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Effectiveness of arrangements for reducing child poverty



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Effectiveness of arrangements for reducing child poverty

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Auditor-General's overview

E ngā mana, e ngā reo, e ngā karangarangatanga maha o te motu, tēnā koutou.

In New Zealand, an estimated 13.4% of children (156,600) live in material hardship.¹ Māori children, Pasifika children, and children affected by disabilities are over-represented in child poverty statistics. Nearly one in four Māori children and children affected by disabilities experience material hardship, and more than one in four Pasifika children experience material hardship. Inequities in the rates of child poverty can lead to inequities in school achievement, adult employment, income levels, and behavioural, health, and cognitive outcomes.

Addressing child poverty is fundamental to improving social outcomes in the longer term, but it has multiple and complex causes, and many public organisations contribute to responding to it. There are no simple solutions.

Legislation is in place to ensure that there is public accountability for reducing child poverty. The Children's Act 2014 requires the Government to adopt a strategy to reduce child poverty and mitigate the impacts of socio-economic disadvantage.

The Child Poverty Reduction Act 2018 sets out responsibilities and measures for reducing child poverty. It requires the Minister for Child Poverty Reduction to set targets for reducing poverty against four primary measures: three income-based measures and a measure of material hardship.² It also requires the Minister to identify indicators that relate to the wider causes and consequences of child poverty.

I wanted to look at the effectiveness of the governance and management arrangements in place to reduce child poverty to see whether they were providing the necessary structure and support for agencies to effectively co-ordinate efforts to achieve the targets. My staff focused on four public organisations which, at the time of our audit, had responsibility for overseeing progress towards the child poverty targets – the Department of the Prime Minister and Cabinet, the Ministry of Social Development, the Treasury, and Statistics New Zealand (the agencies).

What we found

Some important foundations are in place

The 10-year targets (to 2027/28) for the three primary measures in use are ambitious, aiming to reduce the proportion of children in poverty by more than half.

1 These are Statistics New Zealand figures for one measure of child poverty, material hardship, for the year ended June 2024. The estimated number of children living in poverty ranges from 5.4% (62,900) to 29.9% (351,000), depending on the measure of child poverty used.

2 The income-based primary measures include a measure of income before housing costs are considered, one after housing costs are considered, and persistent poverty. The persistent poverty measure has recently been defined and had targets set, but results are not being reported yet.

To achieve this, the agencies need to work collectively. They need to plan and provide a co-ordinated and coherent response that includes the interventions agreed by Ministers and considers how these work with services provided by both public organisations and non-government organisations. There needs to be strong governance to provide robust monitoring and oversight to ensure sustained focus that produces results.

We have seen positive action. Successive governments have been clear on what they want to achieve. Roles and responsibilities among Ministers and agencies are clear. The agencies have worked well together to provide advice to Ministers about what is required to reduce child poverty, to support specific initiatives, and to monitor impact. The recently updated Child and Youth Strategy (the Strategy) includes reducing child material hardship as one of three priorities.

Measuring and reporting on child poverty is done well. There are a range of measures and indicators, and regular reporting. Both public and non-government organisations value and use the child poverty reports published by the Ministry of Social Development, the Treasury, and Statistics New Zealand.

This attention to measuring and reporting is something that I would like to see more often. It provides a basis for the Government to make informed decisions about how to prioritise public sector efforts and provides information to Parliament and the public about whether those efforts are having impact.

Current initiatives are unlikely to be enough to meet targets

Although measures show child poverty rates reduced between 2018 and the year ended 30 June 2022, five measures show significant increases since then. None of the three targets for 2023/24 were met.

In 2024, the Government set intermediate targets (for the three-year period to 2026/27) for the three primary measures in use. Two of these were less ambitious than the targets for the previous intermediate period (to 2023/24).

The 10-year targets through to 2027/28 remain unchanged. However, the Treasury's modelling indicates that current initiatives are unlikely to be enough to meet two of the income-based targets.³

Although the agencies have provided information to decision-makers on the nature and scale of the interventions needed to reach the targets, it is not yet clear how the Government intends to close the gap.

Implementation planning needs strengthening

It is also not clear how the many current and planned initiatives should be sequenced or co-ordinated with each other, or with relevant frontline services (such as health and/or housing services) to support efficient delivery and maximise benefits.

In my view, what is needed is an integrated implementation plan for reducing child material hardship that clarifies this. Without such a plan, neither Parliament nor the public can be confident the Government's goal to reduce child material hardship will be achieved.

There also needs to be regular cross-agency reporting to governance on progress implementing child poverty initiatives. Until recently, there had been regular progress reporting on the overall work programme for the Strategy, including child poverty. That reporting no longer happens, and there is currently no reporting on implementation of the work programme to reduce material hardship.

I understand that officials are finalising new monitoring and reporting arrangements for the updated Strategy. I encourage the Ministry of Social Development to regularly report on milestones and risks across the work programme as initiatives proceed, to assist those responsible to identify and manage dependencies and to reprioritise efforts when necessary.

Efforts to reduce disparities need to be strengthened

One of the principles in the updated Strategy is that investment will seek to address disparities in outcomes. I acknowledge that interventions such as raising benefits or minimum wages reach many Māori, Pasifika, and children affected by disabilities because they are over-represented in poverty statistics. However, my staff saw limited evidence of targeted action planned to address inequities for disproportionately disadvantaged groups.

The Ministry of Social Development will need more consistent engagement with Māori, Pasifika, children and families affected by disabilities, and relevant community groups to understand what works and achieve a sustained and effective response to child material hardship.

Much hard work will continue to be done in communities by non-government organisations, iwi, hapū, and whānau. The Ministry of Social Development needs to strengthen relationships with these groups and work in ways that complement their efforts.

My staff frequently heard from public organisations and non-government organisations that frontline services relevant to reducing child poverty are not co-ordinated or integrated sufficiently to meet the needs of the most disadvantaged. In my view, this needs to be a specific focus for cross-agency governance in the next phase of work.

There are opportunities to improve communication with the public

The different child poverty reports serve the agencies and Ministers well. However, because the multiple measures are complex, they are not always easy for the public to understand.

I encourage the agencies to continue efforts to support public understanding of the differences that the government's efforts are making to reduce child poverty, socio-economic disadvantage, and inequities in the rates of child poverty. This is important for the public to know what value is gained for the money invested.

What I recommend

I have made three recommendations for the agencies and Ministers to consider as the updated Child and Youth Strategy and the work programme to reduce material hardship are implemented. My recommendations are focused on improvements to strengthen cross-agency governance and management, to support efficient and co-ordinated delivery of the work programme and make sustained progress in meeting the needs of New Zealand's most disadvantaged children.

Acknowledgements

I thank the many people who spoke to my staff during the fieldwork for this report. They include people working in public and non-government organisations, Māori and Pacific peoples, academics, and advocates for children and families affected by disabilities. I greatly appreciate the time they took to contribute to our work.

Nāku noa, nā



John Ryan
Controller and Auditor-General | Tumuaki o te Mana Arotake

28 March 2025

Our recommendations

We recommend that, as the lead agency for overseeing the Child and Youth Strategy's priority to reduce child material hardship, the Ministry of Social Development:

1. work with other public organisations on an integrated implementation plan to reduce child material hardship, setting out how initiatives should be sequenced and co-ordinated;
2. ensure that cross-agency governance is sufficiently focused on effective co-ordination of child poverty initiatives, both between public organisations and with community groups, and on integration with frontline services to meet the needs of the most disadvantaged; and
3. strengthen engagement with Māori, other population groups disproportionately experiencing child poverty, and relevant community organisations to enable more consistent and sustained input into the work programme to reduce child material hardship.

1

Why we looked at child poverty

- 1.1 In New Zealand, an estimated 13.4% of children (156,600) live in households in material hardship – where meeting everyday needs is a struggle. Child poverty has multiple causes, multiple public organisations contribute to responding to it, and there are no simple solutions.
- 1.2 We considered it important to carry out this audit because of the serious and long-term consequences of child poverty. There is public interest in reducing child poverty but confusion about the different ways that child poverty is officially measured. This has the potential to affect transparency about the government’s performance in reducing child poverty.
- 1.3 We also wanted to understand the work Ministers and public organisations are doing to address the significant inequities in child poverty rates. Māori, Pasifika, and children affected by disabilities all experience higher rates of material hardship (23.9%, 28.7%, and 22.6% respectively) than the overall population of children (13.4% – see Appendix 1).⁴
- 1.4 Inequities in the rates of child poverty can lead to inequities in school achievement, adult employment, income levels, and behavioural, health, and cognitive outcomes.
- 1.5 Dealing with the consequences of child poverty takes considerable public resources and reducing it will take significant investment. It also needs a public service approach that is well governed, collaborative, and integrated, and that enables community-led responses where appropriate.⁵

Child poverty rates have started to rise

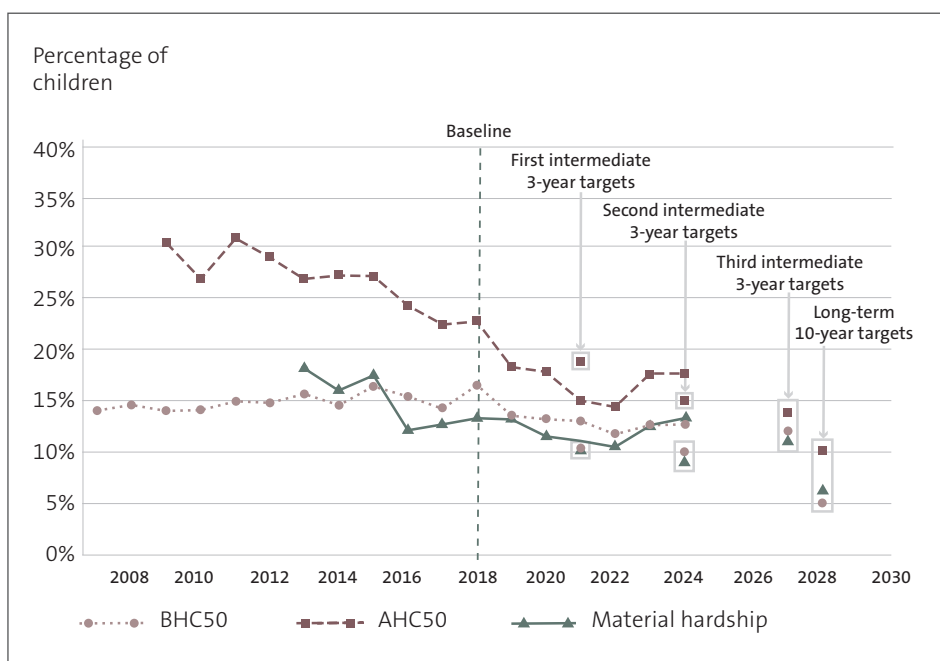
- 1.6 The Child Poverty Reduction Act 2018 sets out four primary and six supplementary measures of child poverty (see Appendix 2). As required by the Act, the Minister for Child Poverty Reduction has set intermediate (three-year) and long-term (10-year) targets for the primary measures.
- 1.7 Although six child poverty measures trended downwards between 2018 and the year ended June 2022, there has been a significant increase in five measures since then, including the measure for material hardship. None of the targets that were in place for three primary measures were met in 2023/24.
- 1.8 The Treasury’s Tax and Welfare Analysis modelling for both the 2023 and 2024 Budget Day Child Poverty Reports indicates that the government is not on track to meet the 10-year targets for two of the primary measures.

4 “Children affected by disabilities” refers to those living in a household where there is at least one disabled person.

5 Department of the Prime Minister and Cabinet (2022), “Briefing: Review of the Child and Youth Wellbeing Strategy – Findings and Recommendations”, at dpmc.govt.nz.

1.9 Figure 1 sets out the long-term trends in the three primary measures of child poverty in use and their three- and 10-year targets.

Figure 1
Long-term trends in three primary measures of child poverty and their three- and 10-year targets



Source: Statistics New Zealand (2025), "Child poverty statistics: Year ended June 2024", at stats.govt.nz.
Note: Sampling errors range from 0.9 to 4.3 percentage points.

1.10 The measures based on income before housing costs (BHC50), income after housing costs (AHC50), and material hardship are explained in Part 2 and defined in Appendix 2. The latest intermediate targets (for 2026/27) for these primary measures were set in June 2024. Two of the three targets (for BHC50 and material hardship) are less ambitious than the targets set for 2023/24.

What we looked at

1.11 We wanted to know how effective government arrangements to reduce child poverty are. We looked at what government is doing to respond to child poverty and mitigate the impacts of socio-economic disadvantage, because the Children's Act 2014 requires the responsible Minister to adopt a strategy that addresses both.

- 1.12 We focused on four public organisations with responsibilities for overseeing progress to reduce child poverty – the Department of the Prime Minister and Cabinet, the Ministry of Social Development (MSD), the Treasury, and Statistics New Zealand (the agencies).
- 1.13 We looked at the effectiveness of the governance and management arrangements to reduce child poverty, including planning, measuring, monitoring, and reporting.
- 1.14 See Appendix 3 for more information about how we carried out this audit.

What we did not look at

- 1.15 Consistent with our mandate, we did not audit:
- the appropriateness of the child poverty measures, some of which are set in legislation and others defined by the Government Statistician (the chief executive of Statistics New Zealand);
 - the appropriateness of the child poverty targets, which Ministers set; or
 - the direction set in the Child and Youth Strategy.
- 1.16 We also did not assess the effectiveness of individual initiatives aimed at reducing child poverty or the effect of other government policies on child poverty rates.

Arrangements to reduce child poverty

- 2.1 In this Part, we describe the legislative requirements related to reducing child poverty, the multiple measures and indicators used, the roles of the agencies, and the changing governance arrangements.
- 2.2 The arrangements to reduce child poverty include:
- three Acts that set out roles and responsibilities;
 - multiple measures and indicators of child poverty; and
 - multi-level governance and management arrangements.

Legislation sets the roles and responsibilities for reducing child poverty

- 2.3 Three Acts of Parliament set out requirements designed to ensure that there is public accountability for reducing child poverty. They are the Children’s Act 2014, the Child Poverty Reduction Act 2018, and the Public Finance Act 1989.

The Children’s Act 2014

- 2.4 The Children’s Act 2014 requires the Government to adopt, publish, and review a strategy to improve children’s well-being, with a particular focus on children with greater needs. The strategy must reduce child poverty and mitigate the impacts of socio-economic disadvantage.
- 2.5 The strategy adopted under the Children’s Act was updated in November 2024 and is called *The Child and Youth Strategy 2024-2027* (the Strategy). The Strategy has three priorities, and the one most relevant to child poverty is “reducing child material hardship”.
- 2.6 The Strategy has six outcome areas. The outcome that is most relevant to material hardship is that “children and young people have what they need”.⁶
- 2.7 See Appendix 4 for an overview of the Children’s Act’s requirements relevant to reducing child poverty.

The Child Poverty Reduction Act 2018

- 2.8 The Child Poverty Reduction Act 2018 requires the Minister for Child Poverty Reduction to:
- set intermediate (three-year) and long-term (10-year) targets for the four primary child poverty measures set out in the Act;

6 The other five outcome areas are that children and young people are: “loved, safe, and nurtured”, “happy and healthy”, “learning and developing”, “accepted, respected, and connected”, and “involved and empowered”. (See New Zealand Government (2024), *The Child and Youth Strategy 2024-2027*, at msd.govt.nz.) These other outcome areas are also relevant to children’s future earning capacity and the likelihood of being in poverty.

- identify broader indicators related to child poverty to monitor and report against; and
- prepare annual monitoring reports on those identified indicators related to child poverty after the Government Statistician has published their report on estimates of child poverty rates.

2.9 See Appendix 4 for an overview of the Child Poverty Reduction Act’s requirements.

The Public Finance Act 1989

2.10 The Public Finance Act 1989 requires the Minister of Finance to produce an annual Budget Day Child Poverty Report. The report must:

- discuss any progress in reducing child poverty that has been made in the most recently completed financial year, consistent with the targets under the Child Poverty Reduction Act; and
- indicate whether and to what extent measures in, or related to, that year’s Budget will affect child poverty.

There are multiple measures, targets, and indicators

2.11 To track progress in reducing child poverty, the Child Poverty Reduction Act sets measures and requires the Minister to set targets for the four primary measures, to identify child poverty related indicators (the indicators), and to prepare monitoring reports.

Primary child poverty measures and their targets

2.12 The four primary measures required by the Child Poverty Reduction Act are:

- **BHC50**: The percentage of children living in households that have less than 50% of the median household income *before* deducting housing costs (BHC) for the financial year of measurement.⁷
- **AHC50**: The percentage of children living in households that have less than 50% of the median household income *after* deducting housing costs (AHC) for the 2017/18 base financial year, adjusted for inflation.
- **Material hardship**: The percentage of children living in households that lack six or more essentials, such as not having two pairs of shoes in good condition or putting off doctor visits.

⁷ For all the income-based measures, income refers to equivalised disposable household income. This is explained in Appendix 2 and in more detail by Statistics New Zealand (2024), “How we measure child poverty”, at stats.govt.nz.

- **Persistent poverty:** The percentage of children living in households that have less than 60% of the median household income *before* housing costs are deducted in the financial year of measurement and for at least two of the previous three years.⁸

2.13 The persistent poverty measure has only recently been defined and had its targets set, so results are not yet being reported. The Government Statistician plans to provide estimates for persistent poverty for the years ended June 2024 and June 2025, ahead of ongoing annual reporting required by the Child Poverty Reduction Act from early 2027.

2.14 Figure 2 sets out the baseline child poverty rates and the intermediate and long-term targets for the four primary measures. The baseline rate for the first three measures is the rate from 2017/18. Because it was recently defined, the persistent poverty measure's baseline rate is from 2022/23.⁹ The percentages are the proportion of children living in households that meet the definition for that measure of child poverty.

Figure 2
Baseline rates of child poverty and the intermediate and long-term targets for the primary measures

Primary measure	Baseline rate	Target rates for child poverty				
		2020/21	2023/24	2026/27	2027/28	2034/35
BHC50	16.5%	10.5%	10%	12%	5%	--
AHC50	22.8%	18.8%	15%	14%	10%	--
Material hardship	13.3%	10.3%	9%	11%	6%	--
Persistent poverty	9.4%	--	--	--	10%	8%

Note: In June 2024, the Government set a third set of intermediate targets (for 2026/27). The 2026/27 targets for BHC50 and material hardship are less ambitious than the earlier targets. The Government has stated that it wants to make the targets achievable. The 10-year targets to 2027/28 remain unchanged. All targets are published in the *New Zealand Gazette* (see gazette.govt.nz).

8 The Child Poverty Reduction Act provides definitions for BHC50 and AHC50. Material hardship and persistent poverty are defined by the Government Statistician rather than in legislation.

9 The baseline estimate for persistent poverty was intended as a guide for target setting, and Statistics New Zealand notes that it should not be treated as an official statistic.

- 2.15 Three primary measures (BHC50, AHC50, and persistent poverty) are income-based measures. They measure household income relative to median income levels.¹⁰
- 2.16 Material hardship is not an income measure. It represents the day-to-day living conditions of households, such as whether they can meet basic needs for food, clothing, accommodation, heating, and transport.
- 2.17 In 2023, a briefing to the incoming Minister for Child Poverty Reduction noted that the income-based measures can be affected by directly adjusting incomes (for example, by raising benefits or minimum wages). The after-housing cost measure, AHC50, can also be influenced by policies that reduce housing costs. Material hardship can be reduced by:
- increasing income from welfare or employment, and/or reducing housing costs; and
 - influencing a range of other factors, such as assets, demands on the household budget, the household's ability to manage resources, and support networks.
- 2.18 All the child poverty measures require a focus on the wider underlying causes of poverty, which take longer to influence. This is also true for mitigating the impacts of socio-economic disadvantage, including tackling chronic or multiple disadvantages.¹¹
- 2.19 All the child poverty measures are sensitive to wider economic conditions. Information that the Treasury provided to us indicates that factors such as inflation, interest rates, and overall economic conditions can significantly affect child poverty rates. Agencies emphasised to us that these factors can sometimes outweigh the effects of targeted policy interventions.

Indicators related to child poverty

- 2.20 The broader indicators related to child poverty measure the impacts of socio-economic disadvantage and relate to the wider causes and consequences of poverty. Cabinet agreed to updated indicators in October 2024.¹² The updated indicators are:
- children in benefit-dependent households;
 - housing affordability;

10 BHC50 is determined relative to the median equivalised disposable household income in the year of measurement (a "moving line" measure). AHC50 is determined relative to the median equivalised disposable household income in the 2017/18 base year, adjusted for inflation (a "fixed line" measure).

11 Smith, J (2023), "Persistent disadvantage in Aotearoa New Zealand", *Policy Quarterly*, Vol 19(4): 15-21, page 20, at ojs.victoria.ac.nz.

12 Until October 2024, the five indicators were housing affordability, housing quality, food insecurity, regular school attendance, and potentially avoidable hospitalisations.

- school attendance;
- school achievement; and
- potentially avoidable hospitalisations.

2.21 Appendix 2 describes all 10 measures from the Child Poverty Reduction Act and the five indicators related to child poverty.

Four agencies have played central roles

2.22 At the time of our fieldwork, four agencies played central roles in co-ordinating the government's efforts to reduce child poverty.

2.23 The Department of the Prime Minister and Cabinet was the original system convenor of the Strategy. It was also the lead advisor to the Minister for Child Poverty Reduction and a joint lead for the Strategy's child poverty priority.¹³ It held these roles until late April 2024.

2.24 MSD is now the lead agency for overseeing the Strategy and its child poverty priority to reduce child material hardship. MSD carries out its role through the Child Wellbeing and Poverty Reduction Group, which moved from the Department of the Prime Minister and Cabinet to MSD in April 2024.

2.25 MSD produces reports that provide relevant information and analysis about child poverty in New Zealand, including longer-term trends, demographic breakdowns, and international comparisons.¹⁴

2.26 Statistics New Zealand supports the Government Statistician to collect and publish child poverty statistics every financial year. The Child Poverty Reduction Act requires the Government Statistician to consult the chief executive of MSD before Statistics New Zealand publishes the annual child poverty statistics.

2.27 Under the Child Poverty Reduction Act, the Government Statistician is responsible for:

- setting definitions and concepts for the Act's operation;
- the data and statistical methodology used to produce child poverty estimates;
- reporting on child poverty estimates each financial year; and
- reporting on whether child poverty targets were or were not met at the end of a target period.

¹³ At the time, the child poverty priority was "reducing child poverty and mitigating the impacts of socio-economic disadvantage".

¹⁴ MSD published *Child poverty in New Zealand* reports in 2021, 2022, and 2024. It has also published a series of *Household incomes in New Zealand* reports, which provide information on the material well-being of New Zealanders since 1982.

- 2.28 The Treasury supports the Minister of Finance by producing the annual Budget Day Child Poverty Report. The Treasury has used its Tax and Welfare Analysis modelling to estimate whether the child poverty targets for two of the income-based measures will be met.
- 2.29 As well as these agencies, many other public organisations have a role in leading individual initiatives that help to reduce child poverty and mitigate the impacts of socio-economic disadvantage. For example, the Ministry of Health has a role in reducing potentially avoidable hospitalisations and the Ministry of Education has a role in improving children’s school attendance.
- 2.30 Individual initiatives each have their own governance arrangements. They are overseen by the Minister and chief executive of the public organisation leading them.
- 2.31 The work of these other public organisations and Ministers is vital for reducing child poverty, but we did not focus on them for this report. Our work focused on the agencies that are central to the governance, management, monitoring, and reporting of the overall work programme.

Governance arrangements continue to evolve

- 2.32 The Children’s Act requires the Strategy to be reviewed every three years. The Department of the Prime Minister and Cabinet carried out the first review of the then Child and Youth Wellbeing Strategy and reported the results to the Minister for Child Poverty Reduction in August 2022. When we did our fieldwork in 2023 and 2024, changes from the 2022 review to improve the governance arrangements were still being embedded.
- 2.33 When we wrote this report, officials were considering further changes to the governance arrangements to support the implementation of the updated Strategy. In the following paragraphs, we describe the governance arrangements that are currently in place.
- 2.34 The Minister for Child Poverty Reduction is responsible for administering the Child Poverty Reduction Act and ensuring that its requirements are met. They are also the responsible Minister for adopting and publishing the Strategy.
- 2.35 The Minister for Child Poverty Reduction chairs the Child and Youth Ministers Group.¹⁵ This Ministerial group provides oversight of the Strategy, including the priority to reduce the number of children living in material hardship.

¹⁵ Ministerial portfolios represented on this group are: child poverty reduction; social development and employment; health; education; children; police; justice; youth; mental health; finance; social investment; housing; and Māori development. Under the previous Government, the relevant Ministerial group was the Child and Youth Wellbeing Strategy Ministerial Group, which included many similar portfolios.

- 2.36 Chief executives of social sector agencies help to oversee and co-ordinate numerous cross-agency priorities, including the Strategy. They are supported in this role by their deputy chief executives. The general managers of social sector agencies meet regularly (about monthly) to specifically discuss Strategy-related matters.
- 2.37 The Child Wellbeing and Poverty Reduction Group in MSD supports the Minister for Child Poverty Reduction in their roles as Minister responsible for the framework established in the Child Poverty Reduction Act, Minister responsible for the Strategy, and chairperson of the Child and Youth Ministers Group.
- 2.38 The Child Wellbeing and Poverty Reduction Group has several important functions. These include:
- **advising** – providing policy advice that supports informed decision-making on reducing child poverty;
 - **monitoring** – monitoring child poverty and well-being, assessing progress, and identifying what is working and where additional attention is needed;
 - **stewardship** – acting as a steward for the legislative frameworks and implementation approach for reducing child poverty and improving well-being in line with the priorities and outcomes in the Strategy; and
 - **engagement and communication** – promoting and communicating the outcomes and priorities under the Strategy and working with others to identify wider opportunities to support their achievement.

The updated Strategy has a stronger focus on material hardship

- 2.39 The Strategy was updated in November 2024 to better align with the Government’s priorities and its intention to adopt a social investment approach.¹⁶ The Strategy will be used to guide Ministers’ investment decisions on matters relevant to children’s well-being, including child poverty. It is also intended to enable better co-ordination of efforts across agencies and ministerial portfolios.
- 2.40 Significant changes to the Strategy relevant to child poverty are:
- **A bigger focus on material hardship** – The Strategy’s child poverty priority is now “reducing child material hardship”.
 - **A more explicit focus on the causes of long-term disadvantage and hardship** – One of two initial focus areas of the new material hardship priority is addressing the causes of long-term disadvantage and hardship. The revised indicators (see paragraph 2.20) will be used to measure progress, alongside other measures in the Strategy such as food insecurity and mental health.

¹⁶ The social investment approach uses data and evidence to better understand people’s needs, and what works to meet those needs, and then adjusts services accordingly. See Social Investment Agency (2024), “Social investment approach”, at sia.govt.nz.

- **Implementation to be guided by investment principles** – 10 investment principles will guide decisions on investing in future initiatives to reduce child poverty. These principles include that the investment will:
 - improve outcomes for children and young people who data and evidence identify have the greatest needs and/or are at risk of poor long-term outcomes;
 - seek to address disparities in outcomes; and
 - provide opportunities for decision-making, design, and delivery of services and interventions to occur at local and iwi level.

2.41 The Government has also set nine targets for the public service to focus on. Reducing child poverty is not one of the targets. However, some of the nine targets are broadly aligned with the longer-term causes and consequences of poverty (such as fewer people on the Jobseeker Support Benefit, increased school attendance and achievement, and fewer people in emergency housing).

2.42 The full implications of these and further proposed changes to the child poverty arrangements are not yet known. However, our work points to the need to strengthen governance and management arrangements to support sustained progress.

Oversight of the child poverty work programme

- 3.1 In this Part, we assess the oversight of the child poverty work programme, including planning, measuring, monitoring, and reporting.
- 3.2 We expected to see:
- clear roles, responsibilities, and accountabilities for reducing child poverty;
 - clear targets for reducing child poverty and an agreed way of measuring results;
 - regular monitoring and reporting of trends in child poverty measures and of inequities in the rates of child poverty;
 - regular monitoring and reporting of child poverty related indicators (the indicators);
 - a high-level strategy and clear plan for reaching the targets for reducing child poverty and inequities in the rates of child poverty, with milestones and time frames;
 - regular monitoring and reporting of the progress that the agencies have made in implementing initiatives; and
 - well-informed governance and oversight of the Strategy.
- 3.3 We also expected to see agencies working effectively with each other and with community-based organisations and groups to implement initiatives. We expected that Māori, Pasifika, those affected by disabilities, and other community groups would have regular opportunities to influence and inform governance and operational decisions. We discuss this in Part 4.

Summary

- 3.4 Roles, responsibilities, and accountabilities are well defined and Ministers and the agencies are clear about what they are trying to achieve. The agencies have worked well together to develop and support initiatives to meet the intermediate (three-year) targets.
- 3.5 The monitoring and reporting of child poverty measures and indicators are strengths. The reported information is widely used by public organisations and non-government organisations (NGOs). We heard strong support for Statistics New Zealand's reporting of the child poverty measures and for the Treasury's Budget Day Child Poverty Reports. We also heard that MSD's child poverty reports provide useful context.
- 3.6 The agencies have also provided the responsible Ministers and governance bodies with a wide range of information to support their role in planning, prioritising, and monitoring initiatives to reduce child poverty and mitigate the impacts of

socio-economic disadvantage. There are many initiatives related to child poverty in progress by a range of public organisations.

- 3.7 However, despite the many initiatives under way, the Treasury's Tax and Welfare Analysis modelling suggests that current initiatives are unlikely to be enough to meet two of the income-based targets by 2027/28.
- 3.8 In addition, there is no plan that sets out whether there are dependencies between current initiatives or how they should be sequenced or co-ordinated with frontline services to maximise benefits. There is also currently no progress reporting on the implementation of the overall work programme to reduce material hardship.
- 3.9 In our view, without robust and integrated implementation planning and regular cross-agency reporting on progress implementing initiatives it will be challenging to govern and manage the overall programme well. This is needed for Ministers and the public to be confident that the goal of reducing the number of children living in material hardship will be achieved.

There are clear roles, responsibilities, and accountabilities for reducing child poverty

- 3.10 As discussed in Part 2, legislation provides a clear framework within which roles and responsibilities have been assigned to Ministers and the agencies. We found that Ministers and staff in the agencies understand their roles and responsibilities for reducing child poverty.
- 3.11 Established organisational structures support Ministers and these agencies to meet their governance responsibilities for the Strategy. Previous Ministers for Child Poverty Reduction were well supported at a Ministerial level by the Child and Youth Wellbeing Strategy Ministerial Group. The current Minister is now supported by the Child and Youth Ministers Group. The Child Wellbeing and Poverty Reduction Group has provided support at an agency level and has carried out its intended functions (see paragraph 2.38).
- 3.12 Significant initiatives under the Strategy have also had their own accountability arrangements, separate to those of the Strategy. For example, MSD led the Working for Families Review and reported to the Income Support Ministers.¹⁷ MSD's deputy chief executive for the policy function chaired the governance group for the Working for Families Review, which was made up of members from MSD,

¹⁷ The Working for Families Review was part of the previous Government's wider Welfare Overhaul work programme. It involved reviewing four different tax credits (the Family Tax Credit, the In-Work Tax Credit, the Minimum Family Tax Credit, and the Best Start Tax Credit). The income support Ministers were the Minister for Child Poverty Reduction, the Minister for Children, the Minister of Finance, the Minister for Social Development and Employment, and the Minister of Revenue.

the Treasury, Inland Revenue, the Department of the Prime Minister and Cabinet, and the Ministry for Housing and Urban Development.

- 3.13 The Ministry of Education leads another child poverty-related initiative, Ka Ora, Ka Ako (the Healthy School Lunches Programme) and reports to the Associate Minister of Education. A new governance structure has recently been established to oversee the alternative school lunch provision model introduced as part of Budget 2024. It is made up of a Governance Board which is chaired by the deputy secretary of Te Pae Aronui (part of the Ministry of Education), as well as an operational steering group. We did not assess the effectiveness of these arrangements as part of our work.

Child poverty is measured and reported on regularly

There is an agreed way of measuring results and clear targets for reducing income-based poverty and material hardship

- 3.14 Although there is no official definition for child poverty, Ministers and the agencies use the definition that child poverty is being excluded from a minimum acceptable standard of living in one's own society because of a lack of adequate resources.
- 3.15 Researchers and officials widely accept that measuring child poverty is complex – multiple measures are necessary to provide a comprehensive view of poverty. Considerable thought went into ensuring that the 10 measures in the Child Poverty Reduction Act cover different aspects of child poverty, including income-based poverty (before and after housing costs), material hardship, depth of poverty, and poverty persistence. This multi-measurement approach is international best practice.¹⁸
- 3.16 Ministers and the agencies are clear about what they are trying to achieve in reducing income-based poverty and material hardship. The 10-year targets to 2027/28 for the three primary measures in use are ambitious. They aim to reduce the proportion of children in poverty by more than half.
- 3.17 Since July 2024, Statistics New Zealand has used the Household Income and Living Survey and administrative data from Inland Revenue and the Ministry of Social Development to report child poverty rates for all the measures.¹⁹
- 3.18 In addition, there are indicators that agencies will use to measure progress in reducing the causes of long-term disadvantage and hardship.

18 Perry, B and Ministry of Social Development (2022), *Child Poverty in New Zealand*, page 3, at msd.govt.nz and United Nations Children's Fund (2017), *A world free from child poverty: Milestone 2 – Measuring child poverty*, page 57, at [unicef.org](https://www.unicef.org).

19 Before July 2024, Statistics New Zealand used the Household Economic Survey.

3.19 The Child Wellbeing and Poverty Reduction Group collates information on the indicators from:

- the Household Income and Living Survey;
- the Ministry of Education’s School Attendance Survey and data on achievement;
- the Ministry of Health’s National Minimum Dataset; and
- MSD’s administrative data.

The agencies regularly report on changes in child poverty rates

3.20 The agencies are regularly reporting trends in child poverty measures and indicators.

3.21 The Government Statistician must publish changes in the child poverty statistics each year. Shortly after the Minister for Child Poverty Reduction receives the report, they must present a copy to the House of Representatives. If a target is not met, the Minister for Child Poverty Reduction must explain why to the House of Representatives.²⁰

3.22 The Child Wellbeing and Poverty Reduction Group uses information it collates to put together a child poverty related indicators report that is also published and presented to the House of Representatives each year.²¹

3.23 Inequities in the rates of child poverty are also tracked to determine whether disparities are increasing or decreasing. The Government Statistician publishes child poverty estimates annually that can be broken down by ethnicity, disability status, and region. The annual child poverty related indicators report has also reported child poverty by ethnicity and, where possible, disability status.²²

3.24 Appendix 4 summarises the legislative requirements for the measures and indicators. So far, all requirements to define, set targets for, monitor, and report on the measures and indicators have been met.

Reporting on child poverty measures is widely used

3.25 The reporting on child poverty measures is widely used by Ministers, the agencies, and NGOs. Many NGOs and other experts told us that they found the child poverty data on the Statistics New Zealand website easy to find and the child

20 This has happened when the 2020/21 target for BHC50 was not met, and again when the 2023/24 targets for all three primary measures in use were not met.

21 In 2024, the child poverty related indicator report was integrated into the annual report on the Child and Youth Wellbeing Strategy.

22 The only indicator related to child poverty that can currently be reported by disability status is housing affordability. The other four indicators – regular school attendance, school achievement, children in benefit dependent households, and potentially avoidable hospitalisations – cannot be reported by disability status.

poverty report by MSD useful. Many also valued the Budget Day Child Poverty Report. However, because the measures are complex, the reporting is not as easy for the public to understand. We discuss this in Part 5.

- 3.26 Tax and Welfare Analysis modelling carried out by the Treasury has been used to forecast future child poverty rates. The Child Wellbeing and Poverty Reduction Group and MSD have used the Treasury's forecasts and evidence on what reduces child poverty to provide advice to Ministers on the priorities and next steps to meet the targets.
- 3.27 For example, Tax and Welfare Analysis modelling showed that relatively large reductions in child poverty could be achieved by increasing the main benefits, which led to successive increases to main benefit levels. Similarly, data showing that about half of the children living in material hardship are in working households led to recommendations to target both in-work households and those on benefits.
- 3.28 The agencies have also used the wider indicators to inform advice to Ministers about addressing the causes of poverty and/or mitigating the impacts of socio-economic disadvantage. For example, the Ministry of Education used this data to provide advice on improving school attendance, and the Ministry of Housing and Urban Development used it to provide advice on improving housing affordability.

Agencies provide a wide range of information to support governance and decision-making

- 3.29 As well as reporting on the measures and indicators, the agencies have provided Ministers and governance bodies with a wide range of other information to support their role in planning and prioritising initiatives to reduce child poverty and mitigate the impacts of socio-economic disadvantage.
- 3.30 This is consistent with the Children's Act requirements that:
- the Strategy must include an assessment of the likely effect of Government policies to reduce child poverty or mitigate the impacts of socio-economic disadvantage; and
 - before adopting or changing the Strategy, the responsible Minister must have regard to the principle that policies should be informed by evidence about their expected effectiveness in achieving the social and economic outcomes sought by the Strategy.

- 3.31 To ensure that initiatives are well focused, there needs to be a clear understanding of the link between objectives, actions, impacts, and outcomes. The Department of the Prime Minister and Cabinet and MSD have developed this type of framework for reducing child poverty.
- 3.32 Decision-makers can use the framework to decide on the types of initiatives most likely to reduce child poverty. For example, the framework shows that material hardship can be reduced by initiatives that influence income from earnings or benefits, housing costs, assets, demands on the household budget, a household's ability to manage resources, and support networks.
- 3.33 The Department of the Prime Minister and Cabinet and MSD have effectively communicated this framework to Ministers. It is referenced in various briefing documents, including briefings to the incoming Minister for Child Poverty Reduction.
- 3.34 The agencies have collected and provided information to support the framework's implementation, including evidence on the nature and scale of the interventions needed to reach the child poverty targets and reduce socio-economic disadvantage.
- 3.35 The agencies have also provided Ministers with relevant information to inform their decision-making and monitoring for specific initiatives, such as the Working for Families Review and Ka Ora, Ka Ako.
- 3.36 The Treasury has also provided information, based on its Tax and Welfare Analysis modelling, to help decision-makers understand the likely impact of various child poverty reduction initiatives – such as Working for Families tax credits or the Child Support Pass-On²³ – on two of the primary income-based measures, and make adjustments as needed.
- 3.37 The Treasury's Tax and Welfare Analysis modelling has also supported Ministers to set targets for two of the income-based primary measures.
- 3.38 The previous and current Ministers for Child Poverty Reduction all told us that they were satisfied with the information that they had received about reducing child poverty.

23 The Child Support Pass-On initiative ensures that beneficiaries receiving a sole parent rate of main benefit are not treated differently from other beneficiaries. It involves passing on child support directly from liable parents to sole parent beneficiaries instead of child support payments being kept by the Inland Revenue Department to offset the cost of sole parent benefits.

Some initiatives have been evaluated and the results have informed advice to Ministers

- 3.39 Before the Strategy is adopted or changed, the Children’s Act requires the Minister for Child Poverty Reduction to have regard to the principle that the Government should evaluate the effectiveness of policies to achieve the outcomes sought by the Strategy.
- 3.40 The agencies have been involved in evaluating initiatives. For example, MSD led the evaluation of the Families Package. Positive findings from this evaluation informed advice about aspects of the Families Package (such as Working for Families and Accommodation Supplements) and options for Ministers to consider.
- 3.41 Other public organisations have also evaluated initiatives related to child poverty. Examples we heard about included:
- the Department of the Prime Minister and Cabinet, MSD, and the Ministry of Housing and Urban Development evaluating the Rotorua emergency housing pilot;
 - the Ministry of Education evaluating Ka Ora, Ka Ako and the Early Childhood Education Food Programme;
 - Health New Zealand/Te Whatu Ora evaluating the Healthy Homes Initiative; and
 - the Energy Efficiency and Conservation Authority evaluating Warmer Kiwi Homes.
- 3.42 These evaluations have also shown some positive results and informed advice to Ministers about next steps.

Current initiatives are unlikely to be enough to meet targets

- 3.43 There are many initiatives related to child poverty in progress by a range of public organisations. Some of these are focused on growing household incomes, such as changes to tax credits and income tax thresholds. Other initiatives are relevant to addressing the wider causes and consequences of child poverty, such as increased childcare subsidies, food in schools, and employment-based initiatives. The agencies have worked well with each other and reported constructive working relationships on their joint initiatives.
- 3.44 Despite this, even if all current initiatives are successfully implemented, the Treasury’s Tax and Welfare Analysis modelling for both the 2023 and 2024 Budget Day Child Poverty Reports indicates that two of the income-based targets are unlikely to be met in 2027/28. The Treasury cannot currently model how far initiatives will go towards meeting the targets for material hardship, but the current trend suggests that the 2027/28 target for material hardship is also unlikely to be met. Further interventions are likely to be needed to meet the 2027/28 targets for all three primary measures in use.

- 3.45 The Department of the Prime Minister and Cabinet has provided advice on the nature and scale of interventions needed to meet the child poverty targets. However, it is not yet clear what additional steps the Government will take to reach them.

Implementation planning needs strengthening

- 3.46 We expected to see a detailed cross-agency implementation plan to fulfil the Children's Act's requirement for the Strategy to reduce child poverty and mitigate the impacts of socio-economic disadvantage. Despite agencies' advice to Ministers on what a child poverty plan could look like, no such plan exists.
- 3.47 There is a list of current government policies and actions to reduce material hardship given in the Strategy,²⁴ and agreed initiatives have been set out in the Budget Day Child Poverty Reports.²⁵
- 3.48 In addition, many public organisations' strategies and high-level plans are broadly aligned with the goals of reducing child poverty and/or mitigating the impacts of socio-economic disadvantage. Appendix 5 lists examples of some relevant strategies and plans.
- 3.49 In our view, more work is needed to develop an integrated cross-agency implementation plan. This is important to ensure that the overall work programme can be governed and managed effectively. An integrated implementation plan would provide more clarity about how the initiatives will together help to reduce child material hardship. It could provide clarity about benefits, deliverables, dependencies, milestones, and time frames.

Without an integrated implementation plan, it is not clear how current interventions should be sequenced or co-ordinated

- 3.50 Cabinet has provided a mandate for collective agency action and accountability for reducing child material hardship. But without a robust plan, there is no clear pathway to achieve this.
- 3.51 It is not clear how individual initiatives should be sequenced or co-ordinated with each other, or with relevant frontline services (such as health and/or housing services), to support efficient delivery and maximise benefits. Co-ordinating and integrating initiatives with frontline services is particularly important for meeting the needs of those living with multiple socio-economic disadvantages (see Part 4).

²⁴ See New Zealand Government (2024), *Child and Youth Strategy 2024-27*, at msd.govt.nz.

²⁵ See *Budget 2024 Child Poverty Report* at budget.govt.nz.

- 3.52 The lack of an integrated implementation plan has consequences for how the work programme to reduce material hardship is governed and managed:
- There is no whole-of-government timeline showing the order, phasing, or dependencies of initiatives that make up the work programme, when key milestones will be met, or when initiatives will achieve the targeted impact.
 - It is more challenging for public organisations to co-ordinate their work programmes and services with each other and with community organisations for the greatest effect.
 - There is less shared responsibility and commitment across public organisations for reducing child poverty.

Recommendation 1

We recommend that the Ministry of Social Development work with other public organisations on an integrated implementation plan to reduce child material hardship, setting out how initiatives should be sequenced and co-ordinated.

Regular cross-agency reporting is needed on the implementation of the work programme to reduce material hardship

- 3.53 As well as a lack of an integrated implementation plan, there is also a lack of cross-agency reporting on progress in delivering the work programme to reduce material hardship.
- 3.54 The regular monitoring and reporting of rates of child poverty using defined measures and indicators allows the work programme's impact to be tracked. However, it does not provide information about how relevant initiatives are progressing.
- 3.55 In our view, it is vital for good governance and management that reporting includes information on both the results of government efforts (using the child poverty measures and indicators) and progress with implementing the work programme to reduce material hardship.
- 3.56 Until recently, there was regular reporting on progress in implementing the overall work programme for the Strategy. When it was the system convener, the Department of the Prime Minister and Cabinet used a regular work programme tracker and annual monitoring reports to update the Ministerial Governance Group and the Social Wellbeing Board²⁶ on progress in implementing the Strategy, including initiatives related to child poverty.

²⁶ The Social Wellbeing Board was a group of Chief Executives that helped to provide oversight of the Strategy. It was disestablished in late April 2024.

- 3.57 This reporting has also been supported by annual reports on progress towards the Strategy's outcomes (required by the Children's Act) and various briefings on the progress that has been made to reduce child poverty. Individual agencies have also reported on the initiatives they are responsible for to their own Ministers.
- 3.58 However, reporting on the overall work programme for the Strategy has stopped. The annual implementation monitoring reports were discontinued after the 2022 review of the Strategy, when the first Programme of Action was retired. The work programme tracker was discontinued in mid-2023. In October 2024, the Cabinet Social Wellbeing Committee decided that officials would no longer be required to provide six-monthly reports to Ministers on the implementation of the Strategy.
- 3.59 There is also currently no reporting on implementation of the work programme to reduce material hardship. The focus is on monitoring changes in indicators of material hardship. At the Minister's request, the Child Wellbeing and Poverty Reduction Group recently established a quarterly "lead indicator dashboard" for material hardship. The first dashboard was available in September 2024 and aims to provide up-to-date data on indicators of material hardship and how they are tracking (for example, by showing changes in inflation, housing costs, and food bank usage).
- 3.60 Although the new lead indicator dashboard for material hardship provides insight on the impact of the work programme to reduce material hardship, it is not intended to provide a clear picture of progress with implementing the work programme.
- 3.61 We have been told that officials are finalising new monitoring and reporting arrangements for the implementation of the updated Strategy, including the work programme to reduce child material hardship. However, this is not in place yet.
- 3.62 We encourage the agencies to re-establish regular progress reporting on the work programme as soon as possible. At a minimum, this should include milestones and risks as the work programme progresses to enable public organisations to properly co-ordinate efforts and re-assess activities if required.

Meeting the needs of our most disadvantaged

- 4.1 In this Part, we discuss the effectiveness of governance and management arrangements to meet the needs of some of our most disadvantaged, including those living with chronic or multiple socio-economic disadvantages.
- 4.2 The same elements of good oversight discussed in Part 3 are needed to meet the needs of these groups. In addition, we expected to see the agencies focusing on:
- co-ordinating their activities with each other and with community organisations and groups to implement effective responses to child poverty, including reducing inequity; and
 - consistently engaging with the children and families most affected by child poverty and with relevant community organisations to inform governance decisions and implementation of child poverty initiatives.

Summary

- 4.3 The Government has signalled that it intends to focus on addressing additional household costs and the causes of long-term disadvantage to reduce material hardship. This will be challenging and will require multiple public organisations to effectively co-ordinate their work with each other, with NGOs, and with communities.
- 4.4 We frequently heard from public organisations and NGOs that frontline services relevant to reducing child poverty are not integrated. In our view, the next phase of work will need a strengthened governance focus on ensuring that public organisations actively co-ordinate the planning and integration of government and community services needed to address the causes of long-term disadvantage and hardship, especially for those living with chronic or multiple socio-economic disadvantages.
- 4.5 One of the principles in the updated Strategy is that investment will seek to address disparities in outcomes. Statistics New Zealand data shows that Māori, Pasifika, and children affected by disabilities are significantly over-represented among those living in the most disadvantaged circumstances.
- 4.6 Although the agencies are tracking inequities, we saw limited evidence of specific actions to address inequities for disproportionately disadvantaged groups.
- 4.7 Although there has been engagement during the development, review, and updating of the Strategy, we heard that the agencies do not consistently engage with Māori, other disadvantaged groups, or NGOs on the shape or progress of the work programme.

- 4.8 A consequence of a lack of consistent engagement is that enduring, reciprocal relationships are not formed. This, in our view, is a barrier to integrating frontline services, responsively addressing inequities, and enabling community-led approaches.

There are significant implementation challenges to come

- 4.9 The Strategy's focus on addressing additional household costs and the causes of long-term disadvantage (such as health, housing, education, and employment) to reduce material hardship aligns with the Children's Act's requirement for the strategy to both reduce child poverty and mitigate the impacts of socio-economic disadvantage.
- 4.10 To make progress, it is essential that public organisations effectively co-ordinate their work with each other and with community organisations. Integrated frontline services are especially important to meet the needs of children and families living with chronic or multiple disadvantages.
- 4.11 However, many of those we interviewed highlighted challenges in the way public organisations are working to address child poverty. These include:
- public organisations struggling to work with each other and with community organisations in an integrated way, especially in providing services for the most disadvantaged. For example, we heard that there is insufficient wrap-around support for children and families experiencing multiple disadvantages;²⁷
 - a lack of voices from Māori, Pasifika, children and families affected by disabilities, those living in poverty, and NGOs in the governance and implementation of child poverty work; and
 - the need for public organisations to better enable community-led approaches, which can provide more effective assistance to those experiencing persistent disadvantage.²⁸
- 4.12 The Government is aware of these implementation challenges. The Department of the Prime Minister and Cabinet identified them in its 2022 review of the Strategy, and they were highlighted again during MSD's 2024 consultation to update the Strategy.
- 4.13 Addressing these challenges will be complex. More than 20 public organisations are involved in implementing initiatives that have been identified as helping to directly reduce child poverty or its wider causes.

27 By wrap-around support we mean support that involves providing comprehensive, individualised services that address multiple aspects of a person's needs. Such support is client-centred and would involve collaboration among various service providers to ensure that the support is holistic and co-ordinated.

28 New Zealand Productivity Commission (2023), *A fair chance for all: Breaking the cycle of persistent disadvantage*, at treasury.govt.nz.

Meeting the needs of the most disadvantaged will need a more co-ordinated response

- 4.14 Our audit did not focus on frontline services. However, in discussions with public organisations and NGOs, we consistently heard that it is difficult for many public organisations to work in a joined-up way with each other and with community organisations at the frontline.
- 4.15 For example, a family experiencing poor mental health, housing instability, and family violence might have to navigate the services they need from Health New Zealand, Kāinga Ora, and MSD on their own, rather than receiving joined-up support from them.
- 4.16 Public organisations told us about implementation challenges from their own experiences. For example:
- The Ministry of Housing and Urban Development highlighted a lack of access to integrated services to support the complex needs of emergency housing clients.
 - The Energy Efficiency and Conservation Authority reported a lack of joined-up support to meet the needs of clients in the Warmer Kiwi Homes initiative. We heard that clients often had to navigate multiple government services to find support, having to complete multiple forms or re-tell their story multiple times.
 - Oranga Tamariki described how, as part of the Oranga Tamariki Action Plan,²⁹ they had been involved in several in-depth assessments that identified system gaps and barriers in areas such as health, education, and housing.
- 4.17 NGOs we spoke to reported similar experiences. For example, we heard that government contracts are often tied to providing a narrow service that does not enable service providers to meet the needs of children and families experiencing multiple disadvantages.
- 4.18 These findings are consistent with a report by the Productivity Commission, which found that the system often fails to respond to people experiencing multiple challenges at the same time.³⁰

29 The Oranga Tamariki Action Plan sets out how the chief executives of six designated children's agencies will work together to achieve the Child and Youth Strategy outcomes for the core populations of interest to Oranga Tamariki.

30 New Zealand Productivity Commission (2023), *A fair chance for all: Breaking the cycle of persistent disadvantage*, page 54, at treasury.govt.nz.

- 4.19 This is not unique to addressing child poverty. We have previously highlighted the challenge of integrating services for complex cross-cutting issues at a community level, including services related to family and sexual violence and youth mental health.³¹
- 4.20 While existing governance and management arrangements have worked well to oversee individual income-based initiatives, those have needed only one or two public organisations to implement. Addressing the causes of long-term disadvantage to reduce material hardship will need multiple public organisations to work at the frontline in much more co-ordinated and integrated ways, with each other and with the community.
- 4.21 We have not seen evidence that the various governance groups have sufficiently considered how to support public organisations to achieve this. Looking ahead, we consider it needs to be a specific focus. Without improved co-ordination and integration of services relevant to the work programme to reduce material hardship, there is a risk the needs of the most disadvantaged, including people with chronic or multiple socio-economic disadvantages, will not be met.

Recommendation 2

We recommend that the Ministry of Social Development ensure that cross-agency governance is sufficiently focused on effective co-ordination of child poverty initiatives, both between public organisations and with community groups, and on integration with frontline services to meet the needs of the most disadvantaged.

More attention is needed on reducing inequities

- 4.22 Most of the stakeholders that the Department of the Prime Minister and Cabinet engaged with for its 2022 review of the Strategy considered that equity should be a key factor in how the agencies prioritise their work.³² Statistics New Zealand data shows that Māori, Pasifika, and those affected by disabilities are significantly over-represented among those living in poverty.
- 4.23 The Children's Act requires the strategy to indicate how disparities will be measured for children in poverty and living with socio-economic disadvantages. The annual report on progress in achieving the strategy's outcomes must include an analysis of outcomes for Māori children.

31 See Controller and Auditor-General (2023), *Meeting the needs of people affected by family violence and sexual violence* and Controller and Auditor-General (2024), *Meeting the mental health needs of young New Zealanders*, at oag.parliament.nz.

32 These stakeholders included representatives from Māori and Pasifika organisations, NGOs, science advisors, child poverty experts, children and young people, and members of the former Strategy Reference Group.

- 4.24 Considerable effort has gone into tracking and understanding inequities in child poverty. For example, Statistics New Zealand ensures that the sample size for the Household Income and Living Survey enables robust estimates of child poverty rates by ethnicity, disability status, and region. This is important because it means that inequities between different groups can be monitored. The Child Poverty Reduction Act supports this focus on inequities – it says that Statistics New Zealand must report data by identified populations (specifically Māori), if the data is adequate. The Treasury has also modelled the effects of child poverty policies on Māori and Pasifika children.
- 4.25 Given the size of the inequities between different groups across multiple measures (see Appendix 1), sustained and targeted effort is needed to make progress. This is supported by one of the principles in the updated Strategy – that investment will seek to address disparities in outcomes.
- 4.26 We found that Ministers expect the agencies to provide them with advice on the impact of different initiatives on inequities in the rates of child poverty. We saw briefings by the Department of the Prime Minister and Cabinet and MSD that included information about inequities in the rates of child poverty and the anticipated effects of different initiatives on Māori, Pasifika, and those affected by disabilities.
- 4.27 The Department of the Prime Minister and Cabinet has also provided advice to Ministers that a child poverty plan could describe what is needed to reduce poverty for disadvantaged population groups, particularly Māori, Pasifika, and those affected by disabilities.
- 4.28 We also acknowledge that some of the initiatives already implemented have reached more Māori, Pasifika, and those affected by disabilities because they are over-represented in poverty statistics.
- 4.29 However, we have seen limited evidence of the agencies carrying out specific planning or activities to address inequities in the rates of child poverty for disproportionately disadvantaged groups. NGOs we spoke to suggested that more needs to be done.
- 4.30 During MSD’s consultation to update the Strategy in 2024, stakeholders again emphasised the need to invest in reducing disparities and to target support at the children and young people who have the greatest need.³³

33 The stakeholders included representatives of children and young people, Māori, Pasifika, NGOs, Local Government New Zealand, and academics and thought leaders.

The agencies need to strengthen their engagement with stakeholder groups

Engagement with disadvantaged population groups and NGOs needs to be more consistent

- 4.31 In our view, to reduce material hardship and address inequities, the agencies will need to work systematically with Māori, Pasifika, and those affected by disabilities to develop effective approaches.
- 4.32 We expected that the agencies responsible for overseeing the work programme would actively engage with those most affected by poverty and with NGOs working directly to reduce child poverty.
- 4.33 We found many examples of the agencies engaging with different groups on child poverty matters. The Department of the Prime Minister and Cabinet engaged with Māori, Pasifika, those affected by disabilities, NGOs and other experts, and children and young people during both the development phase of the Strategy and its review in 2022. MSD engaged with the same groups during its update of the Strategy in 2024.
- 4.34 Some engagement has been sustained. The Child Wellbeing and Poverty Reduction Group met fortnightly for 18 months with the Pou Tangata Skills and Employment Iwi Leaders Group³⁴ to incorporate te ao Māori concepts of well-being into the implementation of the then Child and Youth Wellbeing Strategy.
- 4.35 The agencies also engaged with Māori groups and NGOs on various initiatives, including the Welfare Overhaul,³⁵ the Working for Families Review, Ka Ora, Ka Ako, the Child Support Pass-On, and Debt-to-Government.³⁶
- 4.36 However, we heard that overall there has been a lack of consistent input from Māori and other non-government stakeholders into governance decisions on the work programme. Pou Tangata and other groups of non-government representatives each attended only one meeting with the Child and Youth Wellbeing Ministerial Group about the Strategy.³⁷ People we spoke with told us

34 Pou Tangata is one of five National Iwi Chairs Forum Pou and it has six priorities. These are skills and employment, mātauranga, data, oranga tamariki, te ora o te whānau, and hauora.

35 The Welfare Overhaul was a large programme of work designed to reform welfare settings to ensure that people have an adequate income and standard of living.

36 The Debt-to-Government work aimed to reduce the impact of government debt for people in hardship. It focused on ensuring that debt recovery is fair, effective, and avoids exacerbating hardship, and also on preventing debt from occurring to avoid future problems for those in hardship.

37 Pou Tangata was invited to attend the Strategy Ministerial Group's meetings twice a year, but this did not happen because the Ministerial group did not meet as planned. The other groups that separately attended one ministerial meeting each were children and young people, including those with disabilities, and children's rights representatives.

that they were concerned about a lack of engagement by decision-makers with children and families with lived experience of poverty.

- 4.37 We also heard there is a lack of consistent input when implementing specific child poverty initiatives. The agencies reported that they do not systematically engage with Māori and other stakeholder groups. Rather, for each new initiative, a decision is made whether to engage, which one NGO described to us as “dipping in and dipping out”.
- 4.38 These findings are consistent with those of a process evaluation that the Department of the Prime Minister and Cabinet commissioned as part of its 2022 review of the Strategy.³⁸ It found that strong processes for consulting with stakeholders were set up when the Strategy was developed, but that there had been less input from Māori and other independent experts in the implementation phase. The review also found that there were only a small number of examples of public organisations collaborating with NGOs to deliver initiatives under the Strategy.
- 4.39 Even when stakeholders provided input, they were often not satisfied with the nature of the engagement. Pou Tangata felt that it had not seen any real change from its 18 months of meetings with the Child Wellbeing and Poverty Reduction Group before the Strategy was updated, and told us that its ideas had not been listened to or acted on.
- 4.40 Other stakeholders saw some engagements as transactional. One commented that “once they have their strategy, they go back into their Ministerial towers.”
- 4.41 One agency told us they were mindful that some stakeholder groups experience engagement fatigue. However, we consider that this is partly because they are not sure whether or how their feedback is used or if it results in any changes. NGOs reported that relationships can feel one-sided as a result.
- 4.42 We understand that there has been a positive shift in the relationship with Pou Tangata. The Child Wellbeing and Poverty Reduction Group continued to meet with Pou Tangata about advice that informed the updated Strategy, and since then has continued to regularly meet with Pou Tangata to discuss Strategy implementation and monitoring. It will be important that MSD continues its efforts to strengthen engagement with Pou Tangata and other stakeholders.
- 4.43 Challenges with consistently engaging stakeholders are not unique to work related to child poverty. Previous audits we have carried out on complex work programmes that require agencies to work collectively have also found that public

³⁸ Allen and Clarke (2022), *Process evaluation of the Child and Youth Wellbeing Strategy*, at msd.govt.nz.

organisations do not consistently engage with stakeholder groups,³⁹ meaning that enduring, reciprocal relationships are not formed.

The lack of enduring relationships can be a barrier to enabling decision-making, design, and delivery of integrated services at a local level

- 4.44 One of the principles in the updated Strategy is that investment will provide opportunities for decision-making, design, and delivery of services and interventions to occur at local and iwi level. This is consistent with an outcome of the Prime Minister and Cabinet’s 2022 review of the previous Strategy – that centrally enabled, locally led, whānau-centred approaches are a key enabler to better outcomes for children.
- 4.45 The Productivity Commission has also suggested that these approaches can provide more effective and responsive assistance to individuals, families, and whānau experiencing persistent disadvantage.
- 4.46 We are starting to see more strategies and plans that include a focus on these approaches. However, we heard from NGO representatives that much more needs to be done. During a focus group with NGOs, we were told “We are nowhere near centrally enabled, whānau-centred, and locally led services”.
- 4.47 When we looked at how well public organisations support Whānau Ora and whānau-centred approaches in 2023, we found there was not yet a significant shift towards whānau-centred approaches, or systemic consideration of where and when these approaches would be appropriate.⁴⁰
- 4.48 These findings are also consistent with the Productivity Commission’s finding that New Zealand’s public accountability and funding settings do not adequately enable whānau-centred and locally led services.
- 4.49 Enduring, reciprocal relationships between agencies, community organisations, and iwi leaders are critical to these types of approaches, and to integrating government and NGO services at the frontline.
- 4.50 Many of the people we talked to consider that the lack of input of disadvantaged groups into governance decisions is also a barrier to addressing inequities in the rates of child poverty for Māori, Pasifika, and those affected by disabilities.

39 See, for example, Controller and Auditor-General (2023), *Meeting the needs of people affected by family violence and sexual violence*, Controller and Auditor-General (2024), *Meeting the mental health needs of young New Zealanders*, and Controller and Auditor-General (2023), *How well public organisations are supporting Whānau Ora and whānau-centred approaches*, at oag.parliament.nz.

40 Controller and Auditor-General (2023), *How well public organisations are supporting Whānau Ora and whānau-centred approaches*, at oag.parliament.nz.

- 4.51 For public organisations to build meaningful relationships with Māori and other stakeholder groups, all parties need a shared understanding of each other's interests and roles in reducing child poverty. Public organisations will also need to make sure that they hear and respond to stakeholders where appropriate, and engage with Māori, Pasifika, and those affected by disabilities in a consistent, sustained way.
- 4.52 MSD told us that it considers it important for agencies to build a shared view about who they should engage with on particular child poverty matters, the purpose of the engagement, and how they will engage. We agree, and consider it would be helpful to do this in consultation with stakeholders.
- 4.53 In our view, public organisations need to shift to systematically engaging with Māori, other disadvantaged groups, and communities in strategic rather than transactional ways. As one NGO representative told us, “[ongoing engagement] has to be in the DNA.”

Recommendation 3

We recommend that the Ministry of Social Development strengthen engagement with Māori, other population groups disproportionately experiencing child poverty, and relevant community organisations to enable more consistent and sustained input into the work programme to reduce child material hardship.

5

Communication with the public

- 5.1 In this Part, we look at the effectiveness and transparency of the agencies' communication with the public.
- 5.2 We expected the agencies to report child poverty trends to the public in meaningful and accessible ways. Information should be easy for the public to find and understand. This is important for transparency and accountability.

Summary

- 5.3 Although public organisations and NGOs told us they appreciate the child poverty reports and decision-makers find them useful, they are not always easy for the public to understand. This is largely because the multiple child poverty measures are complex.
- 5.4 These communication challenges can contribute to misunderstandings about the data and whether public organisations' work is making a difference to child poverty rates. The agencies are aware of this, and have taken steps to improve how they communicate child poverty measures and changes in the results. We encourage the agencies to continue this work.

Child poverty reports are not always easy to understand

- 5.5 Although the child poverty reports serve the agencies and Ministers well, they are not always easy for the public to understand. Many times during our interviews we heard that there is confusion over the child poverty measures.
- 5.6 In its advice to Ministers, the Department of the Prime Minister and Cabinet said that commentary and public debate indicate a relatively poor level of understanding and some confusion about the child poverty measures and progress towards the targets.
- 5.7 Also, while government and non-government stakeholders view the range of measures positively, some told us they worried that the measures do not represent the full experience of child poverty. Related to this, there are perceptions that the child poverty measures do not fully reflect te ao Māori perspectives.
- 5.8 Clear communication about what the measures represent and what changes in results mean is important. This helps the public understand the impact that initiatives and other factors such as wider economic conditions are having and what value is gained for the money invested.

Multiple factors contribute to public misunderstanding

- 5.9 Although international best practice is to use multiple measures of child poverty, the multi-measure approach is complex.
- 5.10 Some of the child poverty measures can also seem counter-intuitive because they are estimated relative to the median income in the year of measurement. For example, if the median income goes down and more people fall above the BHC50 threshold, the measure would show fewer children in poverty, even though their circumstances might not have changed.
- 5.11 Other factors contribute to public misunderstanding. These include:
- a lag in the time that it takes for the results of policy changes to show in the child poverty statistics;
 - Statistics New Zealand revising the statistics a year after they are first released to account for updated population and tax data;
 - relatively large margins of error in the child poverty estimates;
 - limited overlap between the different child poverty measures, making it possible for some measures of child poverty to improve while others get worse; and
 - official statistics not always matching people's experiences.
- 5.12 There are reasonable explanations for each of these factors. For example, the lag in the time that it takes for the results of policy changes to show in the income-related statistics is partly unavoidable because of the way survey data must be collected. Survey respondents provide information about their income for the previous year over a 12-month period. This means that the dataset can include income data that is up to two years old. This makes it difficult to understand whether policy changes are making a difference until some time later.
- 5.13 Statistics New Zealand revises the statistics a year after they are first released to include the results of tax assessments finalised after the end of the tax year. The revisions can sometimes change reported child poverty rates by statistically significant amounts.
- 5.14 The large margins of error on the child poverty estimates make it more difficult to interpret whether changes are meaningful, especially over one year. This is one of the reasons why Statistics New Zealand and the Treasury encourage people to look at trends over multiple years rather than for just one year. Longer-term trends provide a more robust and reliable picture of progress.
- 5.15 Some people see a mismatch between the story that the official child poverty estimates tell and frontline perceptions of the levels of child poverty and the experiences of people affected by it.

- 5.16 Both the official statistics and frontline perceptions can be true at the same time. The child poverty estimates are based on the rate of poverty within the whole population of children. However, frontline services and NGOs typically work with a subset of that population, which is often those living with chronic or multiple disadvantages.
- 5.17 The child poverty related indicators are designed to help bridge the gap between the child poverty measures and what NGOs and other stakeholders see children and families experiencing. The indicators do this by telling the story about the wider changes we expect to see in children's lives when the country is making progress in reducing child poverty.

The agencies have taken steps to improve communications

- 5.18 The factors that can contribute to misunderstanding might be unavoidable. Nevertheless, they pose a significant communication challenge for the agencies.
- 5.19 One step that Statistics New Zealand takes to improve people's understanding of the data is to hold annual briefings for NGOs and the media before it releases its latest child poverty statistics. MSD has made improvements to the front sections of its 2024 child poverty report. These are positive changes.
- 5.20 We also consider that a focus on material hardship, which we were told is closest to the public's understanding of child poverty, could simplify communications.
- 5.21 We also agree with the Department of the Prime Minister and Cabinet and the Minister for Child Poverty Reduction that there is further scope to simplify messages and improve the public's understanding about child poverty. We encourage the agencies to continue improving their communications, ensuring that they are in an accessible format and easy to understand.
- 5.22 This would help to improve the public's understanding about whether government's efforts to reduce child poverty are working, and provide greater transparency and accountability.

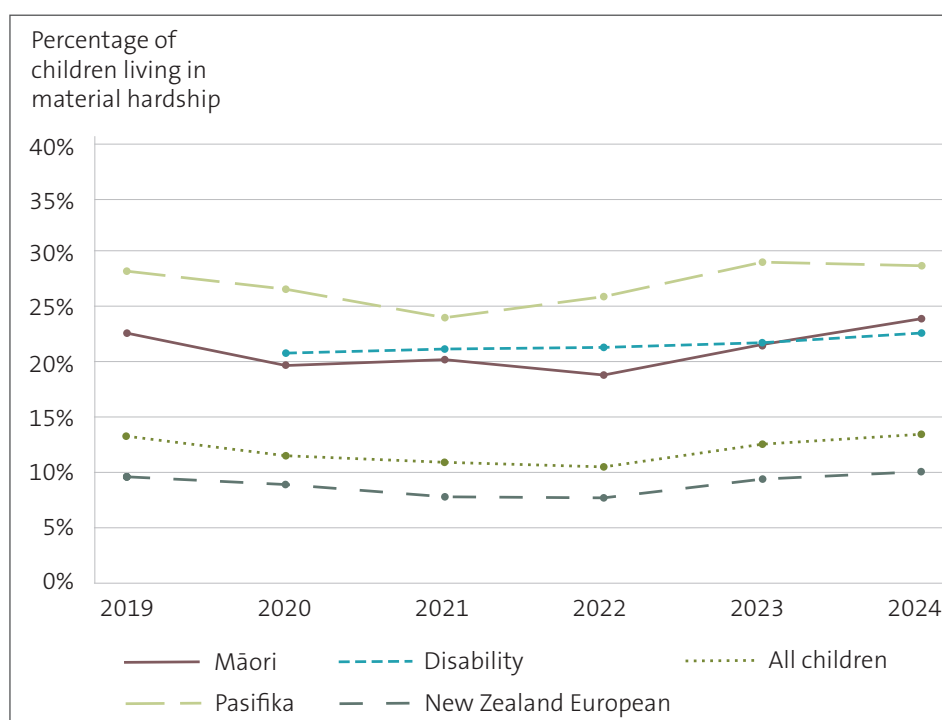
Appendix 1

Inequities in the rates of material hardship

Material hardship means the percentage of children living in households that go without six or more of the 17 items in the material deprivation index (DEP-17).⁴¹ This includes such things as having two pairs of shoes in good condition and not putting off doctor visits.

“Disability” in the figure below refers to children living in a household where there is at least one disabled person.

The sample errors for the estimates of material hardship in the figure range from 1.0 to 6.4 percentage points.



Source: Statistics New Zealand (2025), “Child poverty statistics: Year ended June 2024”, at stats.govt.nz.

41. The Ministry of Social Development developed the material deprivation index to measure low living standards and compare different population groups. The Ministry designed it to be easy to use and understand. It asks whether a household has access to the 17 items on the index that most people regard as essential everyday needs.

Appendix 2

Child poverty measures and related indicators

For each income-based measure, disposable household income has been “equivalised”, which means that it has been adjusted for household size and composition.

The primary AHC50 (fixed) low-income measure uses the year ended June 2018 as the base measurement year. The supplementary outcome measure AHC50 (moving) is different. Both measures have housing costs removed. However, the moving-line approach examines a household’s current income relative to the current median for all households. The fixed-line approach examines a household’s current income relative to the median income for the baseline year of measurement (2018), while adjusting for inflation.

Further details about the measures and how they are constructed are on the website of Statistics New Zealand. See “Child Poverty statistics: Year ended June 2024 – technical appendix”, at stats.govt.nz.

Child poverty measures required by the Child Poverty Reduction Act 2018

Primary measures	
BHC50 (moving)	Low income: The percentage of children in households with incomes less than 50% of the median equivalised disposable household income <i>before</i> deducting housing costs (BHC) for the financial year of measurement
AHC50 (fixed)	Low income: The percentage of children in households with incomes less than 50% of the median equivalised disposable household income <i>after</i> deducting housing costs (AHC) for the 2017/18 base financial year
Material hardship	The percentage of children living in households in material hardship for the financial year of measurement. Material hardship is defined as going without six or more out of the 17 items in the material deprivation index (DEP-17), which includes such things as having two pairs of shoes in good condition and not putting off doctor visits
Persistent poverty	The percentage of children living in households with less than 60% of the median equivalised disposable household income before housing costs are deducted, in the financial year of measurement and for at least two of the previous three years

Supplementary measures	
BHC60 (moving)	Low income: The percentage of children in households with incomes less than 60% of the median equivalised disposable household income before deducting housing costs (BHC) for the financial year of measurement
AHC60 (moving)	Low income: The percentage of children in households with incomes less than 60% of the median equivalised disposable household income after deducting housing costs (AHC) for the financial year of measurement
AHC50 (moving)	Low income: The percentage of children in households with incomes less than 50% of the median equivalised disposable household income after deducting housing costs (AHC) for the financial year of measurement
AHC40 (moving)	Low income: The percentage of children in households with incomes less than 40% of the median equivalised disposable household income after deducting housing costs (AHC) for the financial year of measurement
Severe material hardship	The percentage of children living in households that are experiencing a lack of nine or more out of the 17 items in the material deprivation index, for the financial year of measurement
AHC60 (moving) and material hardship	The percentage of children in households with incomes less than 60% of the median equivalised disposable household income after deducting housing costs (AHC) for the financial year of measurement and in material hardship

Child poverty related indicators agreed by Cabinet in October 2024

Children in benefit-dependent households	The number of children and young people aged 0-17 in households receiving main benefit
Housing affordability	The percentage of children and young people aged 0-17 living in low-income households (in the bottom 40% of the income distribution) spending more than 30% of the household's disposable income on housing
School attendance	The percentage of students aged 6-16 who are present more than 90% of the term
School achievement	The percentage of school leavers with at least NCEA Level 2 (or equivalent) as their highest level of attainment
Potentially avoidable hospitalisations	The rate of potentially avoidable hospitalisations for children and young people aged 0-17

Source: Minister for Child Poverty Reduction (2024), *Refreshing the Child and Youth Strategy and associated measures*, paragraph 15 (table) and Appendix 1, at msd.govt.nz.

In addition, under the Strategy, the Government has set seven wider indicators relevant to children's well-being. Some of these are relevant to child poverty, such as reduced food insecurity. See *The Child and Youth Strategy 2024-2027*, page 9, at msd.govt.nz.

Appendix 3

How we carried out our audit

Our performance audit involved 41 interviews with a total of 70 people. We concentrated on interviewing staff from the Department of the Prime Minister and Cabinet, the Ministry of Social Development, the Treasury, and Statistics New Zealand (the agencies).

We also interviewed staff from a wider group of public organisations and one Crown entity that were leading child poverty-related initiatives. These were:

- the Ministry of Business, Innovation and Employment;
- Inland Revenue;
- the Ministry of Housing and Urban Development;
- the Ministry of Education;
- the Ministry of Health; and
- the Energy Efficiency and Conservation Authority.

We also spoke to representatives from a range of other public organisations, Crown entities, and non-government organisations (NGOs) that are directly involved in child poverty work. We held two workshops with a total of nine representatives from NGOs and Crown entities.

We interviewed a mix of leadership, management, research, and operational staff. We also interviewed the two previous Ministers for Child Poverty Reduction and the current Minister.

To ensure representation from people disproportionately experiencing child poverty, we interviewed representatives from Māori, Pacific, disability, and human rights organisations.

We reviewed more than 300 documents that the agencies provided, as well as publicly available documents. These included:

- legislation;
- Cabinet papers;
- briefings to Ministers;
- strategies and plans;
- review findings;
- annual reports;
- progress reports;
- monitoring and evaluation papers; and
- media releases.

Appendix 4

Summary of legislative requirements for reducing child poverty

The table below sets out an overview of the requirements related to child poverty in the Children’s Act 2014.

The Children’s Act 2014	
Purpose	The responsible Minister must adopt a strategy to address: <ul style="list-style-type: none"> • Improving the well-being of all children • Improving, as a particular focus, the well-being of children with greater needs • Reducing child poverty and mitigating the impacts of child poverty and socio-economic disadvantage • Improving the well-being of the core populations of interest to Oranga Tamariki
Consultation	The responsible Minister must carry out consultation before adopting or changing the Strategy, including with representatives of children and Māori, as considered appropriate
Targets, indicators, and measures	The Strategy must: <ul style="list-style-type: none"> • say how outcomes will be measured, including by analysing disparities of outcome for children in poverty and socio-economic disadvantage • assess the likely effects of policies to reduce child poverty and mitigate the impacts of child poverty and socio-economic disadvantage
Monitoring and reporting	The responsible Minister must publish an annual report on progress in achieving the Strategy’s outcomes (including analysis of Māori children) and present it to Parliament
Review	The responsible Minister must review the Strategy within three years of adoption and every three years after that
Implementation	<p>The Strategy must indicate the policies that the Government has implemented (if there is one or more earlier Strategies), the policies that it intends to implement to achieve the outcomes sought, and the steps it has taken to evaluate these policies</p> <p>The Children’s Act also requires the Minister for Children to approve the Oranga Tamariki Action Plan, which sets out how the chief executives of six designated “children’s agencies” (Oranga Tamariki, the New Zealand Police, the Ministry of Education, the Ministry of Social Development, the Ministry of Health, and the Ministry of Justice) will work together to achieve the Strategy’s six outcomes for the core populations of interest to Oranga Tamariki.</p>

Source: Adapted from the Department of the Prime Minister and Cabinet (November 2023), “Briefing to the incoming Minister for Child Poverty Reduction (and Minister responsible for the Child and Youth Wellbeing Strategy)”, Appendix 1, at dpmc.govt.nz.

The table below sets out an overview of the requirements related to child poverty measures and indicators under the Child Poverty Reduction Act 2018.

The Child Poverty Reduction Act 2018	
Purpose	To help achieve a significant and sustained reduction in child poverty in New Zealand
Targets, indicators, and measures	
Relevant to reducing child poverty	Specifies or requires four primary and six supplementary child poverty measures The Minister for Child Poverty Reduction must set targets for primary measures Persistent poverty measure is defined by the Government Statistician and a target set by the Minister for Child Poverty Reduction by 2024
Relevant to mitigating the effects of socio-economic disadvantage	The Minister for Child Poverty Reduction must identify one or more child poverty related indicators
Monitoring and reporting	
Relevant to reducing child poverty	The Government Statistician must report annually on progress against child poverty measures The report of the Government Statistician must include an analysis of the identified populations, specifically Māori children, if the data is adequate to enable that analysis The Minister of Finance must produce a Budget Day Child Poverty Report (under the Public Finance Act, as amended by the Child Poverty Reduction Act) that indicates the extent that agreed policies will affect child poverty The Minister for Child Poverty Reduction must report to Parliament if the targets have not been met
Relevant to mitigating the effects of socio-economic disadvantage	The Minister for Child Poverty Reduction must report annually on child poverty related indicators
Review	
Relevant to reducing child poverty	The Minister for Child Poverty Reduction must ensure that the targets are reviewed at least once during the period covered
Relevant to mitigating the effects of socio-economic disadvantage	The Minister for Child Poverty Reduction can change child poverty related indicators any time and must review them every three years

Source: Adapted from Department of the Prime Minister and Cabinet (November 2023), "Briefing to the incoming Minister for Child Poverty Reduction (and Minister responsible for the Child and Youth Wellbeing Strategy)", Appendix 1, at dpmc.govt.nz.

Appendix 5

Examples of strategies and plans relevant to reducing child poverty

The following are examples of strategies and plans relevant to reducing child poverty:

- **Te Pae Tawhiti: Our Future** – The Ministry of Social Development’s strategy seeks three key organisational shifts, including supporting long-term social and economic development.⁴²
- **Te Pae Tata: Māori Strategy and Action Plan** – The Ministry of Social Development’s plan for Māori seeks to support long-term social and economic development for Māori. It includes actions to improve access to sustainable housing and increase employment opportunities.⁴³
- **Pacific Prosperity: Our people, our solutions, our future** – The Ministry of Social Development’s plan for Pasifika seeks to support long-term social and economic development for Pacific peoples. It includes actions to improve access to healthy and sustainable housing and increase sustainable employment opportunities.⁴⁴
- **Te Ara Amiorangi: Our Path, Our Direction** – The Ministry of Business, Innovation and Employment’s organisational strategy defines success in five ways, including having people who are prosperous, adaptable, skilled, and engaged in safe and fulfilling work. There is a focus on growing prosperity and opportunities, as well as protecting people through the economic systems it regulates.⁴⁵

The following are examples of strategies and plans that are relevant to mitigating the impacts of socio-economic disadvantage:

- **Ka Hikitia, Ka Hāpaitia: The Māori Education Strategy** – This is a cross-agency strategy about what education services need to do to achieve systematic change in education and support Māori learners and their whānau, hapū, and iwi to achieve excellent and equitable outcomes.⁴⁶
- **Oranga Tamariki Action Plan** – This plan is a cross-agency programme of work to improve outcomes for the children and young people with the greatest needs. The focus is on improving key health, education, and housing outcomes for children and young people in care, supported by data- and information-sharing practices between public organisations.⁴⁷

42 Ministry of Social Development, *Te Pae Tawhiti – Our future*, at msd.govt.nz.

43 Ministry of Social Development (2020), *Te Pae Tata – Māori Strategy and Action Plan*, at msd.govt.nz.

44 Ministry of Social Development (2019), *Pacific Prosperity – Our people, our solutions, our future*, at msd.govt.nz.

45 Ministry of Business, Innovation and Employment (2022), *Annual report 2021/22*, at mbie.govt.nz.

46 Ministry of Education (2024), “Ka Hikitia – Ka Hāpaitia | The Māori Education Strategy”, at education.govt.nz.

47 New Zealand Government (2022), *Oranga Tamariki Action Plan*, at orangatamarikiactionplan.govt.nz.

- **Pae Ora (Healthy Futures) strategies** – In July 2023, the Minister of Health published six strategies under the Pae Ora (Healthy Futures) Act 2022. The New Zealand Health Strategy sets the direction for the health system over the next 10 years towards more equitable, accessible, cohesive, and people-centred care.⁴⁸
- **Our Strategy: Improving oranga for current and future generations** – Inland Revenue’s strategy seeks to achieve four relevant outcomes. These are the inter-generational well-being of the people of Aotearoa New Zealand, working with other organisations, people receiving their entitlements, and revenue available to fund government programmes and services.⁴⁹
- **The Energy Efficiency and Conservation Authority’s strategic focus areas** – These strategic focus areas are related to energy efficiency, empowering energy users, and accelerating renewable energy, with relevant outcomes such as helping New Zealanders make homes warmer and healthier without increasing their energy bills.⁵⁰
- **Te Aorerekura** – This national strategy sets out a framework to eliminate family violence and sexual violence, to drive government action in a unified way, and harness public support and community action. It includes addressing the causes of violence, including social and economic deprivation and inequalities.⁵¹

48 New Zealand Government (2023), *New Zealand Health Strategy*, at health.govt.nz.

49 Inland Revenue (2024), *Our Strategy: Improving oranga for current and future generations*, at ird.govt.nz.

50 Energy Efficiency and Conservation Authority (2025), “Strategic focus areas”, at eeca.govt.nz.

51 New Zealand Government (2021), *Te Aorerekura: The National Strategy to Eliminate Family Violence and Sexual Violence*, at tepunaonui.govt.nz.

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Office of the Auditor-General
PO Box 3928, Wellington 6140

Telephone: (04) 917 1500

Email: reports@oag.parliament.nz
Website: www.oag.parliament.nz