aim to increase student achievement:

- increase participation in early childhood education from 94.7 percent currently to 98 percent by 2016
- increase the percentage of 18 year olds with NCEA Level 2 or equivalent qualification from around 68 percent currently to 85 percent by 2017
- increase the percentage of 25 to 34 year olds with NCEA Level 4 or above qualification from 52 percent to 55 percent by 2017.

Given the Government's primary focus is on student achievement, our recommendations focus on what the education sector can do to mitigate the effects of poverty on children. We believe this is a gap in current policy thinking and feedback from public consultation on the *Issues and Options Paper* reinforces our view. Respondents strongly supported improving the quality of ECE and increasing the availability of affordable ECE in poor neighbourhoods.

Respondents from the disability sector emphasised the need for improving teacher education and in-service training regarding child disability, how to include children with disabilities, and how to engage with their families across all education levels.

**58** We recommend that the government progress the current Ministry of Education work programme to raise the quality of existing ECE services and increase the supply of ECE services to low-income families.

**59** We recommend that the government incentivise inclusive quality ECE and prioritise the provision of compulsory education, and tertiary education/training for children and young people with disabilities who are living in poverty.

The benefits of good quality ECE are well documented in the international and New Zealand literature. ECE can mitigate the effects of poverty and risk for children (Barnett, 1995; Smith et al., 2000). Good quality ECE, combined with parenting support and education

*School is one of the most important places in your life.*

*Health education, basic cooking skills, gardening skills should be absolute priority starting with 5 year olds.*

for low-income families, has positive impacts on children's cognitive and socio-emotional skills and later educational achievement. Long-term outcomes include higher qualifications and income, better health, increased maternal employment, reduced special education services, less justice system involvement, and reduced use of social services (Karoly et al., 2005).

Currently, over 95 percent of New Zealand children are enrolled and participate to some extent in ECE. Those living in poor neighbourhoods are less likely to participate: only 82.6 percent of children entering decile 1 schools reported participating, while 98.9 of those entering decile 10 schools did. Participation rates for Māori (89.4 percent) and Pasifika (85.3 percent) are lower than for Pākehā/European children (94.5 percent). A Ministry of Education survey of parents who were not engaged with ECE found barriers to participation included: cost, lack of transport, family transience and lack of knowledge of available services. Pasifika parents may feel young children should be at home and that they may struggle at ECE because of language and cultural barriers.

The New Zealand ECE sector is currently receiving significant attention as a result of the recommendations of the Early Childhood Education Taskforce (2011). The EAG supports these recommendations, and in particular, the Ministry of Education's Participation Programme which aims to engage parents better and their young children living in low participation and low-socioeconomic communities in ECE. We look forward to the results of the evaluation of this Programme.

**60** We recommend that the government design and implement a collaborative food-in-schools programme, commencing with decile 1 to 4 primary and intermediate schools.

Living in poverty can be a barrier to learning at school. Poor children often come to school hungry, which affects their ability to learn. A Ministry of Health survey found that 20.1 percent of New Zealand households with school-age children did not have enough food for active and healthy living. This percentage significantly increased for Pasifika and Māori families, large families, and those from the lowest socioeconomic groups (Parnell et al., 2003 in Yates et al., 2010). Children in low-income households are also more likely to have higher cholesterol intake and eat fewer healthy foods than their peers in higher income households (Smith & Brown, 2010). Organisations like KidsCan, Fonterra and Sanitarium currently provide food in some New Zealand schools. However, we believe that central government has a responsibility to provide leadership and resources to assist schools through a national strategy for food in ECEs and schools in low-decile neighbourhoods.

**61** We recommend that the government continue and expand the Positive Behaviour for Learning School-Wide intervention and other evidence-based targeted behavioural support interventions for parents and teachers.

School culture influences educational achievement. Children from low-income families report that bullying and being rejected by more advantaged peer groups makes it difficult for them to go to school and focus on learning. In-school initiatives such as the school-wide component of the Positive Behaviour for Learning programme seek to make positive and sustainable changes in school culture and school achievement. This evidence-based intervention and others like it should continue to receive government support.

**62** We recommend that the government establish sustained funding for youth-friendly health and social services (including mental health, sexual health and contraceptive support) in all secondary schools, commencing with low-decile schools.

Young people living in poverty are vulnerable to health and mental health problems, including sexual health issues, teen pregnancy, drug and alcohol abuse and depression (Anderson & Lowen, 2010; Winnard et al., 2005). Findings from New Zealand research and

*I would like to see a much stronger emphasis on increasing the quality of ECE, using community development approaches to increase the participation of low-income families in ECE.*

*Make the breakfast club open to everyone so that there is no shame.*

*If [children] are poor, people don't care about them, they get bullied.*

programme evaluation support the provision of school-based health and social services for young people. The Government is investing additional funding until June 2016 to provide school-based health services in all decile 1 to 3 secondary schools. We support this investment and recommend that a plan for sustained funding, and evaluation of the service, be established.

- 63 We recommend that the government ensure that young people who are pregnant and/or parenting receive effective support to remain engaged in education by:
- expanding the number of Teen Parent Units
  - encouraging young parents to remain in their local school by ensuring they receive the support needed to do so
  - monitoring and reporting on their school achievement and post-secondary school transition.

*Girls get kicked out of school for getting pregnant or are made to not feel welcome.*

Being born to a teenage mother is an indicator for child poverty. In 2009, just 12 percent of all teenagers who had babies had been enrolled in a Teen Parent Unit (TPU). Services for young parents provided through TPUs should be expanded to enable more young parents to continue their education.

While the Education Review Office (2011) found that the quality of teaching and learning in almost all TPUs was satisfactory, it noted that TPUs do not follow-up young people once they leave a unit. Funding should be provided to enable TPUs to evaluate student outcomes, including for those young people who leave a TPU before gaining a qualification.

- 64 We recommend that the government ensure all schools provide appropriate after-school opportunities for all children living in poverty by:
- amending the National Administrative Guideline (NAG) section one to require schools to develop and implement after-school educational experiences (e.g. mentoring and holiday programmes) to address the needs of children and young people from low-income families
  - providing an inventory of activities currently underway to assist school principals and Boards when deciding on additional programmes that would work in their schools.

Childhood poverty can seriously affect a child's educational achievement. Through the National Administration Guidelines, Boards of Trustees are required to identify students who are not achieving. We suggest that a new guideline be introduced to require that Boards of Trustees develop after-school educational experiences to address the needs of children living in poverty. Examples include mentoring programmes, Computer Clubhouse, homework centres and kapa haka and other culture groups.

*People think just cause you're from [a poor community] you're no good, you're trouble. But we've got lots of ideas, energy, gifts and talents.*

- 65 We recommend that the government support expansion of before-school, after-school and school holiday programmes for children (aged 5 to 13 inclusive) living in poverty by:
- providing sustainable funding for initiatives
  - encouraging more schools and community organisations in low-socioeconomic communities to apply for programme start-up grants
  - offering incentives for programmes that include children with disabilities and providing flexible hours to accommodate the needs of parents who work evenings and weekends.

In 2010 the Ministry of Social Development supported 12 low-decile urban schools to provide out-of-school care and recreation (OSCAR) 'extended services'. In our view, this initiative should be expanded to more low-decile schools. A key function of OSCAR

programmes is that they enable parents to participate in the workforce or pre-employment training. Low-income families are eligible for a subsidy for OSCAR fees.

## 5.11 Local communities and family

The widening disparity in income levels over the last three decades has resulted in an increasing contrast in the wealth of communities, cities and regions across New Zealand.

Communities and community-based services provide a significant amount of support to children and families in New Zealand. They know the people they are supporting and the strengths and the challenges of their communities, allowing them to respond to specific community needs more quickly and effectively than central government. Local groups can work informally in ways that government services cannot. Community strategies that are sustained and supported by local and central government can lead to innovative solutions, greater community resilience and improved social conditions for children. Local, community-based strategies are a vital element in any policy framework designed to reduce child poverty.

For families experiencing multiple disadvantages, including poverty, research indicates that addressing all these factors is too complex for a traditional public sector approach. Improving outcomes requires a co-ordinated and innovative effort across government agencies and within communities to ensure individuals, families and communities get the services and supports they need.

Families experiencing multiple disadvantages are more likely to engage with services:

- that are built on face-to-face relationships of trust, mutual respect and continuity
- that start with universal, non-stigmatising services
- where all the family's needs can be addressed
- which are culturally appropriate
- that are based inside the community, using existing links and relationships to access services.

**66** We recommend that the government support the effective delivery of local services through community hubs by:

- providing a clearinghouse on information and advice on developing hubs, including integrated and co-located models of service delivery, community school hubs, and marae as hubs
- partnering with community leaders, such as iwi, Boards of Trustees and school principals, churches and local government, to assess local needs and opportunities for establishing hubs
- fund the start-up of feasible hub initiatives.

Flexibility about where services are delivered is crucial. Service providers must be able to deliver through a variety of sites and deliver services where their communities gather. Providers should be encouraged to cluster service delivery to best meet the needs of their communities, and form community service hubs. Marae provide important infrastructure for service delivery, as do kohanga reo, schools and other ECE providers, churches, community halls, and sports clubs. Recognising that there are hard to reach groups in some communities means that other strategies to engage families may be needed, such as direct door-to-door delivery or working at the neighbourhood level – taking services to where families and whānau, live, shop and play.

**67** We recommend that the government increase the number of community-based 'system navigator' positions, whose role is to guide families in accessing appropriate and timely support and service. Initial priority should be given to supporting families with a disabled child or parent, and Māori and Pasifika families who face multiple barriers to accessing services.

*Community-based, not-for-profit organisations have a crucial role to play in mitigating the risks of child poverty, and often have little or no government support.*

Relationship building with families facing multiple disadvantages is critical to engage and retain them in services, but it takes time and is difficult to measure or quantify. Whānau Ora potentially provides an example of government funded community and whānau driven service assessment, planning and delivery, based on high-trust relationships (the ‘navigator’ model), embedded within Māori cultural practices. The evaluation results from Whānau Ora will be of much interest. We recommend that funding continue to be invested in trusted community-based navigators or brokers who link families experiencing multiple disadvantages with services.

- 68** We recommend that the government evaluate existing community-based services that incorporate health and social services in high-deprivation communities (such as integrated and co-located models of service delivery), and, based on the results, implement the most effective approaches in other high-deprivation communities.

There are a number of examples of integrated service delivery already operating in New Zealand. These initiatives have potential. The need for evaluation is ongoing. We need to ensure we invest adequately in models that work or show promise. Spreading our investment across too many different approaches is likely to reduce the capacity for effective evaluation and result in duplication.

- 69** We recommend that the government support and resource local communities to strengthen their ability to address child poverty, such as providing funding to local groups to undertake asset-based mapping of community organisations, groups, resources and initiatives.

A scoping exercise aimed at identifying the networks of community organisations, groups and individuals that work, directly or indirectly, towards the reduction of child poverty, would provide the initial information required to develop community-level child poverty strategies and mechanisms for their implementation and monitoring. Such a project could initially target those areas with the highest deprivation levels as indicated by the New Zealand Deprivation Index. It could be undertaken by a lead community-based agency, with funding support from central government and the local government authority operating in the target area.

- 70** We recommend that the government establish cross-sector partnerships between central government agencies, local government, service providers and community sector representatives to develop local-area child poverty-reduction strategies in high-deprivation areas.

Central government policy should support the development of local strategies that seek to reduce or mitigate the effects of child poverty and improve child well-being. This could include expanding the Social Sector Trial model to include an additional focus on child poverty-reduction.

- 71** We recommend that the government support and resource local community development strategies that aim to increase child well-being in deprived communities. This includes the Auckland Council’s Southern Initiative and its multi-sector Children and Young People’s Strategic Action Plan, and initiatives to address poverty experienced by Māori and Pasifika children in Auckland.

There are a number of examples where robust local analysis of issues has resulted in a plan to reduce or mitigate some aspects of child poverty. Resources are then needed to implement the plan.

*Reunite church and government in social service arena: churches have backed out, or felt pushed out, but they are needed and have to come back into the mix.*

*[We] need a stock take or asset mapping across communities ... to better understand our strengths, to acknowledge and recognise what is being done and is already underway, and what are the elements that might work for other places.*

*Increase the role of local government in social issues and in raising awareness rather than putting limitations on local government.*

72

We recommend that all local governments ensure that their parks, playgrounds and public spaces are safe and welcoming for children and that free leisure and recreational activities are available, especially in disadvantaged neighbourhoods.

This recommendation comes directly from children. During the consultation children and young people living in poverty spoke of the importance of having a safe space to play with friends. Research (Wager et al., 2007) indicates that community space has great significance for poor children. Public space compensates children for a lack of space at home. The quality of space and security within their home neighbourhood is important for children who experience poverty (Sutton et al., 2007).

Participants referred to areas where they live, or nearby areas, as unsafe. They described them as 'scary places' and many had experienced or witnessed aggression, drunkenness or harassment by adults or gangs of older youths. Children would like their local councils to do more for children, including providing more free activities and facilities.

73

We recommend that the government support and resource the establishment of community-based life-skills and parenting programmes that strengthen low-income parents' ability to be responsible and positive influences in their children's lives.

Many responses to our consultations suggested strength-based approaches to help parents in poverty gain the skills they may need to better parent their children. They identified many life-skills ranging from shopping and cooking, family-planning and budgeting to parenting programmes to deal with child behavioural problems. We know that life-skills are sometimes included in wrap-around support by service providers working with the families. These may be viewed by the funding agency as the least essential components, and when funding is tight, are the first to be dropped. A number of these programmes are already offered by local community groups, but availability is patchy across communities. We note the new Families Commission research and evaluation unit has been tasked with reviewing and reporting on effective parenting programmes for disadvantaged families by the end of 2013, and this research will help inform future investment decisions.

## 5.12 Justice system

The extent to which child poverty is a causative factor in crime and, in particular, youth crime is unclear. However, there is a large body of international evidence which indicates that children living in poverty are at greater risk of being a victim of crime, engaging in risk-taking or problematic behaviours, and being excluded or disengaged from school. The youth justice system acts as a weathervane of sorts for identifying the potential impact of family breakdown, poverty and social dysfunction upon children and young people. The youth justice sector has recognised that poverty and family dysfunction are key factors in youth offending outcomes (Becroft, 2006). We refer to Working Paper No 23 for a detailed discussion on child poverty and the justice sector.

74

We recommend that the government evaluate the effectiveness of current justice sector programmes, policies, orders and sentencing options in addressing the underlying issues of household poverty. This could include a specific study of the links between child poverty and youth justice outcomes in order to inform the Youth Crime Action Plan currently in development.

While there is recognition that poverty is a factor in youth offending, government agencies are yet to undertake a direct analysis to determine the extent of its influence on outcomes. It would be timely for the government to undertake such a study.

75

We recommend that the government develop policies that significantly increase the level of support available for children of incarcerated parents.

*Not having much money means that children can't go to the pools to learn to swim.*

*A significant minority of New Zealand children are suffering also from other forms of deprivation... of parental time, attention, affection, nurturing, guidance, supervision.*

These supports could be included within the package of policy initiatives that derive from the *White Paper on Vulnerable Children*. It is estimated that up to 20,000 children have parents who are in prison. These children experience much higher rates of emotional, behavioural and mental health problems, attachment disorders, educational disengagement, drug and alcohol abuse, and a much higher likelihood of future offending and imprisonment.

- 76** We recommend that the government commence youth justice initiatives that better prepare Māori and Pasifika young people for living and working in the wider community. This could include:
- further expansion of the Rangatahi and Pasifika Youth Court models
  - implementation of the Pilot Education Service trialled in the Manukau and Porirua Youth Courts into all main urban areas.

The development of specialist courts within the youth justice system has enabled a greater range of tailored responses to address the needs of young people. There is growing evidence that specialist courts are effective in reducing re-offending and addressing underlying issues. For example, an interim evaluation of the Intensive Monitoring Group Court, based in the Auckland Youth Court, indicated a reduction in the risk of re-offending by 38 percent, compared to the rate of 14 percent of the comparative control group (MoJ, 2008). Another innovation is the pilot education service in the Manukau and Porirua Youth Courts, which resulted in a re-offending level of 13 percent compared to 46 percent in the comparison group (MoE, 2011). These courts bring in a wider range of support services than is usually available through the mainstream courts.

The establishment of Rangatahi Courts in 10 Youth Court jurisdictions and Pasifika Youth Courts in Auckland has coincided with more frequent appointment of lay advocates and specialist cultural advocates. We consider this approach has considerable potential to improve outcomes for Māori and Pasifika young people.

- 77** We recommend that the government invest in the maintenance and development of services which enable access to justice for children and low-income families. This includes legal aid, community legal services, specialist child-focused services and alternative dispute resolution services.

It is important that low-income families and their children are not disadvantaged by the cost of legal and dispute resolution services. Consultation participants raised concerns that current reforms to legal aid and the family court system could have a detrimental impact on the ability of low-income families to obtain access to the justice system, including legal assistance.

### 5.13 Research and evaluation

- 78** We recommend that the government ensure that all policies with major impacts on child poverty be subject to periodic and robust evaluation so that a strong evidence base can be built for guiding future policy-making.

In our effort to understand child poverty in New Zealand and propose solutions, we have drawn upon the best available New Zealand and international research evidence. There are limits to the evidence available, and in some cases there are contradictory findings. In particular, there is a dearth of New Zealand evaluations of policies, programmes and initiatives. It is not always clear what works under what conditions to reduce child poverty and mitigate its impacts. A strong commitment to rigorous evaluation is urgently needed as part of the routine policy process.

*Parents raising children in poverty were often themselves raised in poverty. How do we eliminate the culture of blame, the 'good poor' and the 'bad poor'. Not all poor parents make bad choices for their children.*

As part of a strategy to increase our evidence base so we can make sound investment decisions, we must be willing to experiment and evaluate innovative policy approaches, including pilots and small-scale initiatives from which we can learn more about what works.

## 5.14 Areas for further consideration

Our mandate was to provide advice on pragmatic, realistic and effective solutions to child poverty. There were a number of concerns identified during our work, including through the public consultation process, that fall outside the scope of our mandate. In some cases it is likely that astute policy initiatives to address these concerns could generate a range of benefits, including positive impacts on child poverty. We identify several matters here which may warrant further exploration.

**Job creation strategies:** Getting more parents into paid employment is an important way to reduce child poverty. The importance of government's role in job creation to combat child poverty was clearly articulated by participants and submitters during the public consultation phase. We agree that the government has a central role to play in creating the right environment for high employment levels for New Zealanders. Effective interventions in this area will certainly be welcomed.

**Alcohol, drugs and gambling:** Problem drinking, problem gambling, drug taking and tobacco smoking all cause significant social and health problems, irrespective of socioeconomic status. The adverse impacts on family members, including children, are also well established. We note that there is significant work underway both at the government and community level to address these problems, including social marketing campaigns, population and public health-based efforts, and legislative reform. We endorse these actions and initiatives.

**Social impact bonds:** Social impact bonds are an investment-based form of social service funding. They are designed to encourage public investment and interest in the social sector, and are a means of generating funding for innovative interventions that may otherwise be deferred or overlooked due to a lack of available resources. In the United Kingdom, feasibility studies are underway to assess the application of the social impact bond model as a source of funding for local authorities which are under pressure to make significant savings in the delivery of services to children. This is an innovative concept that is worth further exploration as an alternative funding source for some child poverty-reduction initiatives.

**Taxation:** During the consultation phase, participants raised issues around taxation policy. The most frequent comment involved the implementation of a capital gains tax on rental investment properties. It was considered that tax reforms of this nature could trigger significant changes in the housing market, including improvements in the quality and affordability of housing. Effective tax changes also have the potential to generate additional revenue which could be reinvested to reduce child poverty.

# 6 Conclusion

New Zealand can be a great place for children – where *all* children can enjoy their rights, achieve their full potential and participate as equal members of our society. But to achieve this goal we must address the problem of child poverty. Moreover, unless a concerted effort is made now to reduce child poverty, the costs that it imposes today, both social and economic, are likely to be magnified in generations to come. Alleviating child poverty will also contribute to the success of other policy priorities, including reducing child abuse, increasing educational achievement, improving skills and raising productivity.

We have examined the available evidence to identify the most effective and efficient policies to reduce child poverty and mitigate its effects. From this it is clear that there is no magic answer or single solution to achieve our desired outcomes. But it is equally clear that child poverty can be substantially reduced.

Various promising government programmes and community-based initiatives are already in place to assist children living in poverty. However, there is no overarching strategy to co-ordinate these activities or monitor their effectiveness. And there are glaring gaps: for example, we urgently need a comprehensive housing strategy. Our first recommendation is that we need legislation to ensure that child poverty is properly measured and that ambitious, yet realistic, targets are set to reduce child poverty. A robust policy framework specified in legislation will help ensure sustained governmental action and leadership.

Child poverty is a complex social problem with multiple causes and consequences. For this reason, we need multiple solutions. We have, therefore, recommended a broad package of proposals that we believe will have the greatest effect. These include both practical recommendations that, in the short-term will assist children who are living in poverty today, and more ambitious long-term recommendations that will substantially reduce child poverty rates in the future.

It is clear that money matters. If material deprivation is to be minimised, families require a stable and adequate income. Children should not have to go to school hungry or live in cold, damp homes. Government policy choices also matter. The safety net provided by our system of income support (including tax credits) significantly affects the quality of family life. In our view, the income support system needs reform so that it has a greater focus on children. The changes we have proposed will not only reduce the level of material deprivation experienced by children in low-income families, but are also likely to enhance their educational attainment, thereby helping to break the intergenerational transmission of poverty.

The available evidence overwhelmingly supports greater investment in the early years of a child's life. Supporting children living in poverty, for example through maternity and child health services and early childhood education, is investing in our future prosperity. We readily acknowledge that some of our proposals will entail significant fiscal costs, but we firmly believe that evidence-informed investments now can save money in the longer term. Moreover, the costs of doing nothing are high.

Children deserve the best possible start in life. The government has an important leadership role and must ensure that its policy levers are working in the best interests of our children and our most vulnerable families. But there are also important roles for business, non-government service providers, local communities and families. We fully support the many activities already underway in helping to alleviate child poverty, and urge everyone to consider how they can make a difference for children in their neighbourhoods and communities.

Finally, to improve the circumstances of our most deprived children we must be willing to experiment and implement innovative policy approaches, including pilots and small-scale initiatives from which we can learn more about what works – especially for the families who face the most difficult challenges. This requires boldness, imagination and a commitment to investing in proper, robust evaluation. Only in this way can we build a sound evidence base that is relevant to solving child poverty in New Zealand’s distinctive social, cultural and economic context.

Children do not choose to be poor. They do not select their parents. Even though they are citizens, they lack a democratic voice and the choices available to adults. Society has a responsibility to protect the powerless and vulnerable. Children, above all, deserve our collective protection and best endeavours.

This Report is not the end of process. To quote a contributor to one of our public consultation meetings:

*The report is just an icebreaker for hard conversation ... addressing child poverty will be a long haul journey and doesn't end in December.*

# References

- Aber, L., Morris, P., & Raver, C. (2012) Children, families, poverty: Definitions, trends, emerging science and implications for policy. *Social Policy Report*, 26, 1-19
- Airini, Anae, M., & Mila-Schaaf, K. (2010) Teu le va – Relationships Across Research and Policy in Pasifika Education: A Collective Approach to Knowledge Generation and Policy Development for Action Towards Pasifika Education Success. Ministry of Education, Wellington
- Anderson, J., & Lowen, C. (2010) Connecting youth with health services: Systematic review. *Canadian Family Physician*, 778-784
- Baker, K., Williams, H., & Tuuta, C. (2012) Te Pumautanga o te Whānau: Tuhoē and South Auckland Whānau. Families Commission, Wellington
- Baker, M., & Telfar, R. (2012) Increasing incidence of serious infectious diseases and inequalities in New Zealand: A national epidemiological study. *The Lancet*, 379, 1112-1119
- Ballantyne, S., Chapple, S., Mare, D., & Timmins, J. (2004) Triggering movements into and out of child poverty: A comparative study of New Zealand, Britain, and West Germany. *Social Policy Journal of New Zealand*, 22, 83-96
- Barnett, W. (1995) Long-term effects of early childhood programmes on cognitive and school outcomes. *The Future of Children*, 5(3), 25-50
- Becroft, A. (2006) Youth offending: Factors that contribute and how the system responds. *Symposium of Child and Youth Offenders: What Works*. Wellington
- Biddulph, F., Biddulph, J., & Biddulph, C. (2003) Best Evidence Synthesis: The Complexity of Community and Family Influences on Children's Achievement in New Zealand. Ministry of Education, Wellington
- Blank, R. (2003) Selecting among anti-poverty policies: Can an economist be both critical and caring? *Review of Social Economy*, 4(61), 447-469
- Bloom, N., Kretschmer, T., & Van Reenen, J. (2010) Are family-friendly workplace practices a valuable firm resource? *Strategic Management Journal*, Published online EarlyView in Wiley InterScience (www.interscience.wiley.com) DOI: 10.1002/smj.879
- Cancian, M., Meyer, D., & Caspar, E. (2008) Welfare and child support: Compliments, not substitutes. *Journal of Policy Analysis and Management*, 27(2), 354-375
- Child and Youth Mortality Review Committee (2010) CYMRC Fifth Report to the Minister of Health: Reporting Mortality 2002 – 2008. Health Quality and Safety Commission, Wellington
- Conger, R., & Donnellan, M. (2007) An interactionist perspective on the socioeconomic context of human development. *Annual Review of Psychology*, 58, 175-199
- Craig, E. (2011). New Zealand Children's Social Monitor 2011 Update. New Zealand Child and Youth Epidemiology Service, Dunedin.
- Craig, E., Jackson, C., Han, D., & NZCYES Steering Committee (2007) Monitoring the Health of New Zealand Children and Young People: Indicator Handbook Auckland. Paediatric Society of New Zealand and the New Zealand Child and Youth Epidemiology Service, Auckland
- Cram, F. (2011) Poverty in T. McIntosh & M. Mulholland (eds.) Māori and Social Issues. Huia, Wellington
- Danese, A., Moffitt, T., Harrington, H., Milne, B., Polanczyk, G., Pariante, C., Poulton, R., Caspi, A. (2009) Adverse childhood experiences and adult risk factors for age-related disease. *Archives of Pediatric and Adolescent Medicine*, 163, 1135-1143
- Department of Labour (2012) Māori Labour Market Factsheet March 2012. Department of Labour, Wellington. Available at <http://www.dol.govt.nz/publications/lmr/quick-facts/lmr-fs-Māori-mar12.pdf>
- Duncan, G., Ziol-Guest, K., & Kalil, A. (2010) Early childhood poverty and adult attainment, behavior and health. *Child Development*, 81(1), 306-325
- Duncan, G., & Brooks-Gunn, J. (1994) The effects of poverty on children: The future of children. *Children and Poverty*, 7(2), 55-71
- Durie, M. (2001) Mauri Ora: The dynamics of Māori health. Oxford University Press, Auckland
- Early Childhood Education Taskforce (2011) An Agenda for Amazing Children: Final Report of the ECE Taskforce. Ministry of Education, Wellington
- Easton, B., & Ballantyne, S. (2002) The Economic and Health Status of Households. Wellington School of Medicine, Wellington
- Early Childhood Education Taskforce Background Paper (2011) Cost Benefit Analysis in ECE. [www.ece.taskforce.govt.nz/essential-reading](http://www.ece.taskforce.govt.nz/essential-reading)
- Education Review Office (2011) Evaluation of Teen Parent Units. Education Review Office, Wellington
- Egan-Bitran, M. (2010) This is How I See it: Children, Young People and Young Adults' Views and Experiences of Poverty. The Office of the Children's Commissioner, Wellington
- Evans, G. (2004) The environment of childhood poverty. *American Psychologist*, 59(2), 77-92
- Families Commission (2011). Whānau Yesterday, Today, Tomorrow. Families Commission, Wellington
- Families Commission & Retirement Commission (2009). Escaping the Debt Trap: Experiences of New Zealand Families Accessing Budgeting Services. Families Commission, Wellington

- Gibb, S., Fergusson, D., & Horwood, L. (2012) Childhood family income and life outcomes in adulthood: Findings from a 30-year longitudinal study in New Zealand. *Social Science and Medicine*, 74, 1979-83
- Gluckman, P. (ed.) (2011) Improving the Transition: Reducing Social and Psychological Morbidity During Adolescence. Office of the Prime Minister's Science Advisory Committee, Auckland
- Groot, S., Hodgetts, D., Nikora, L., & Rua, M. (2010) Tōku tūrangawaewae: Culture, identity, and belonging for Māori homeless people. *Proceedings of the 4<sup>th</sup> International Traditional Knowledge Conference*. Ngā Pae o te Māramatanga, Auckland
- Heckman, J. (2006) Investing in disadvantaged young children is an economically efficient policy. *Early Childhood Summit*. Iowa Business Council, Iowa
- Heckman, J., & Masterov, D. (2004) Web Appendix for 'The Productivity Argument for Investing in Young Children'. <http://jenni.uchicago.edu/Invest/>
- Henare, M., Puckey, A., & Nicholson, A. (2011) He Ara Hou: The Pathway Forward – Getting it Right for Aotearoa New Zealand's Māori and Pasifika Children. Every Child Counts, Wellington
- Holzer, J., Whitmore, D., Duncan, G., & Ludwig, J. (2008) The Economic Costs of Childhood. *Poverty in the United States*, 14(1), 43-63
- Imlach Gunasekara, F., & Carter, K. (2012) Dynamics of Income in Children in New Zealand 2002-2009: A Descriptive Analysis of the Survey of Family, Income and Employment (SoFIE). Public Health Monograph Series No28. Department of Public Health, University of Otago, Wellington
- Imlach Gunasekara F., Carter, K., & Blakely, T. (2012) Comparing self-rated health and self-assessed change in health in a longitudinal survey: Which is more valid? *Social Science & Medicine*, 74, 1117-1124
- Infometrics (2011) 1000 Days to Get it Right for Every Child: The Effectiveness of Public Investment in New Zealand Children. Every Child Counts, Wellington
- Jensen, J., Krishnan, V., Hodgson, R., Sathiyandra, S., & Templeton, R. (2006) New Zealand Living Standards 2004: An Overview. Centre for Social Research and Evaluation, Ministry of Social Development, Wellington
- Kalil, A. (2003) Family Resilience and Good Child Outcomes: A Review of the Literature. Ministry of Social Development, Wellington
- Karoly, L., Kilburn, M., & Cannon, J. (2005) Early Childhood Intervention: Proven Results, Future Promise. RAND Labor & Population, Division of RAND Corporation, USA
- Katz, I., Corlyon, J., La Placa, V., & Hunter, S. (2007) The Relationship Between Parenting and Poverty. Joseph Roundtree Foundation, York
- McKinley, E., & Hoskins, T. (2011) 'Māori education and achievement' in T. McIntosh & M. Mulholland (eds.) *Māori and Social Issues*. Huia, Wellington
- Marmot Review (2010) Fair Society, Healthy Lives. UCL Institute of Health Equity, London [www.ucl.ac.uk/ghg/marmotreview/Documents/finalreport](http://www.ucl.ac.uk/ghg/marmotreview/Documents/finalreport).
- Mills, C., Reid, P., & Vaithianathan, R. (2012) The cost of child health inequalities in Aotearoa New Zealand. *BMC Public Health*, 12, 384.
- Ministry of Education (2012a) <http://www.educationcounts.govt.nz/statistics/ece2/participation>
- Ministry of Education (2012b) School Leavers with NCEA Level 2 or Above. [www.educationcounts.govt.nz](http://www.educationcounts.govt.nz)
- Ministry of Education (2011 unpublished) Update on the Education Service in the Youth Courts (Manukau and Porirua). Ministry of Education, Wellington
- Ministry of Health (2012) Maternity Facts [www.moh.govt.nz](http://www.moh.govt.nz)
- Ministry of Health (2006) A Portrait of Health – Key results of the 2006/07 New Zealand Health Survey. Ministry of Health, Wellington
- Ministry of Justice (2008) Specialist Youth Courts. *Court in the Act*, Issue 39. Ministry of Justice, Wellington
- Ministry of Pacific Island Affairs (2011) Briefing to the Incoming Minister of Pacific Island Affairs. Ministry of Pacific Island Affairs, Wellington
- Ministry of Pacific Islands Affairs (2010) Statement of intent 2010-2013. Ministry of Pacific Island Affairs, Wellington
- Ministry of Social Development (2008) Children and Young People: Indicators of Well-being in New Zealand. Ministry of Social Development, Wellington
- New Zealand Coalition to End Homelessness (2009) Homelessness in Aotearoa: Issues and Recommendations. Regional Public Health, Wellington
- OECD (2012) The Programme for International Student Assessment - Let's Read Them a Story! The Parent Factor in Education. OECD, Paris
- OECD (2011) Doing Better for Families. OECD, Paris
- OECD (2009) Doing Better for Children. OECD, Paris
- Perry, B. (2012) Household Incomes in New Zealand: Trends in Indicators of Inequality and Hardship 1982 to 2011. Ministry of Social Development, Wellington
- Perry, B. (2009) Non-income Measures of Material Wellbeing and Hardship: First Results from the 2008 New Zealand Living Standards Survey, with International Comparisons, Working Paper 10/09. Ministry of Social Development, Wellington
- Pillai, R., Rankin, J., Stanley, K., Bennett, J., Hetherington, D., Stone, L., & Withers, K. (2007) Disability 2020: Opportunities for the Full and Equal Citizenship of Disabled People in Britain in 2020. IPPR Trading Ltd, London

- Poulton, R., Caspi, A., Milne, B., Thomson, W., Talyor, A., Sears, M., & Moffitt, T. (2002) Association between children's experience of socioeconomic disadvantage and adult health: A life-course study. *The Lancet*, 360, 1640-1645
- Quigley, R., Ball, J., & Watts, C. (2005) A Rapid Review of the Literature on the Association Between Nutrition and School Pupil Performance. Obesity Action Coalition, Wellington
- Ratcliffe, C., & McKernan, S. (2010) Childhood Poverty Persistence: Facts and Consequences. The Urban Institute, Brief 14.
- Reichman, N., Corman, H., & Noonan, K. (2008) Impact of child disability on the family. *Maternal Child Health Journal*, 12, 679-83
- Reid, P. (1999) Ngā mahi whakahaehae a te tangata Tiriti, in P. Davis and K. Dew (eds.) *Health and Society in Aotearoa New Zealand*. Oxford University Press, Auckland
- Robson, B., & Harris, R. (eds.) (2007) Māori Standard of Health: Hauora IV. Te Rōpū Rangahau Hauora a Eru Pōmare, Wellington
- Royal Commission on Security (1972) Report on Social Security in New Zealand. Government Printer, Wellington
- Sen, A. (2000) Social Exclusion: Concept, Application, and Scrutiny. Social Development Papers No1. Office of Environment and Social Development Asian Development Bank, Manila
- Shah, A.K., Mullainathan S., & Shafir E. (2012) Some consequences of having too little. *Science*, 338, 682-685
- Shaw, C., Blakely, T., Crampton, P., & Atkinson, J. (2005) The contribution of causes of death to socio-economic inequalities in child mortality: New Zealand 1981-1999. *New Zealand Medical Journal*, 118 (1227), 1-11
- Skinner, C., Bradshaw, J., & Davidson, J. (2008) *Child Support Policy: An International Perspective*. Luxembourg Income Study Working Paper, No478. Luxembourg Income Study, Luxembourg
- Smith, A., Grima, G., Gaffney, M., Powell, K., Masse, L., & Barnett, S. (2000). Strategic Research Initiative Literature Review: Early childhood education. Report to the Ministry of Education. Children's Issues Centre, Dunedin
- Smith, C., & Brown, R. (2010) Family Food Environment: Barriers to Acquiring Affordable and Nutritious Food in New Zealand Households. Blue Skies Report 32(10). Families Commission, Wellington
- Smith, P., Smith, N., Sherman, K., Goodwin, I., Crothers, C., Billot, J., & Bell, A. (2009) The Internet in New Zealand 2009. Institute of Culture, Discourse and Communication. Auckland University of Technology, Auckland
- Statistics New Zealand (2006) Disability Survey 2006. Statistics New Zealand, Wellington
- Sutton, L., Smith, N., Dearden, C., & Middleton, S. (2007) A Child's-Eye View of Social Difference. Joseph Rowntree Foundation, York
- Swaminathan, S., Alexander, G., & Boulet, S. (1996) Delivering a very low birthweight infant and the subsequent risk of divorce or separation. *Maternal and Child Health Journal*, 10, 473-79
- UNICEF Innocenti Research Centre (2012) Measuring Child Poverty: New League Tables of Child Poverty in the World's Richest Countries. Innocenti Report Card 10. UNICEF Innocenti Research Centre, Florence
- Valins, O. (2004) When Debt Becomes a Problem: A Literature Study. Ministry of Social Development, Wellington
- Walton, M., Signal, L., & Thompson, G. (2009) Household economic resources as a determinant of childhood nutrition: Policy responses for New Zealand. *Social Policy Journal of New Zealand*, 36,194-207
- Wager, F., Bailey, N., Day, R., Hamilton, D., Hill, M., & King, C. (2007) Serving the Children: The Impact of Poverty on Children's Experiences of Services. Glasgow Centre for Child and Society, Glasgow
- Welsh Assembly Government (2011) Child Poverty Strategy for Wales. Welsh Assembly Government, Merthyr Tydfil
- Wheeler, B., Rigby, J., & Huriwai T. (2006) Pokies and poverty: Problem gambling risk factor geography in New Zealand. *Health and Place*, 12(1), 86-96
- White, P., Gunston, J., Salmond, C., Atkinson, J., & Crampton, P. (2008) Atlas of Socioeconomic Deprivation in New Zealand NZDep2006. Ministry of Health, Wellington
- Whiteford, P., & Adema, W. (2007) What Works Best in Reducing Child Poverty: A Benefit or Work Strategy? OECD Social, Employment and Migration Working Papers, Paris.
- Winnard, D., Denny, S., & Fleming, T. (2005) Successful School Health Services for Adolescents: Best Practice Review. Community Health Centre for Youth Health, University of Auckland, Auckland
- Wylie, C. (2001) Ten years Old and Competent: The Fourth Stage of the Competent Children Project: A Summary of the Main Findings. NZCER, Wellington
- Yates, D., & O'Brien, M. (2010 unpublished) Evaluation of the 'Food for Kids' Programme. Massey University, Palmerston North
- Ziol-Guest, K., Duncan, G., Kalil, A., & Boyce, W. (2012) Early childhood poverty, immune-mediated disease processes, and adult productivity. *Proceedings of the National Academy of Sciences*, 109, Supplement 2, 17289-93

# Appendix

The following documents can be found at [www.occ.org.nz](http://www.occ.org.nz)

## EAG Working Papers

- Working Paper 1: Defining and Measuring Child Poverty
- Working Paper 2: Lifecourse Effects on Childhood Poverty
- Working Paper 3: What Causes Child Poverty? What are the Consequences?  
An Economic Perspective
- Working Paper 4: Child Poverty – International Approaches and Comparisons
- Working Paper 5: Child Poverty Reduction Targets
- Working Paper 6: Legislative Mechanisms to Reduce Child Poverty
- Working Paper 7: Children’s Voices on Poverty
- Working Paper 8: The Case for an Investment Approach for Reducing Child Poverty
- Working Paper 9: The Realities of Child Poverty: Case Studies
- Working Paper 10: Reforms to the Tax, Benefit and Active Employment System to  
Reduce Child Poverty
- Working Paper 11: How the Child Support System Could Work to Reduce Child Poverty
- Working Paper 12: Employment, Skills, and Training Options to Reduce Child Poverty
- Working Paper 13: Problem Debt and Poverty
- Working Paper 14: Reducing Child Poverty in Māori Whānau
- Working Paper 15: Better Public Service Performance on Poverty Amongst Pasifika Children
- Working Paper 16: Education Solutions to Mitigate Child Poverty
- Working Paper 17: Health Policy and Effective Service Delivery to Mitigate the Effects of Child  
and Youth Poverty
- Working Paper 18: Housing Policy Recommendations to Address Child Poverty
- Working Paper 19: The Role of Local Strategies in Reducing Child Poverty
- Working Paper 20: How Substance Abuse, Problem Gambling and Family Functioning  
Impact on Child Poverty
- Working Paper 21: Child Poverty and Disability
- Working Paper 22: Integrated Service Delivery Solutions for Child Poverty
- Working Paper 23: Justice Solutions to Mitigate Child Poverty
- Working Paper 24: Child Poverty-Related Indicators

## Background Papers

Dynamics of Income in Children in New Zealand, 2002-2009 – Fiona Imlach Gunasekara  
and Kristie Carter, Department of Public Health, University of Otago  
Measuring Child Poverty in New Zealand: Issues and Practicalities – Statistics New Zealand

## Consultation Reports

Solutions to Child Poverty in New Zealand: What You Told Us  
Our Views Matter: Children and Young People Talk About Solutions to Poverty



Solutions to  
**Child Poverty**  
in New Zealand  
evidence for  
action



Expert Advisory Group on  
Solutions to Child Poverty

---

