CHILD POVERTY RELATED INDICATORS REPORT 2023

New Zealand Government

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Overview of the Child Poverty Related Indicators

The Child Poverty Related Indicators tell us about the wider impacts of poverty on the lives of children

The Child Poverty Reduction Act 2018 (the Act) requires the Government to establish and report annually on a set of Child Poverty Related Indicators (CPRIs) that relate to the causes, consequences, and correlates of child poverty. The CPRIs have been selected to provide a coherent and balanced set of indicators that help tell a broader story about the impacts of poverty on the day-to-day lives of children in Aotearoa New Zealand. There are five current CPRIs:

- ***housing affordability*** – the percentage of children and young people (aged 0-17 years) living in households spending more than 30 percent of their disposable income on housing
- ***housing quality*** – the percentage of children and young people (aged 0-17 years) living in households with a major problem with dampness or mould
- ***food insecurity*** – the percentage of children (aged 0-14 years) living in households reporting food runs out often or sometimes
- ***regular school attendance*** – the percentage of children and young people (aged 6-16 years) who are regularly attending school
- ***potentially avoidable hospitalisations*** – the rate of children (aged 0-14 years) hospitalised for potentially avoidable illnesses.

This is the fourth year that the CPRIs have been reported on. These CPRIs are also used as indicators for three of the six outcome areas in the Child and Youth Wellbeing Strategy (the Strategy). The Strategy indicators tell a more comprehensive story about child and youth wellbeing in New Zealand. The annual report on progress against the Strategy's outcomes can be found on the Child and Youth Wellbeing website.

COVID-19 has had a significant direct impact on a number of the CPRIs as well as causing disruptions to data collection

The latest data included in this CPRI report is from July 2021 to June 2022. This year's reporting has been impacted by the COVID-19 pandemic in several ways. The sample size of two of the key surveys (Stats NZ's Household Economic Survey (HES) and the New Zealand Health Survey produced by Manatū Hauora) on which three of the CPRIs are based was much smaller than in previous years. This means that rates on these indicators are measured with less precision than in previous years, and so we're less likely to see statistically significant year-on-year changes. Other impacts are outlined in more detail in Annex one.

This year's report shows that three out of the five indicators show a longer-term improving trend.

- One in three children (34%) lived in households spending more than 30% of their income on housing costs in 2021/22. Rates on this measure are unchanged, continuing the stable trend on this indicator observed over at least the past decade.
- About one in seventeen children (6%) lived in poor quality housing in 2021/22. This is unchanged from last year, but follows a steady decline in rates since at least 2017/18. Rates

of Pacific children living in poor quality housing appear to have reduced over time, although rates are still significantly higher for Pacific children and tamariki Māori.

- One in eight children (13%) experienced food insecurity in 2021/22. There has been a large and statistically significant drop in food insecurity rates since 2019/20 for all children and this continues a longer-term trend observed over the last ten years. While rates are steadily reducing across all ethnicities, tamariki Māori and Pacific children continue to face substantially greater barriers to food security.
- Two in five children attended school regularly in term 2 2022. This was a sharp decrease compared to the previous year, driven in part by an increase in justifiable absences due to illness associated with the increase in COVID-19 cases in the first half of 2022.
- Rates of potentially avoidable hospitalisations have been stable over the past three years at a rate of around 48 children per thousand. This follows a sharp decline between 2018/19 and 2019/20.

Overall, while there are encouraging signs that some CPRI outcomes are improving for priority population groups, we continue to see disparities for these groups on most measures.

Review of the CPRIs: the indicators are working well but the current housing affordability indicator will be changed to focus on children in low-income households

The Act requires that the CPRIs be reviewed every three years. The first review of the CPRIs was completed in August 2022 and found that the current CPRIs are generally working well[1]. A key change recommended as part of the CPRI review is that the current housing affordability indicator should be more focused on children in low income (quintile 1 and quintile 2) households. The Government has agreed to this change, which will come into effect in the data reported in 2024 for 2022/23. The reason for this change is explained in more detail in the chapter on housing affordability.

Wider review of the Child and Youth Wellbeing Strategy: embedding te ao Māori concepts of wellbeing

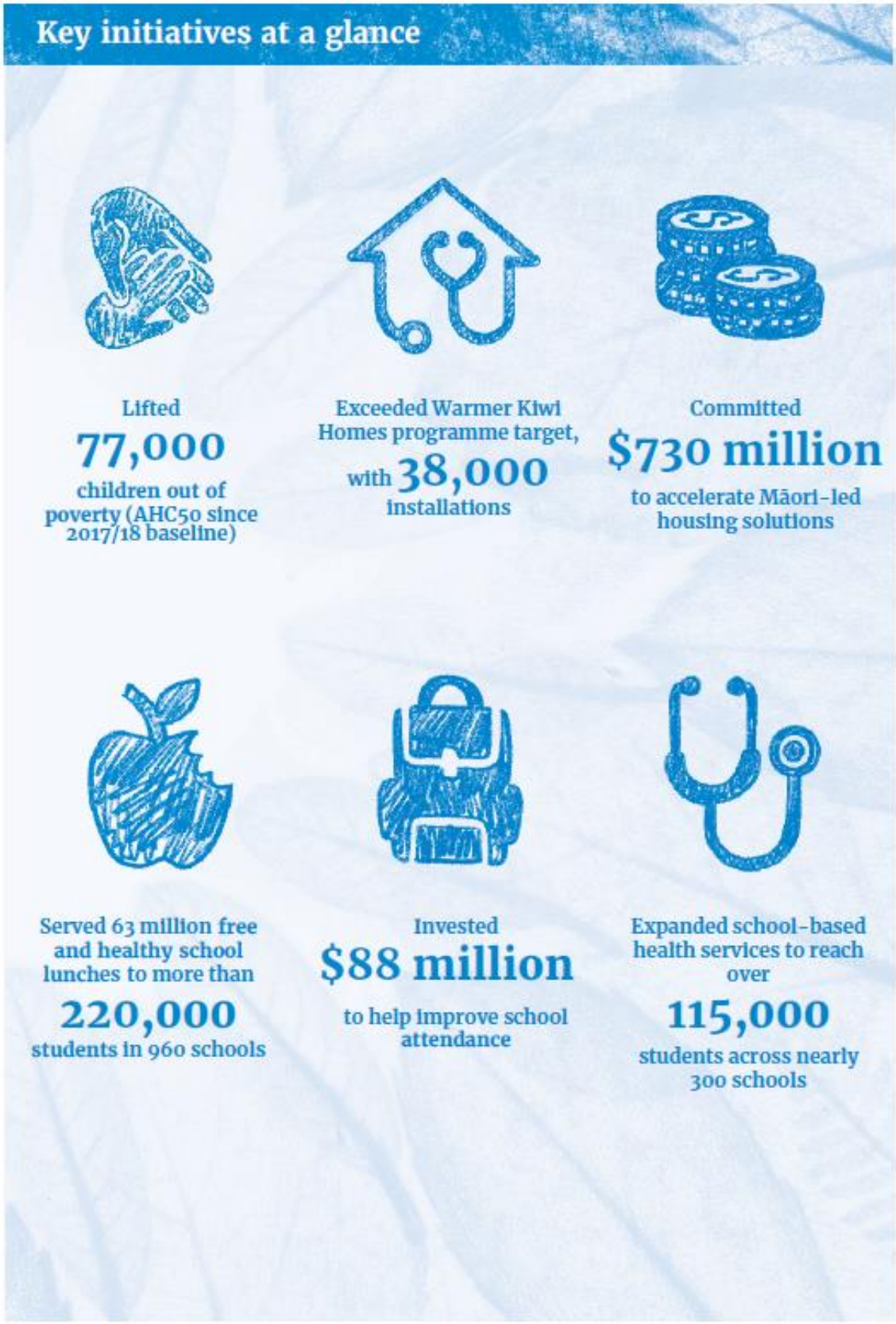
The wider review of the Child and Youth Wellbeing Strategy, also completed in 2022, recommended that more work is needed to develop and embed te ao Māori concepts of wellbeing into the implementation of the Strategy at all levels. As part of the response to the review, the Department of the Prime Minister and Cabinet's Child Wellbeing and Poverty Reduction Group will be working with iwi/Māori and others to further develop the current approaches to measurement, monitoring and reporting across the Strategy. This work will include looking at the opportunities to evolve CPRI reporting in line with this wider shift.

Indicators at a glance

Child Poverty Related Indicator	Change since previous year	Indicative longer-term trend	Key findings
Housing affordability 			■ **34% of children (aged 0-17) lived in unaffordable housing in 2021/22** (i.e. in households spending more than 30% of their disposable income on housing) ■ 33% of Māori children and 34% of Pacific children lived in unaffordable housing ■ 29% of children with disabilities, and 27% of children living in households with a disabled person, lived in unaffordable housing
Housing quality 			■ **6% of children (aged 0-17) lived in households with a major problem with dampness or mould in 2021/22** ■ 11% of Māori children and 11% of Pacific children lived in households with a major problem with dampness or mould ■ 9% of children with disabilities, and 10% of children living in households with a disabled family member, lived in housing with a major problem with dampness or mould
Food insecurity 			■ **13% of children (aged 0-14) lived in households reporting that food runs out sometimes or often in 2021/22.** ■ 22% of Māori children and 38% of Pacific children live in households reporting that food runs out sometimes or often
Regular school attendance 			■ **40%* of students (aged 6-16) regularly attended school in 2022** ■ Regular school attendance was lower for Māori and Pacific students: 27% and 28%, respectively *Figure corrected as at 06/07/23
Potentially avoidable hospitalisations 			■ **48 per 1000 children (aged 0-14) experienced potentially avoidable hospitalisations in 2021/22.** ■ Potentially avoidable hospitalisations were more common among Māori and Pacific children at 55 and 66 per 1000 children respectively

= improving = no change = worsening

Key initiatives at a glance

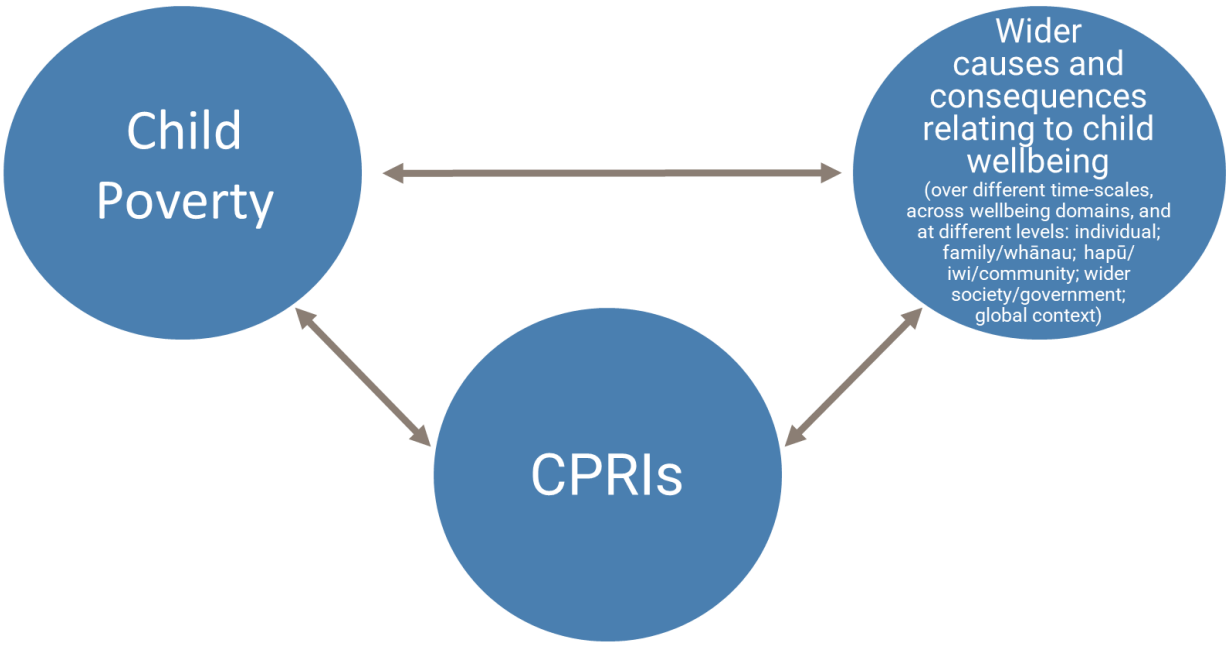


Trends in child poverty help put the CPRI results in context

Child poverty is one important underlying determinant of all the CPRIs

A key theme in this report is that the CPRIs – housing affordability, housing quality, food insecurity, school attendance and potentially avoidable hospitalisations – can't be properly understood in isolation from each other or from child poverty itself. Poverty can negatively impact all of the CPRI outcomes because when money is severely limited, families can be forced to choose which of the basics they must go without. Cutting back on food or housing can also have knock-on impacts on the other CPRI outcome domains, like health and education, over the short and longer term.

This doesn't mean that reducing poverty is a silver bullet. While poverty plays a key role, a host of other factors – from individual strengths and vulnerabilities to global pandemics – will also shape the trends we see on each of the indicators. Nevertheless, understanding trends in child poverty rates provides important context for assessing and monitoring progress on the CPRIs.



Measuring child poverty

Poverty can vary in depth and persistence and can be measured in different ways. No single measure tells the whole story. The Act reflects this, and aligns with international best practice, by establishing a "multi-measurement framework" to capture the different dimensions of poverty. There are currently nine measures which must be independently reported annually by Stats NZ, including three primary and six secondary measures. Together these indicators provide a balanced and focused set of indicators that provides a more comprehensive view of child poverty in New Zealand[2].

The three primary measures are set out in the table below.

BHC50:	The number of children in households with incomes less than half the median household income in a given year.
AHC50:	The number of children in households with incomes less than half that of a typical 2018 household, after deducting housing costs, and adjusting for changes in the cost of living.
Material Hardship:	A lack of six or more out of the 17 items in the material deprivation index (DEP-17), which include things like having two pairs of shoes in good condition and not putting off doctor visits due to a lack of money.

Data for these indicators come from Stats NZ's Household Economic Survey and reflect a household's circumstances in the 12 months prior to when they were interviewed. These data do not include a very small proportion of children in New Zealand (<1%) who don't usually reside in private dwellings*.

Interviewing for the 2021/22 data collection occurred between 1 July 2021 and 30 June 2022, but was subject to significant disruptions caused by the Delta and Omicron COVID-19 outbreaks. These disruptions meant that the overall sample size achieved in 2021/22 was much smaller than usual (8,900 households compared to 20,000 as designed). Consequently, the sample errors, particularly for sub-populations, are larger than in previous years and so we're less likely to see statistically significant year-on-year changes in the data.

Income poverty rates for 2020/21 were also updated and re-released by Stats NZ to take into account the availability of more up-to-date data. This led to a 1.3 percentage point (ppt) and 0.6ppt reduction on previously reported rates for AHC50 and BHC50 respectively for the 2020/21 financial year. Data for 2021/22 may be subject to further revisions next year.

The Act requires Governments to set 3-year (intermediate) and 10-year targets

The Act requires current and future governments to set 3-year intermediate and 10-year targets. The baseline year for the first set of 10-year targets is 2017/18. The Government's goal is to at least halve child poverty within 10 years, in line with the Sustainable Development Goals. The baseline child poverty rates, first intermediate targets, second intermediate targets, 10-year targets and most recently reported rates are set out in the table below.

* More detail about this group is discussed in annex one of this report.

Two out of three of the first intermediate targets (in 2020/21) were met: AHC50 and material hardship. The most recently reported rates for 2021/22 are for the first year of the second intermediate target period. The Government Statistician will assess compliance with the second intermediate targets based on the rates reported for 2023/24.

	Baseline year (2017/18)	First intermediate target rates (2020/21)	Measured rate in first intermediate target year (2020/21)[†]	Most recently measured rates (2021/22)	Second intermediate target rates 2023/24	10-year targets (2027/28)
BHC50:	16.5%	10.5%	13.6%	12.0%	10%	5%
AHC50:	22.8%	18.8%	16.3%	15.4%	15%	10%
Material Hardship:	13.3%	10.3%	11.0%[‡]	10.3%	9%	6%

Eight out of nine measures have shown a statistically significant reduction since 2017/18, including all three primary measures

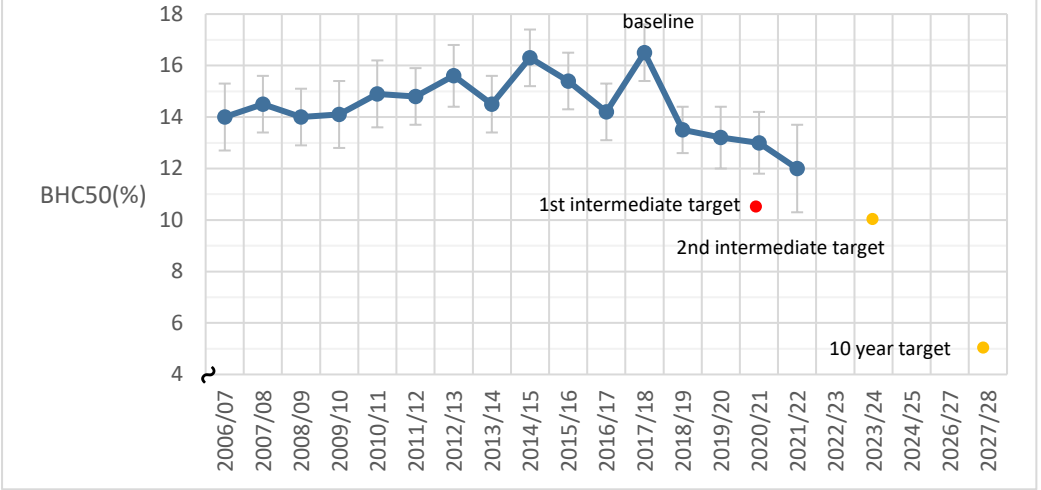
The most recently released child poverty rates for 2021/22 show that eight out of nine measures, including all three primary measures, have statistically significantly reduced since the 2017/18 baseline year (see Annex 2).

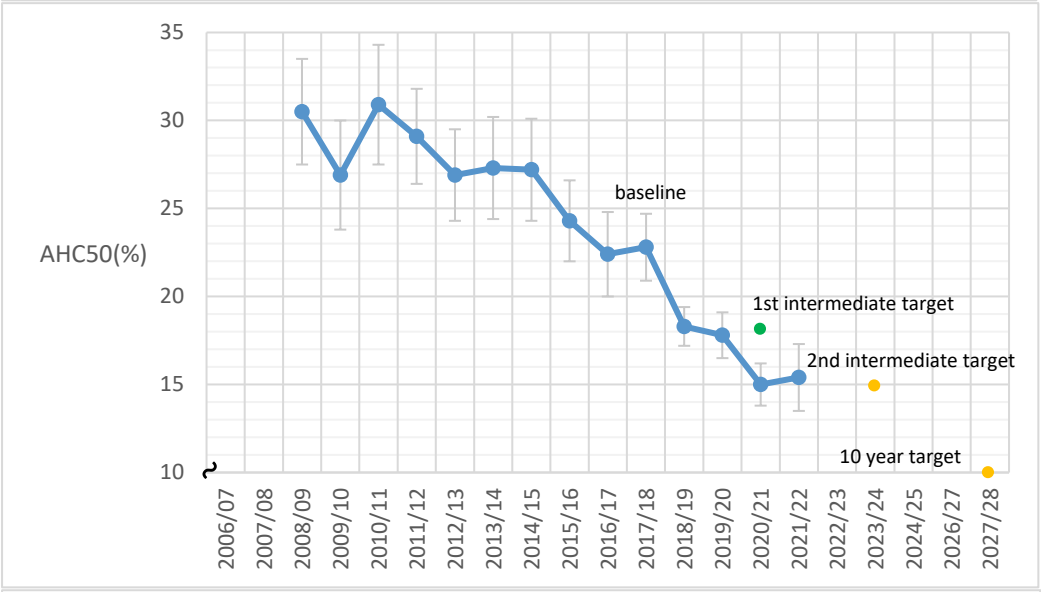
As shown in Figure 1, rates on the primary measures over the past two years are now lower than they have been over the past 10 to 15 years for which comparable data is available. Compared to the 2017/18 baseline year there are now:

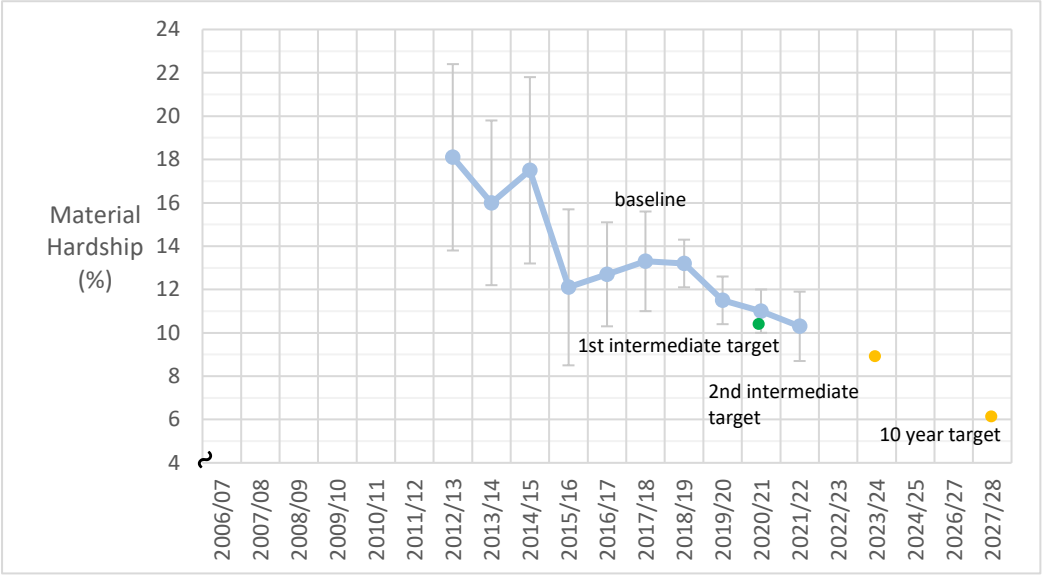
- 45,600 fewer children in poverty on the BHC50 primary measure
- 77,000 fewer children in poverty on the AHC50 primary measure, and
- 28,700 fewer children in poverty on the material hardship primary measure.

[†] Rates presented here were those used by the Government Statistician to assess compliance with the targets. These rates have since been revised downwards.
[‡] The target rate of 10.3% was within the sample error of the estimated rate in 2020/21 and so, in accordance with the Government Statistician's process for assessing compliance with the targets, the target is considered to have been met.

Figure 1: proportion of children in poverty on the primary measures over time







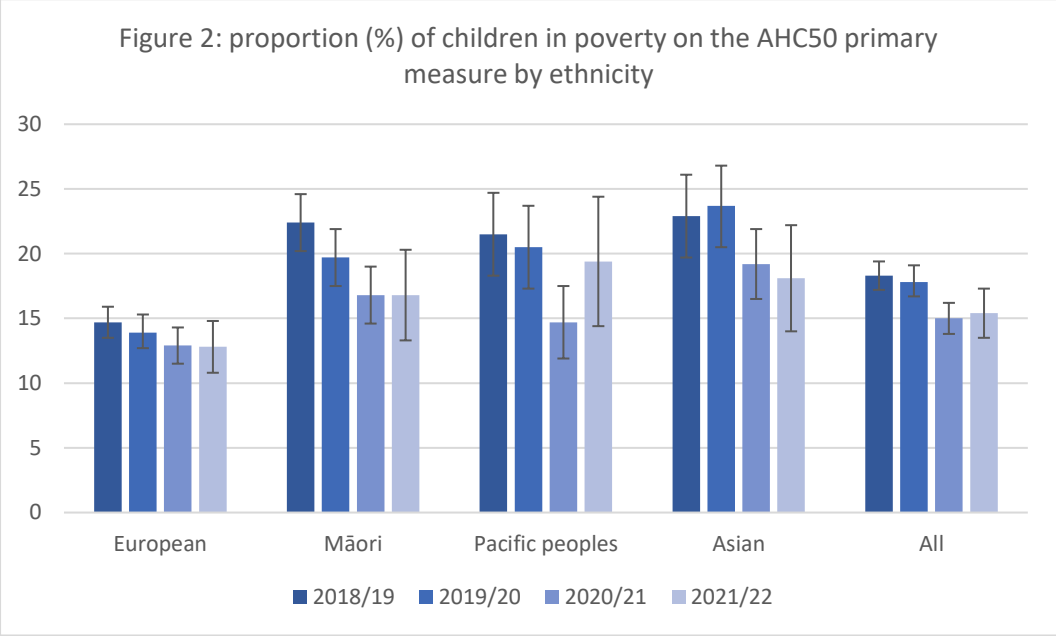
Source: Household Economic Survey 2021/22, Stats NZ

Child poverty rates are generally trending down for priority groups, but disparities persist, particularly on the material hardship measure

Reliable data to assess year-on-year changes in child poverty rates for selected priority sub-populations is only available since 2018/19 for breakdowns by ethnicity and since 2019/20 for breakdowns by disability. This more recent data, however, is still subject to much higher sample errors than for the population overall (particularly in 2021/22). This makes it difficult to accurately assess trends over the shorter term. Longer-term trends in child poverty rates by ethnicity are discussed in the Ministry of Social Development's (MSD's) Child Poverty Report and summarised in Annex 3 of this report.

Rates on the AHC50 primary measure have reduced for all children and there are fewer disparities by ethnicity

As shown in Figure 2, rates of poverty on the AHC50 measure have significantly reduced compared to 2018/19 for all children. Rates on this measure are lower for European children compared to non-European children but rates are now comparable between Māori and non-Māori, Pacific and non-Pacific, Asian and non-Asian children[§]. This is consistent with the longer-term trend reported in Annex 3 of this report.

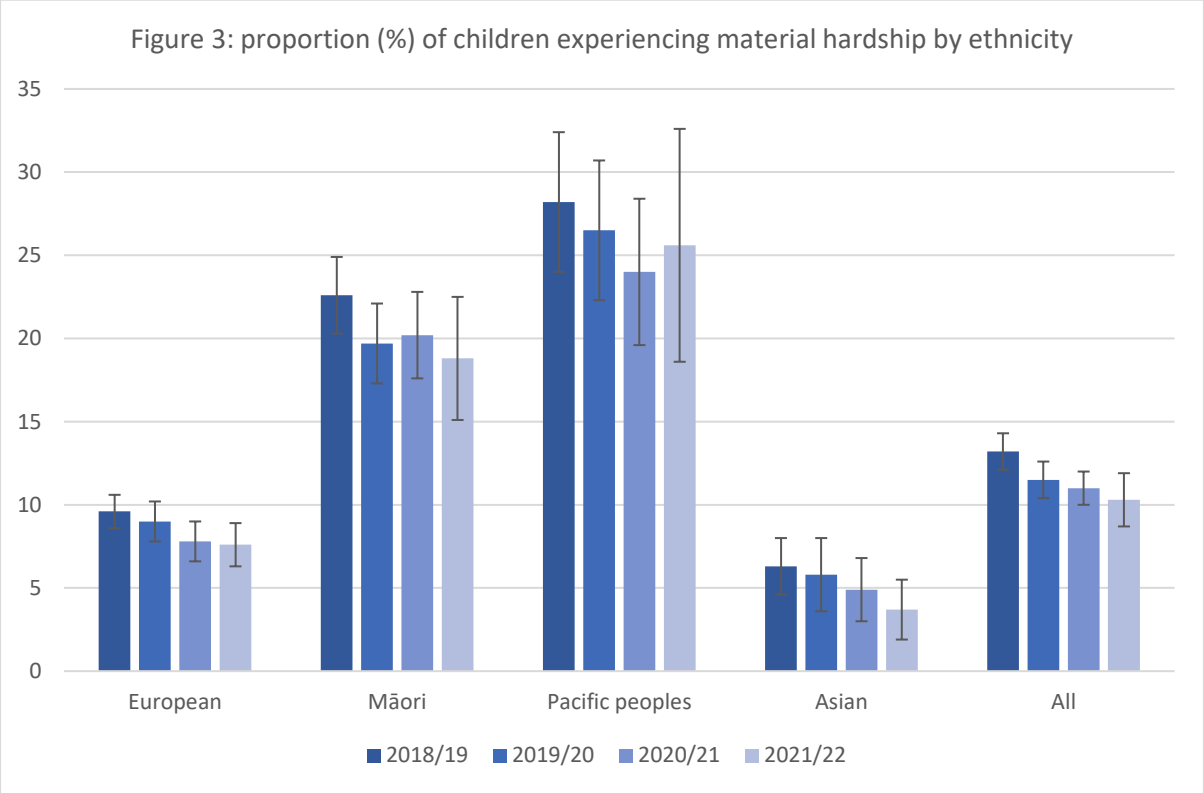


Source: Household Economic Survey 2021/22, Stats NZ

[§]Caution is needed when comparing rates between ethnic groups, or between ethnic groups and all New Zealand children. Because Stats NZ reporting is based on "total ethnicity" individual children may be included in the sub-totals for more than one sub-group. The assessment of differences between groups reported here is therefore based on a comparison of rates for children in a given ethnic group compared to corresponding rates for children not in that ethnic group (taking into account sample error).

Large disparities by ethnicity persist on the material hardship measure

Poverty rates on the material hardship primary measure by ethnicity show a distinctly different pattern to that seen for AHC50 income poverty. Rates in 2021/22 are statistically significantly lower on average for all children compared to 2018/19. But there continue to be large and statistically significant disparities in rates for tamariki Māori compared to non-Māori children and Pacific children compared to non-Pacific children, as shown in Figure 3. Again, this is consistent with the pattern seen over the longer term, discussed in Annex 3.

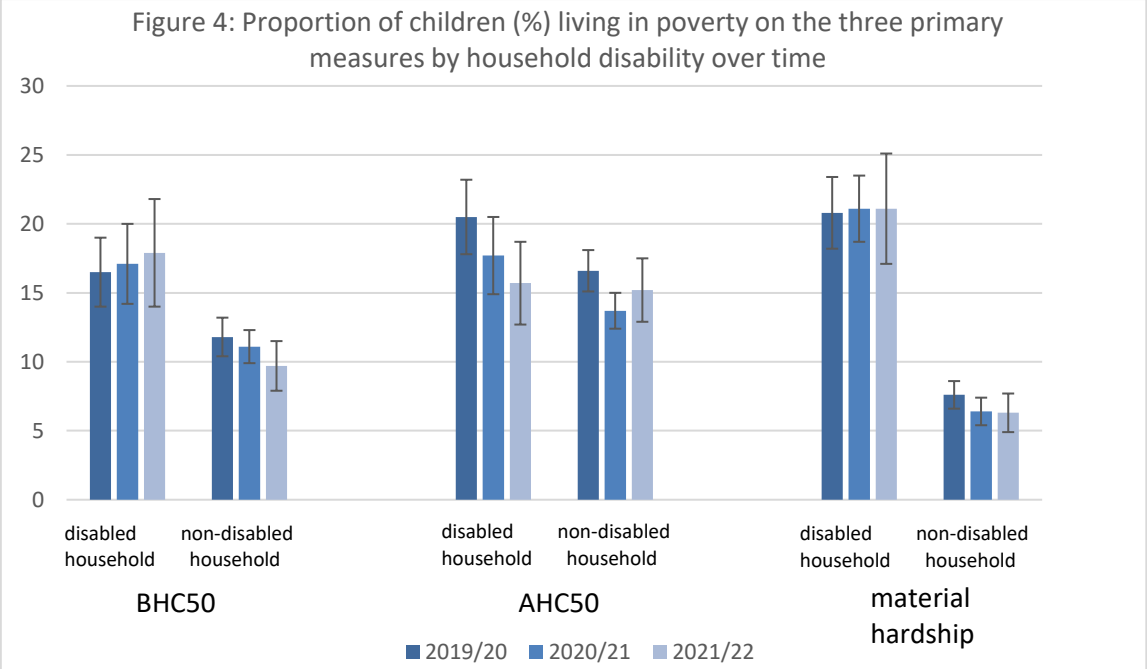


Source: Household Economic Survey 2021/22, Stats NZ

Rates on the BHC50 primary measure in 2021/22 (not reported here) are higher for Pacific children compared to non-Pacific children and lower for European compared to non-European children. Rates on this measure were comparable for tamariki Māori and non-Māori children and Asian and non-Asian children.

Rates of poverty for children living in a disabled household are comparable with rates living in non-disabled households on the AHC50 primary measure, but there continue to be significant disparities on BHC50 and material hardship

Rates for disabled children and children living in a disabled household show a similar pattern of disparities to that seen for priority ethnic groups. Rates on the AHC50 primary measure are comparable between children in a disabled household compared to non-disabled households, but persistently higher rates are evident for children in disabled households on the material hardship and, to a lesser extent, on the BHC50 poverty measure (as shown in Figure 4). This is an important population to monitor given that a little over half (56%) of all children in material hardship live in a household impacted by disability.



Source: Household Economic Survey 2021/22, Stats NZ

The Child Poverty Budget Report provides the best estimate of current and future income poverty rates for children

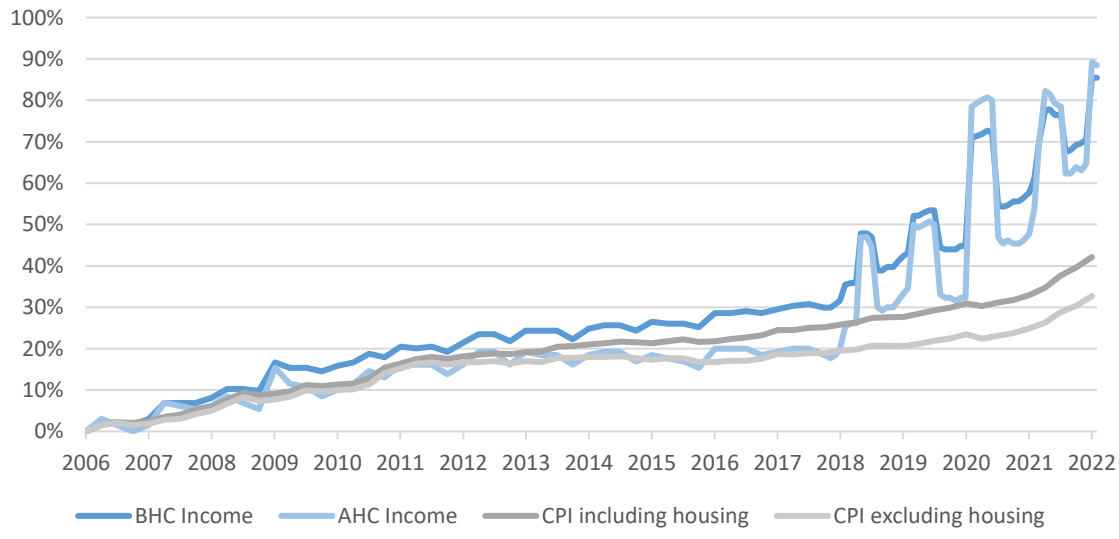
Because Stats NZ's latest published data relates to the year ended June 2022, the best estimates of current and future child poverty rates are set out in the Child Poverty Report produced by the Treasury[3], which use the latest economic forecasts. The latest estimates indicate that the incomes of low income (decile one) households with children are expected to steadily increase in real terms each year from 2023 to 2027 and that the rate of children in AHC50 poverty will trend downwards over time.

However, on the BHC50 child poverty measure, rates are forecast to decrease in 2023 but then (in the absence of further policy intervention) will steadily increase between 2024 and 2027. This reflects how the BHC50 measure takes into account how low-income households with children are faring compared to median-income households. Although low-income households' incomes are forecast to increase, median household incomes are forecast to increase at a faster rate. As a result, child poverty rates are expected to increase on this measure without further policy intervention.

Summary of actions by Government to reduce child poverty up to 2021/22

- The $5.5 billion Families Package was introduced, increasing the incomes of 330,000 families with children (more than half of all families) in the first year of the package. The package included increases to the Family Tax Credit and the Working for Families (WFF) abatement threshold; a new Best Start Tax Credit; an increase to paid parental leave from 18 to 26 weeks; a new Winter Energy Payment**; and increases to the Accommodation Supplement.
- Successive increases to main benefit rates were delivered, including:
    - indexing main benefits to align with net average wage growth, rather than inflation
    - permanently increasing main benefits by $25 per week on 1 April 2020
    - delivering further increases in Budget 2021 and Budget 2022 to bring benefit rates at 1 April 2022 in line with a key recommendation of the Welfare Expert Advisory Group
    - making changes to how child support payments work, so that all child support payments will be 'passed on' to sole-parent beneficiaries as income instead of being retained by the Government.
- Meanwhile, Family Tax Credit rates were increased, over and above the routine inflation adjustment, from 1 April 2022.
- Through the initiatives outlined above, weekly incomes after housing costs were increased in 2022 by 43% in real terms compared to 2018 for people supported by a main benefit, as shown in Figure 5 below. MSD has also published updated evidence on the incomes and costs for example families in 2022[4].

Figure 5: Percentage change in AHC and BHC, equivalised "total incomes" for people on main benefit (including all family types), compared to the Consumer Price Index (CPI)



Source: MSD Total Incomes Report [5]

** The impact of the Winter Energy Payment is shown in the seasonal fluctuations observed in total incomes in Figure 5, from winter 2018 onwards, and the doubling of the Winter energy payment in the winter of 2020.

- Successive increases to the minimum wage were also delivered as well as substantial investments to boost employment outcomes, provide more affordable housing, deliver the Ka Ora, Ka Ako | Healthy School Lunch Programme, and other measures to address cost of living pressures.

Further actions by Government to reduce poverty, from 2022/23 onwards

- Additional support was provided to those on main benefits by lifting main benefits by 7.22 percent (in line with inflation) through the Annual General Adjustment, meaning a family on a benefit with children will receive an extra $40.86 a week and a sole parent will receive an extra $31.83 a week.
- Twenty hours Early Childhood Education (ECE) was extended to two-year-olds, supporting families and whānau with the cost of childcare. Based on average costs in 2023, families who were not previously receiving childcare subsidies would save an estimated $133.20 a week in childcare costs if a 2 year-old child attended ECE for at least 20 hours a week.
- Accessibility and take up of MSD Childcare Assistance was improved by making it easier to apply for childcare subsidies. This is in addition to increasing income thresholds for MSD Childcare Assistance as announced in November 2022 as a pre-commitment against Budget 2023. This has benefitted eligible two-parent families by an additional $252 per week, and sole parent families by an additional $92 per week.
- Further funding was provided for Whānau Ora Commissioning Agencies to expand their services, improve quality, and meet demand increases with the aim of supporting whānau aspirations and long-term goals. This investment included funding for Ngā Tini Whetū to provide targeted support for 650 hapū wāhine and their whānau. Following a successful initial prototype delivered through Te Pou Matakana, this funding will extend the focus of the programme to include the wellbeing of hapū māmā, pēpē and whānau in their first 1000 days.
- Funding was delivered to continue to provide approximately 220,000 children experiencing the greatest socio-economic barriers to education with daily healthy lunches, which can save families up to $30 a week per child.
- The $5 prescription co-payments for all New Zealanders will be removed to ease the impacts of the cost of medication. An estimated 135,000 adults did not collect their prescriptions because of cost in 2021/22. This is particularly the case for low-income families and whānau.
- Community Connect was extended by providing half price public transport to everyone aged 13 to 24 and Total Mobility Passengers, and free public transport for children aged 5 to 12, making approximately 770,000 additional people eligible for half price or free fares. Free fares for children under 13 could save an average household of two children over $30 per week.
- The Warmer Kiwi Homes programme was extended and expanded to reduce household electricity consumption, helping households with the cost of living by lowering energy bills.
- The minimum wage rate was increased, in line with cost of living increases, to $22.70 per hour in April 2023.

Housing affordability

"My dad cannot find work...we're struggling to pay rent, utility bills, rumours are that the landlord will sell the property so I'm stressed that we will have another place to live or end up on the streets as Auckland rental prices are too steep and only Mum is working...Sometimes I cannot concentrate on my school work thinking about these things and makes me really sad, lonely, heartbroken and hard to focus on the good things in life." – Asian male, aged 13–15 years, Auckland[6]

What it means and why it matters

The current housing affordability CPRI assesses whether households have high housing costs relative to their disposable income. Housing costs are the biggest single category of household expenditure and so housing unaffordability is often associated with financial stress for low to middle income families.

How it relates to child poverty and wider wellbeing outcomes

Children living in households spending more than 30% of their disposable income on housing costs are disproportionately from poor households. Unaffordable housing means these households can face difficult trade-offs because there's not enough money to cover other basic needs such as healthy food, heating, clothing, and transport costs.[7] The financial stress of unaffordable housing on parents can also negatively impact parental mental health and health behaviours, which can in turn influence children's health and developmental outcomes.

There are often no easy choices for low-income families living in unaffordable housing. Moving to more affordable housing, if it's available, can incur other costs for families: higher heating bills, poor quality housing and risks of damp and mould, higher transport expenses, or overcrowding. Living in a crowded house greatly increases the risk of transmission and experience of communicable diseases and respiratory infection, particularly for younger children.[8] Overcrowded housing can also mean less personal space, making it harder for children to study and play and increasing the risks of relationship stress between family members.[9] Tamariki Māori and Pacific children are more likely to live in overcrowded housing. The combination of higher rates of material hardship, larger household sizes and a constrained supply of large houses (particularly for renting households) have been shown to explain the higher likelihood of crowding for these groups[10].

How we currently measure progress

Housing affordability can be measured in a number of ways[††].

The current CPRI for housing affordability is based on a commonly used approach and measures the proportion of children (aged 0-17) living in households spending more than 30% of their disposable income on housing costs. It is calculated using a ratio of gross housing costs (rates, dwelling insurance, mortgage and rent) to household disposable income (which takes into account taxes and transfer payments). We also report on the

[††] The Ministry of Housing and Urban Development launched the *Change In Housing Affordability Indicator* dashboard in November 2022. The dashboard provides up-to-date data on trends in various housing affordability indicators, including changes in average rental prices and median incomes.

proportion of households spending more than 40% and 50% of their disposable income on housing costs. These are referred to here as the 30%, 40% and 50% housing affordability thresholds.

Data for this indicator come from the Household Economic Survey and reflect a household's circumstances in the 12 months prior to when they were interviewed. These data do not include a very small proportion of children in New Zealand (<1%) who don't usually reside in private dwellings[††].

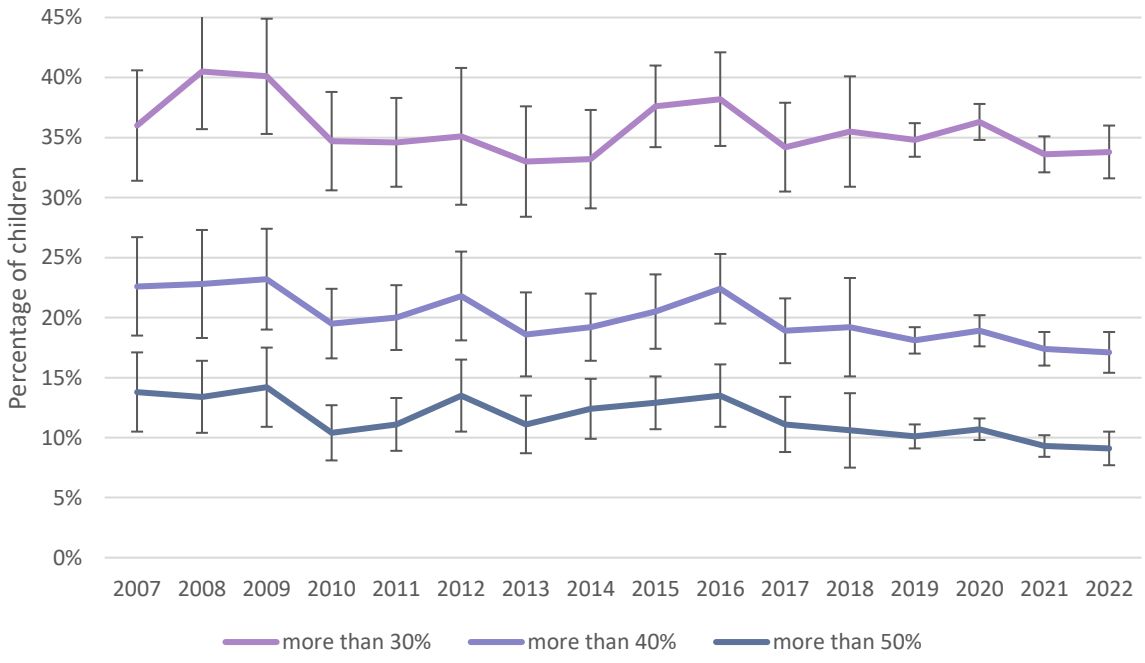
Interviewing for the 2021/22 data collection occurred between 1 July 2021 and 30 June 2022 but was subject to significant disruptions caused by the Delta and Omicron COVID-19 outbreaks. As noted previously, the sample size in 2021/22 was much smaller (8,900 households, rather than 20,000 households as designed) and so sample errors are larger than in previous years.

Housing affordability is also an indicator included in the "Have what they need" outcome under the Child and Youth Wellbeing Strategy.

The proportion of children in unaffordable housing continues to be unchanged

In 2021/22, 34% of children and young people (aged 0 – 17 years) lived in households spending more than 30% of their disposable income on housing. As shown in Figure 6, there's been no significant change in the proportion of children living in unaffordable housing between 2021/22 and 2019/20 on any of the 30%, 40%, or 50% housing affordability thresholds. Over the longer term, housing affordability has been broadly unchanged since 2007. There's some evidence that the proportion of households spending more than 40% or 50% of their income on housing costs is a little lower over the past three years compared to the long-run average.

Figure 6: proportion of children living in unafforable housing over time, by affordability threshold



[††] More detail about this group is discussed in Annex one of this report.

Source: Household Economic Survey 2021/22, Stats NZ

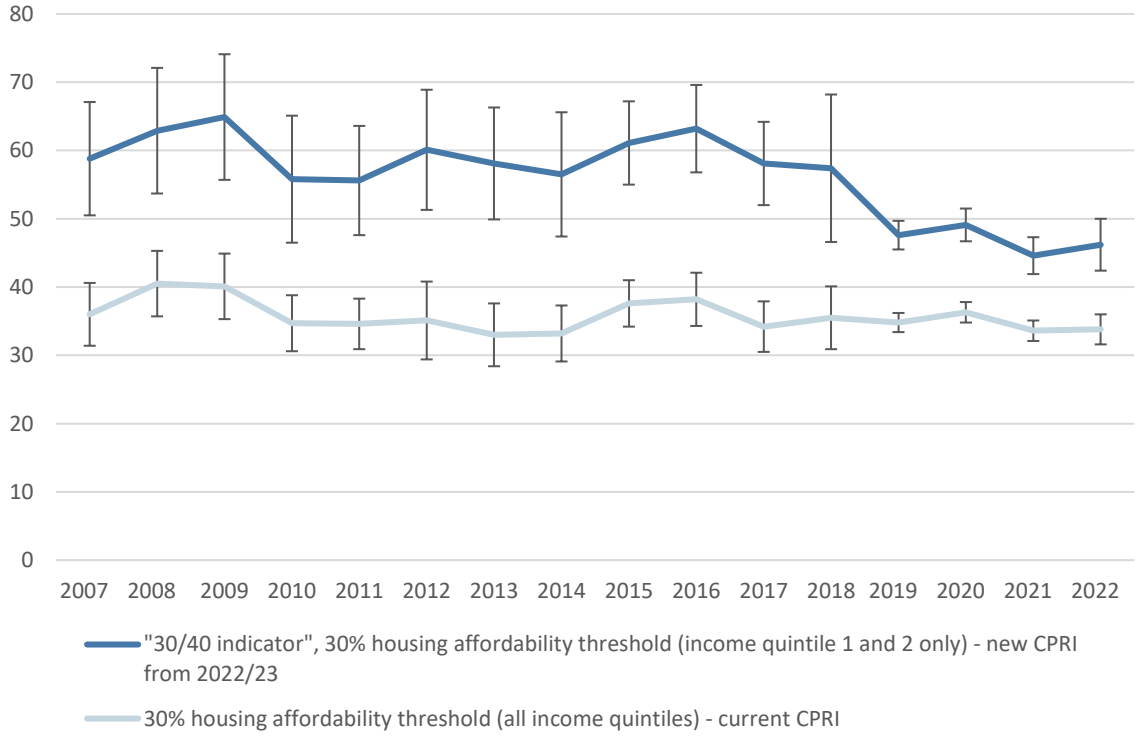
A new housing affordability CPRI from 2022/23 will focus on children in poorer households, using the "30/40" indicator

A key recommendation of the statutory review of the CPRIs completed in 2022 is to change the current housing affordability CPRI to focus on children in poorer households. This change addresses a key limitation of the current housing affordability CPRI: that it includes households on high incomes for whom spending 30% (or even 40 or 50%) of disposable income on housing is very unlikely to place that household under significant financial stress.

A standard way of avoiding this problem is to look at the so-called "30/40" indicator[11]. The 30/40 indicator looks at the number of children living in households in the bottom 40% of the before-housing cost equivalised, disposable income distribution for all households (ie, income quintile 1 and income quintile 2) spending more than 30% of their income on housing costs. This measure is a much better headline measure of "unaffordable" housing because it excludes those households for whom their residual income, after deducting housing costs, will be well above typical after-housing-cost poverty lines.

Figure 7 shows the 30/40 indicator over time and how this compares with the current housing affordability CPRI (using the 30% housing affordability threshold).

Figure 7: Proportion of children (%) living in households spending more than 30% of their income on housing costs (all income quintiles vs quintile 1 and 2 only)



Source: Household Economic Survey 2021/22, Stats NZ

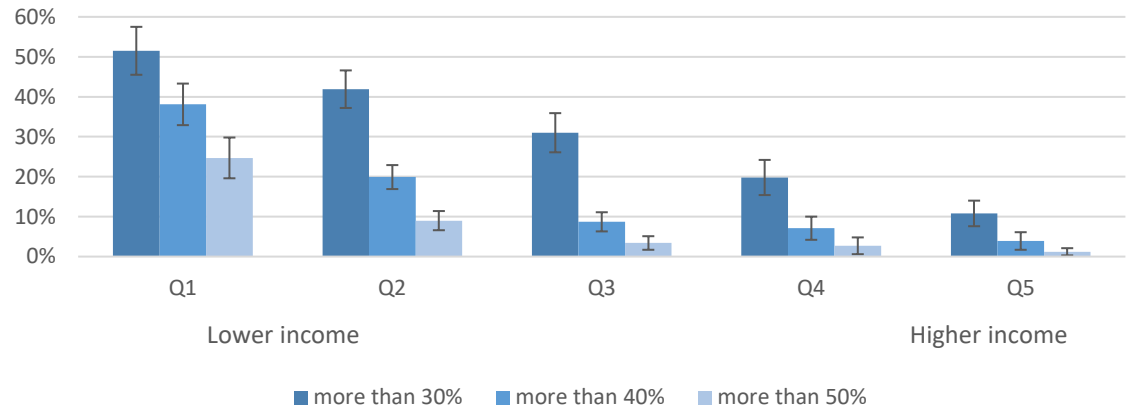
One limitation of the 30/40 indicator is that it's based on a smaller subset of children. This means the sample errors will be larger (reflected by the larger confidence intervals shown in Figure 7) and so we're less likely to see statistically significant year-on-year change.

The Government has agreed to change the current housing affordability CPRI to the 30/40 indicator. This change will not come into effect until 2022/23 (which will be reported in the first half of the 2024 calendar year).

Low-income households are more likely to live in unaffordable housing

The higher rates on the 30/40 indicator compared to the 30% housing unaffordability threshold (for all income groups) show that children in low-income households are more likely to live in unaffordable housing. We can also see this when we look at rates of housing unaffordability at different thresholds within each income quintile, as shown in Figure 8. For example, around half of children in the poorest (quintile 1) households spend more than 30% of their income on housing costs, compared to just one in ten children living in the wealthiest (quintile 5) households.

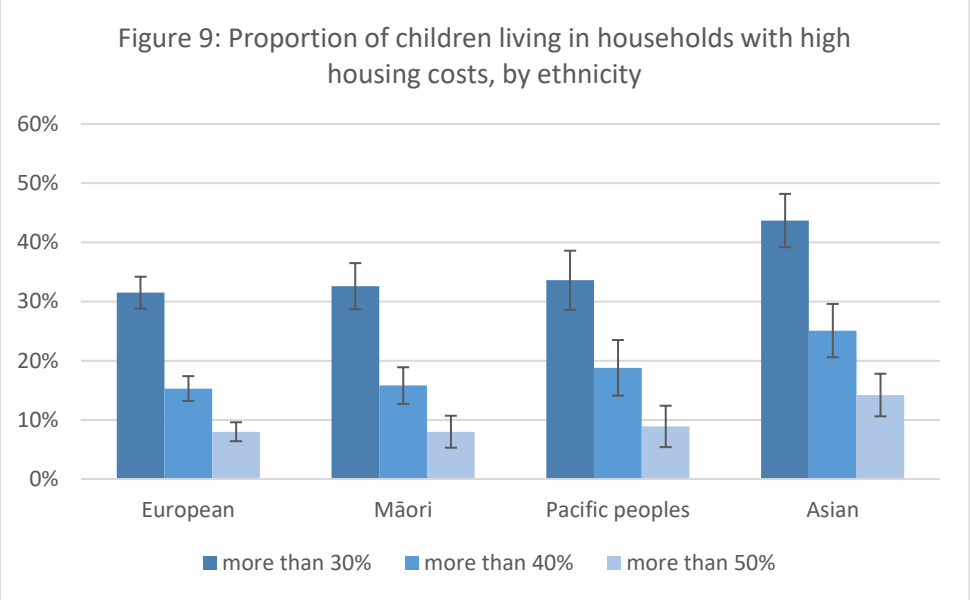
Figure 8: Proportion of children in households with high housing costs, by household income



Source: Household Economic Survey 2021/22, Statistics NZ

Asian children are more likely to live in unaffordable housing but otherwise rates generally do not vary by ethnicity

As shown in Figure 9, and consistent with previous years, rates of children living in unaffordable housing does not vary much by ethnicity. However, rates of Asian children living in unaffordable housing (at the 30%, 40% and 50% threshold) are statistically significantly higher than for non-Asian children.

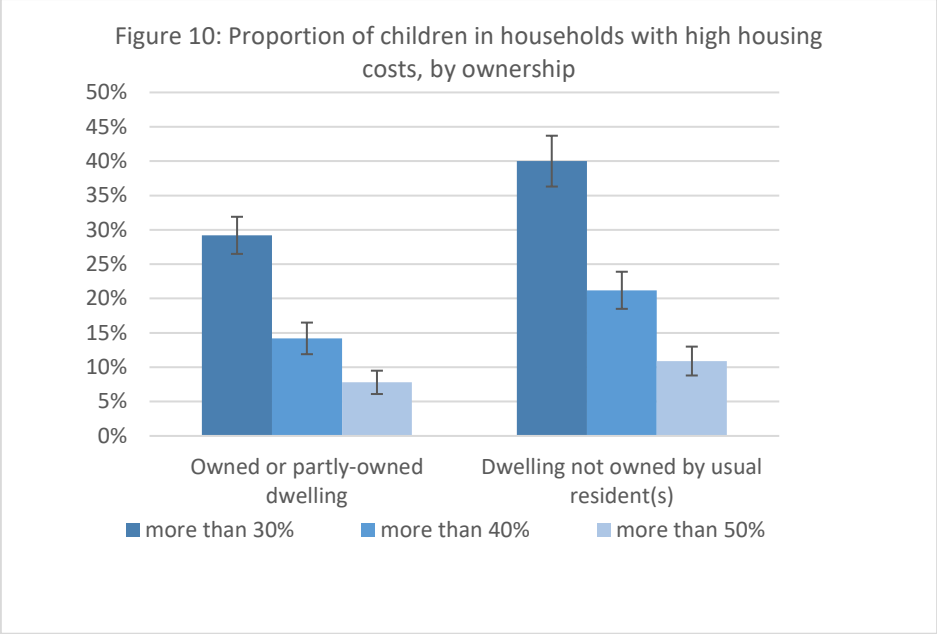


Source: Household Economic Survey 2021/22, Statistics NZ

Comparable with rates for children overall, 29% of disabled children, and 27% of children living in a household impacted by disability, live in households spending more than 30% of their income on housing.

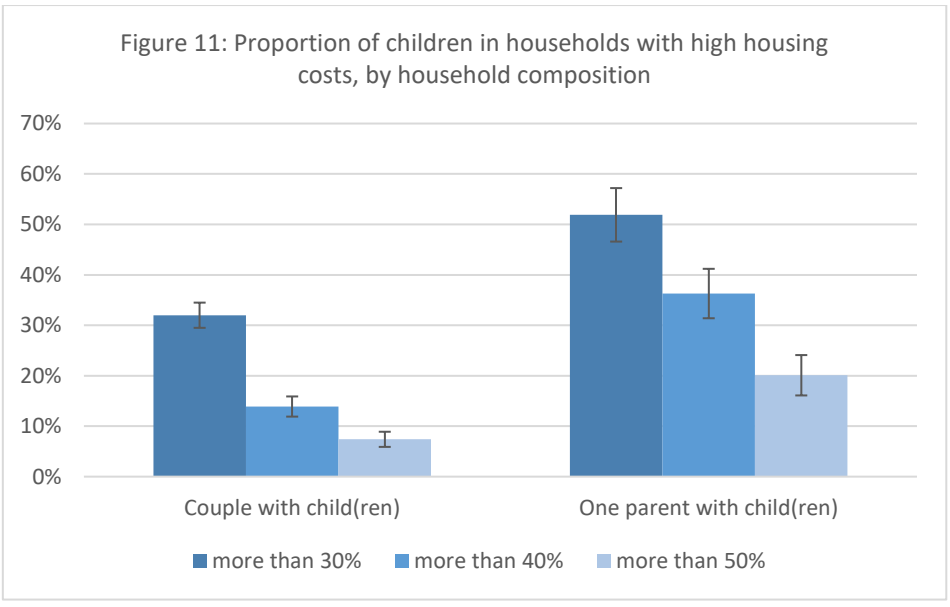
Rates of children in unaffordable housing are higher for renters and single parents

As reported in previous years, rates of children in unaffordable housing living in owner occupied housing are statistically significantly lower than for children in rentals at the 30%, and 40% unaffordability thresholds (as shown in Figure 10). Overall rates for children living in rentals mask substantial variation within this group. This category will include those in public housing (who by definition only spend 25% of their income on housing costs). However, this category will also include households renting in the private market and receiving the Accommodation Supplement – where rates of housing unaffordability have been shown to be very high. For example, three quarters of low income (quintile 1 + quintile 2) households with children that receive the Accommodation Supplement spend more than 30% of their income on accommodation, half (51%) spend more than 40% and nearly one third (28%) spend more than half their income on housing costs[12].



Source: Household Economic Survey 2021/22, Statistics NZ

Rates of children in unaffordable housing (at the 30%, 40%, and 50% thresholds) are higher for children in single-parent households compared to children in households headed by a couple (as shown in Figure 11).



Source: Household Economic Survey 2021/22, Statistics NZ

Summary of actions by Government to improve housing affordability up to 2021/22

- The Urban Growth Agenda was introduced to remove barriers to the supply of land and infrastructure and make room for cities to grow up and out.
- The supply of public housing was increased by over 10,125 public homes over five years, to bring the total number of public housing places in New Zealand to 76,271 by June 2022.
- 5,520 transitional housing places were delivered over five years to June 2022.
- $400 million was made available through the Progressive Home Ownership Fund to support more New Zealanders into home ownership by increasing support for shared equity and rent-to-buy schemes.
- A rapid-rehousing approach was piloted to support individuals and whānau into permanent housing.
- The deposit required for a First Home Grant and Loan was reduced to five percent, making it easier for first home buyers to get a deposit together.
- The Māori Housing Network was funded to provide additional papakāinga (Māori collectively owned homes), housing repairs, and capability building programmes.
- Pacific households were supported into home ownership, including delivering financial capability programmes to over 3000 Pacific people, developing feasibility studies and business cases for development of communally owned land.
- A comprehensive package of child poverty reduction investments were delivered (outlined on page 14) including increases to the Accommodation Supplement as part of the Families Package, delivering an average increase from $71 to $98 a week.

Further actions by Government to improve housing affordability, from 2022/23 onwards

- The $350 million Affordable Housing Fund was established to support the development of affordable homes for low-to-moderate income people and whānau to rent or buy.
- Funding was provided to build an additional 3000 public housing places to support the most vulnerable New Zealanders into stable and secure housing through Budget 2023.
- $200 million was invested to increase the supply of Māori housing and to repair properties.
- The Fale mo Aiga – Pacific Housing Strategy and Action Plan was released. Under the Action Plan, as at February 2023, there were 2139 enrolments in the Pacific Capability Development Programme with 77 families buying new homes. In addition, a new Pacific Housing entity was established in March 2023 to deliver more housing for Pacific families in Eastern Porirua through the Our Whare Our Fale initiative.

Housing quality

"Had a shower and toilet in it, no insulation. It was cold, concrete floor. You could see the gaps in between the window and the timber and you could see outside, it was visible. So we used paper and whatever else to cover those gaps. It was freezing. We couldn't even lock the door."[13]

What it means and why it matters

Housing quality is about living in a warm, dry home that's free of significant mould and damp. It's important because warm dry housing means children are more likely to be healthy, with fewer respiratory illnesses and infections.[14]

Approximately 14,400 children are hospitalised every year from preventable, respiratory related hospitalisations from diseases like asthma, pneumonia and bronchiolitis, with hospitalisation rates peaking in winter.[15] Young children are particularly vulnerable to the effects of poor housing as they spend proportionally more time indoors. Children and infants are also more susceptible to indoor air pollutants, as their immune systems are still maturing.[16]

How it relates to child poverty and wider wellbeing outcomes

There are direct and indirect links between poor quality housing and poverty. A lack of income is a key barrier to accessing quality housing. Many families also face hard trade-offs between housing quality, housing costs and finding housing that's the right size and right location to access employment, childcare and education. Housing quality is often one of the first things that lower-income families may need to compromise on.[17] Low quality housing can also lead to further pressure on the household budget, as extra costs are incurred to keep cold houses warm, as well as the costs of medical treatment, childcare and loss of employment income owing to sickness caused by poor quality housing. Children in poor quality housing are also at greater risk of getting sick and missing school.[18]

How we measure progress

The CPRI for housing quality is measured by the percentage of children (aged 0-17 years) living in households reporting a major* problem with dampness or mould over the past 12 months. The indicator is a useful proxy for housing quality, but will also reflect a range of other factors that influence damp or mould beyond the quality of the building envelope itself, including household crowding, heating, and behavioural factors.

This indicator is used for the outcome area 'children and young people have what they need' in the Strategy.

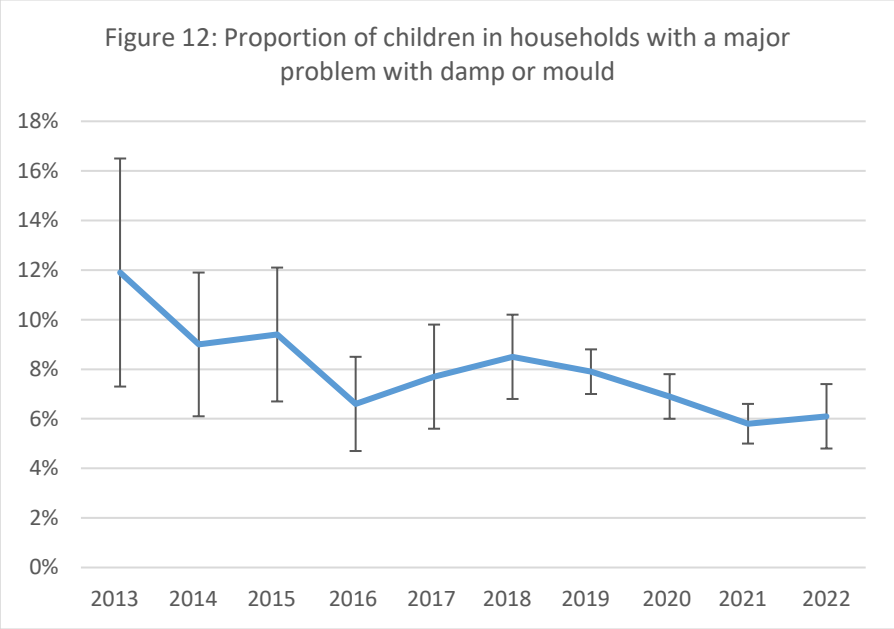
Data for this indicator come from the Household Economic Survey and the most recent data is based on July 2021 to June 2022. The indicator will not take into account the quality of the living arrangements experienced by a very small proportion of children (<1%) who do not live in private dwellings, as outlined in more detail in Annex one of this report.

* Respondents to the Household Economic Survey are asked whether their house has a 'major' problem with damp or mould; a 'minor' problem with damp or mould; or 'no problem' with damp or mould.

As noted previously, the sample size in 2021/22 was much smaller (8900 households, rather than 20,000 households as designed) and so sample errors are larger than in previous years, particularly for sub-populations.

The number of children living in poor quality housing has trended down since 2017/18

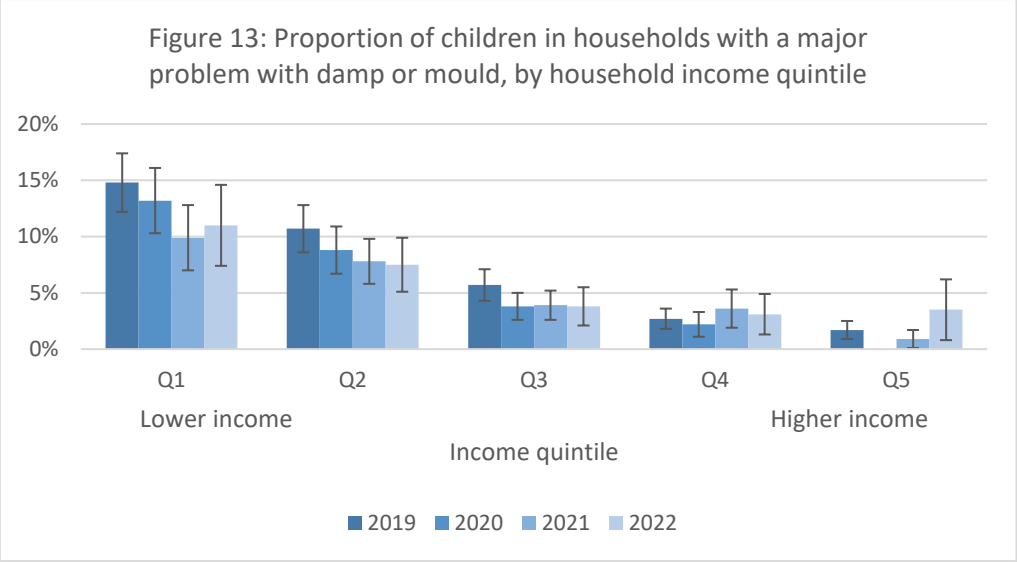
In 2021/22, 6% of children (aged 0-17) lived in households reporting a major problem with dampness or mould. Rates in 2021/22 are unchanged from the previous year, following a downward trend on this indicator since 2018, as shown in Figure 12.



Source: Household Economic Survey 2021/22, Stats NZ

Children from low-income households are more likely to live in poor quality housing

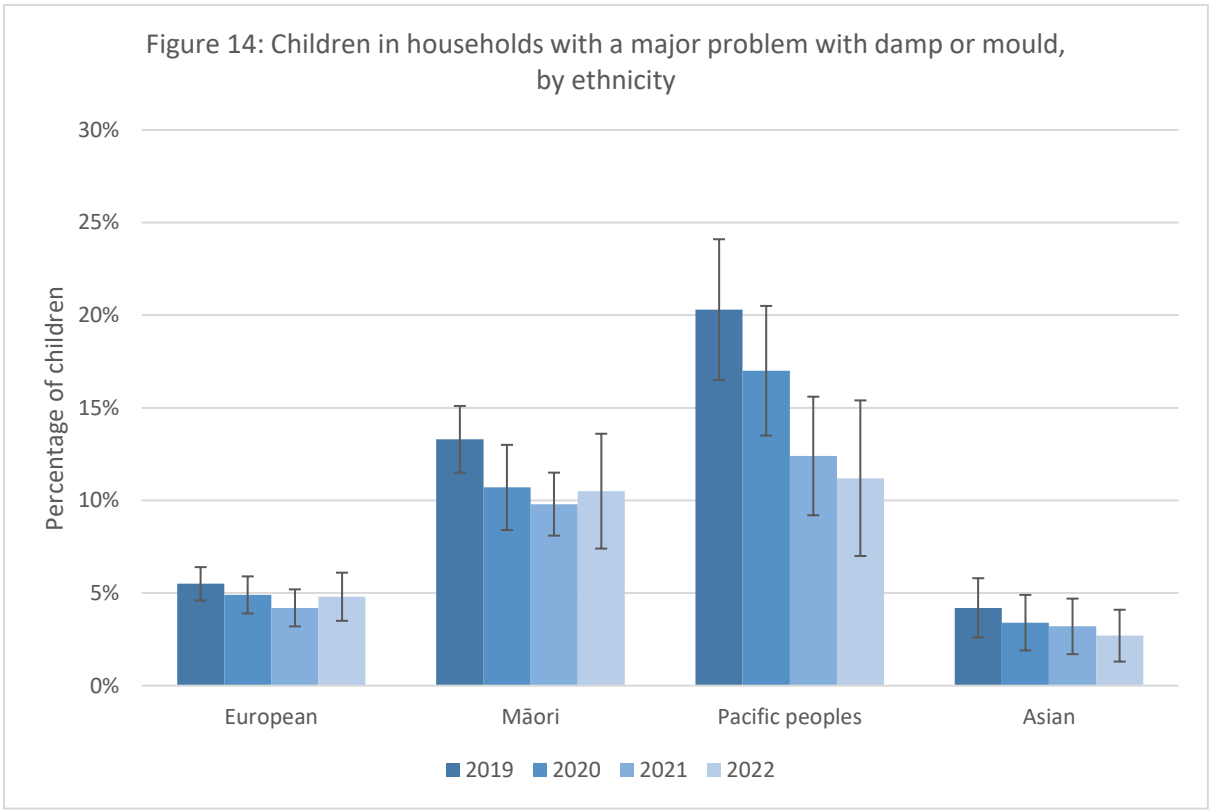
As reported in previous years, there is a marked income gradient in rates of poor housing quality. Children in low income (quintile 1) households are about three times more likely to experience poor quality housing compared to children in high income (quintile five) households. However, there are signs that rates are reducing over time for low-income households, as shown in Figure 13.



Source: Household Economic Survey 2021/22, Stats NZ

Māori and Pacific children face greater barriers to living in quality housing but rates for Pacific children have significantly improved

Māori and Pacific children face greater barriers to living in quality housing. As shown in Figure 14, 11% of Māori children and the same proportion of Pacific children live in households reporting a major problem with dampness or mould compared to 6% of New Zealand children overall. However, rates for Pacific children appear to have trended down since 2019 (the earliest year for which robust year-on-year data is available).



Source: Household Economic Survey 2020/21, Stats NZ

Other risk factors: rates are higher for children in households impacted by disability, non-owner occupied households, and single parent households

A number of other groups face greater barriers to accessing quality housing. Rates of children living in poor quality housing in 2022 were higher for disabled children (9.2%, +/- 3.2ppt), children living in households impacted by disability (10.3%, +/- 2.5ppt), children living with single parents (10.9%, +/-2.5ppt) compared to couples with children (3.9%, +/- 0.8ppt), and children in non-owner occupied (11.3%, +/- 2.6ppt) compared to children in owner occupied housing (2.4%, +/-1ppt).

Summary of actions by Government to improve housing quality up to 2021/22

- The quality of housing and conditions for renters were improved by implementing the Healthy Homes Guarantee Act 2017 and setting the Healthy Homes Standards. The standards set minimum requirements for heating, insulation, ventilation, moisture and drainage, and draught stopping in residential rental properties.
- The Warmer Kiwi Homes programme was introduced, offering grants to cover 90% of the cost of ceiling and underfloor insulation. The programme also provides capped grants for heat pumps, wood burners and pellet burners. Government-funded grants are topped up wherever possible by funding from community organisations. Homeowners with a Community Services Card and those living in a lower-income area may qualify for a grant under this programme.
- The Winter Energy Payment was introduced, as part of the Families Package, to help those on a main benefit, or receiving Superannuation or a Veteran's Pension with the cost of heating their homes over winter. In response to COVID, this was doubled in 2020 to support beneficiaries and superannuitants to remain safe and well at home.
- The Māori Housing Network Repair Programme was funded to deliver critical repairs to nearly 1500 Māori homes across Aotearoa New Zealand and delivered DIY workshops to whānau-led community projects.
- An outcomes evaluation of the Healthy Homes Initiative was funded showing that the number of hospitalisations for referred tamariki and their wider whānau reduced by 19.8% after the intervention, and that when people were hospitalised, these hospitalisations were shorter and less severe.
- The Healthy Homes Initiative was expanded nationally, to ensure more people are living in warm, dry homes and to prevent hospitalisations.

Further actions by Government to improve housing quality, from 2022/23 onwards

- The Warmer Kiwi Homes programme was extended and expanded to reduce household electricity consumption, providing 100,000 heating and insulation installations, 7500 hot-water heat pumps and five million LED light bulbs.
- The Government is partnering with Māori through the Māori and Iwi Housing Innovation (MAIHI) to support the implementation of the Homelessness Action Plan, repairing and maintaining homes, building papakāinga and establishing the Iwi Māori pathway for progressive home ownership.
- New mandatory Energy Efficiency Certificates were introduced to support homeowners to reduce their power and energy costs.
- The Government is continuing to implement the recommendations following the Electricity Price Review, with a particular focus on alleviating energy hardship.

Food insecurity

"The cost of vegetables is high. You know when they say, 'eat healthy' but then you go shopping and broccoli is $3 for one." Whānau (case study)

"I was very broke and struggling to feed my kids. My power was cut off all the time and I was evicted from my house. I felt bad I couldn't provide for my kids." Whānau (case study)[19]

What it means and why it matters

Food insecurity means not having reliable access to sufficient, safe and nutritious food to lead a healthy and productive life and meet cultural needs.[20]

Household food insecurity has been associated with a wide range of child health and development problems from infancy through to adolescence, including child obesity,[21] poor academic performance, and developmental and behavioural problems.[22]

How it relates to child poverty and wider wellbeing outcomes

There's a strong relationship between food insecurity, material hardship and low income. Food is the second highest category of household expenditure for low income (quintile 1) households, making up an average of 21% of household expenditure[23]. When disposable income is limited, quality and quantity of food is often compromised.[24]

Food insecurity also contributes to family stress and can mean caregivers feel chronically anxious about their ability to provide food or stigmatised for relying on charity or emergency assistance to feed their family. Although caregivers often shield children from the severity of the household's food insecurity by moderating their own food consumption, the increased stress on them and their families and whānau can also impact on parental mental health and parent-child relationships.[25]

Food also plays a critically important social and cultural role for many. The process of gathering, preparing and sharing meals is a way for families and whānau to spend quality time together, express manaakitanga, and celebrate important milestones. For food-insecure households these important opportunities to connect with others through food can be very limited.

How we measure progress

The indicator for food insecurity is the percentage of children (aged 0-14[§§]) living in households reporting that food runs out "often" or "sometimes" in the past year, drawing on data from the New Zealand Health Survey produced by Manatū Hauora. There is a gap in the time series for this data as this question was removed from the Health Survey in 2016/17 and reinstated in 2019/20. The Health Survey was also disrupted due to COVID-19 in 2019/20, 2020/21 and 2021/22. COVID-19 disruptions meant that the sample size was much smaller in 2021/22 than in previous years and so the data is subject to greater uncertainty

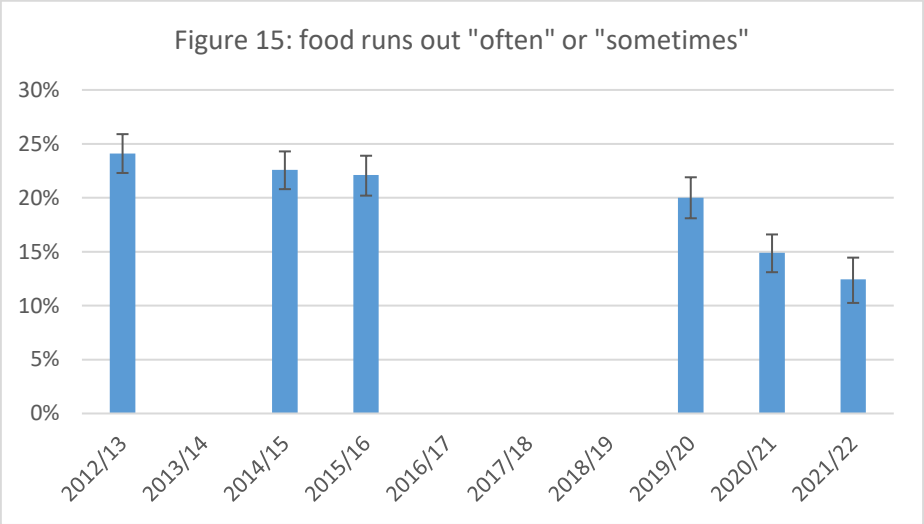
[§§] The data reported here includes children aged 0 to 14 years and 11 months and is described in some previous reports and gazetted as children aged 0-15.

(reflected in the wider sample errors). Further detail about the impacts of COVID-19 on the New Zealand Health Survey data is outlined in the technical annex.

This food security indicator is included in the outcome area 'children and young people have what they need' in the Child and Youth Wellbeing Strategy Annual Report published in April 2023.

Food insecurity has improved substantially over the past three years

In 2021/22, 13% of children (~120,000 children) lived in households experiencing food insecurity. This was not a statistically significant*** reduction compared to rates in 2020/21 (15%) but is a large and statistically significant reduction compared to rates in 2019/20 (20%). Rates in 2021/22 are about half the rates observed in 2012/13 and about 38% lower (equivalent to 7 percentage points) than in 2019/20. The rates over time are shown in Figure 15.

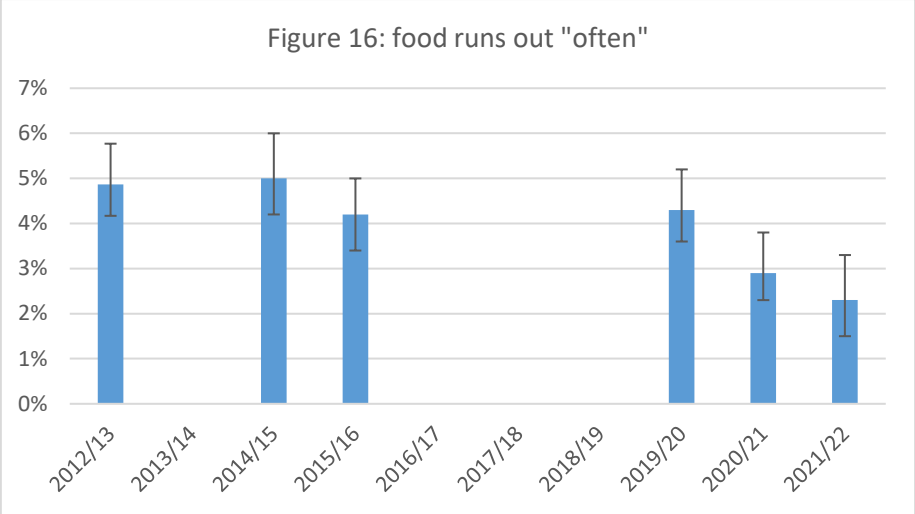


Source: NZ Health Survey, Manatū Hauora

In 2021/22, around 2% of children (22,000 children) experienced severe food insecurity (food runs out "often"), as shown in Figure 16. This is a large and statistically significant reduction – equating to around half the rates reported in 2019/20 (4%)†††.

*** Manatū Hauora provides p-values for assessing the statistical significance of differences between survey years, using age-standardised results. The p-value assessing the significance of the difference in the food insecurity CPRI between 2020/21 and 2021/22 was 0.06, slightly above the conventional threshold for assessing statistical significance of p<.05.

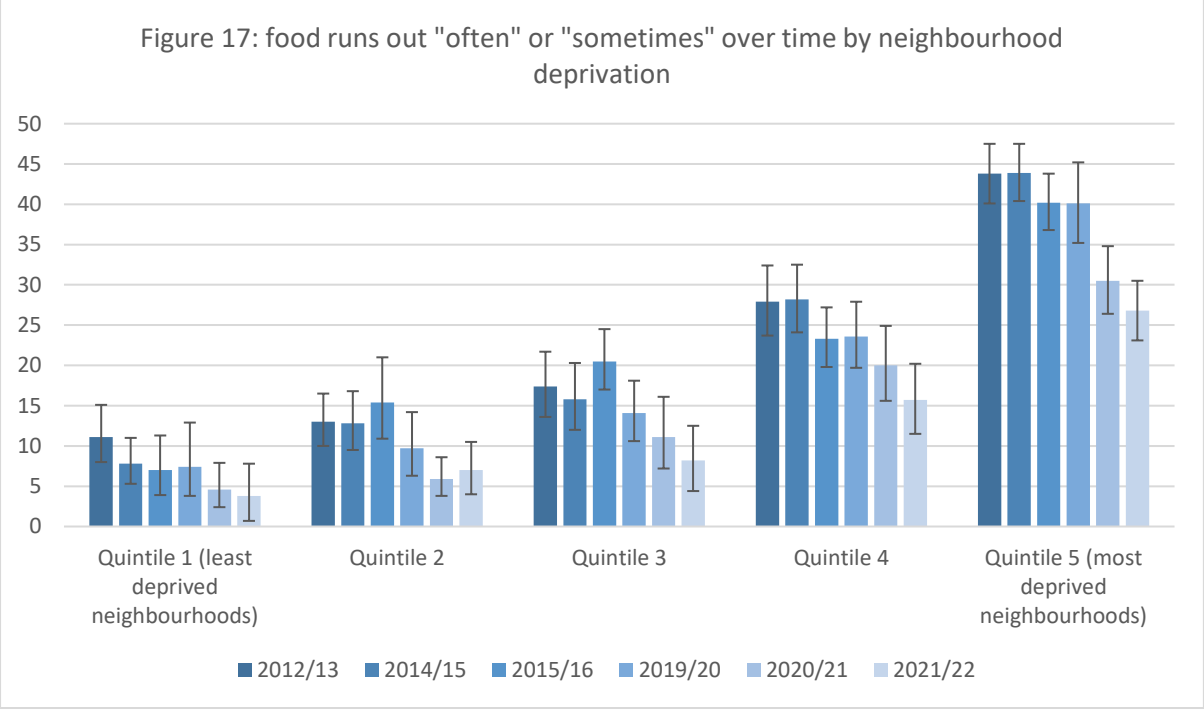
†††The reduction from 4.3% in 2019/20 to 2.3% in 2021/22 equates to a 2.0 percentage point / 47% reduction in severe food insecurity over three years.



Source: NZ Health Survey, Manatū Hauora

Children in more socio-economically deprived neighbourhoods are more likely to experience food insecurity but rates have substantially reduced across all neighbourhood deprivation groups

In 2021/22, an estimated 27% of children from the households in the *most* deprived areas (NZ Deprivation Index quintile 5) lived in households experiencing food running out "sometimes" or "often" in the past year, compared to 4%[†††] of children in households in the *least* deprived neighbourhoods (NZ Deprivation Index quintile 1). Across all deprivation quintiles rates on the food insecurity CPRI have reduced at a similar rate, as shown in Figure 17.

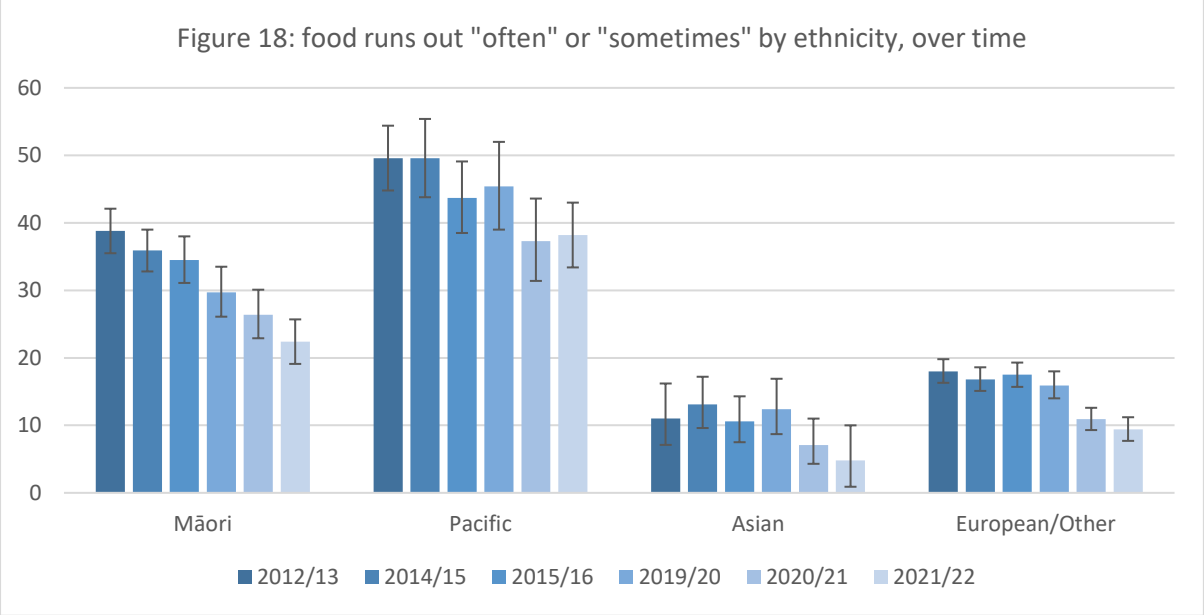


Source: NZ Health Survey, Manatū Hauora

[†††] Manatū Hauora advises caution regarding the estimated rate for Quintile 1 households, owing to the very high sample error.

Some groups of children experience higher rates of food insecurity but rates are improving across all ethnic groups over the past decade

Tamariki Māori and particularly Pacific children face are more likely to experience food insecurity: rates for these groups in 2021/22 are statistically significantly higher than for Asian children (5%), and "European/other" children (9%). Rates appear to be trending down for most population groups over time, with rates for tamariki Māori statistically significantly lower than in 2019/20, as shown in Figure 18.



Source: NZ Health Survey, Manatū Hauora.

Some other indicators of food insecurity show a similar trend

The overall improvement on the food insecurity CPRI is consistent with similar changes observed on a related indicator captured in the New Zealand Health Survey: the proportion of children aged 0-14 years living in households where parents reported that they "often or sometimes... eat less because of a lack of money". There was a statistically significant decrease on this indicator from 18% in 2019/20 to 13% in 2021/22.

... but rates of food bank usage have been unchanged

One other commonly used survey-based indicator of food insecurity is food bank usage. In 2021/22, New Zealand Health Survey data showed that around 11% of children aged 0-14 lived in households that reported using food grants or food banks due to a lack of money "often or sometimes" in the past year, and 2% lived in households reporting they used food banks "often". Food bank usage rates are slightly higher than rates observed on a similar (but slightly differently worded) indicator (and based on a wider age cohort of 0-17 year olds) used in the Household Economic Survey, showing that around 8% of children in households used food banks "more than once"[26]. Interestingly, rates of food bank or food grant usage as measured in the New Zealand Health Survey have not changed over the past decade or so, despite this indicator historically being correlated with the food insecurity CPRI measure[27]. The apparent "decoupling" of the food insecurity CPRI measure and the food bank usage indicator may reflect the changing nature of food bank and food grant usage seen over the COVID-19 period, as discussed below.

Caution needed when comparing survey measures of food insecurity, food bank usage and administrative data on numbers accessing food grants and parcels

Data reported by the Salvation Army shows a very large increase in the number of food parcels delivered nationally in 2020, followed by a steady decline to just above pre-pandemic levels in 2022[28§§§]. A broadly similar pattern is reported by other food bank providers and is also shown in MSD data on the number of Special Needs Grants (SNGs) for food administered between June 2018 and June 2022[29].

While these administrative data on the number of food parcels delivered (from non-Government providers) or MSD food SNGs provide important and unique insights, they cannot be straightforwardly equated with survey measures of food bank usage (or trends in food insecurity).

One key difference is that survey measures of food bank usage are based on the number of unique households accessing grants or parcels, whereas administrative data on food bank usage typically assesses the total *number* of grants or food parcels delivered. These are not the same thing. For example, research by MSD shows how food SNGs increased markedly in the early stage of the pandemic, but this was driven in large part by a change in the number of grants per person, rather than the number of unique households accessing grants[30].

A further issue is that food bank and food grant usage, particularly over the course of the pandemic, can be driven by a range of factors unrelated to financial hardship. For example, many households faced difficulties accessing food in the context of lockdowns and supply chain disruptions. There was also increased visibility and proactive outreach of food bank support following the $47 million of Government funding provided for food banks. Iwi and hapū also provide significant support to Māori at risk of food insecurity. It is also not clear to what extent increases in usage were experienced more by certain demographic groups (e.g., households with children) making it difficult to compare directly with rates of *children* experiencing food insecurity.

Increases to the cost of living and the outlook for food insecurity

The data reported in the New Zealand Health Survey reflect the circumstances of households over the 12 months prior to interviews undertaken between July 2021 and the end of June 2022. Over this time period Stats NZ data showed that the cost of living for low income (quintile 1) households increased by 6.5% and the consumer food price index increased by 7.5%.

The rate of increase in the cost of living generally, and food prices especially, has increased further since June 2022 and this will undoubtedly continue to put upward pressure on household budgets and rates of food insecurity. At the same time, increases to minimum wage rates, and indexation policies to adjust main benefit rates and working for families will help offset these pressures.

One indication of possible future trends in food insecurity rates is provided through the child poverty projections produced by the Treasury as part of the 2023 Child Poverty Report, as noted in the chapter in this report on child poverty.

[§§§]However note that the Salvation Army reports that they have seen a 30% increase in food assistance being distributed since about November 2022.

Summary of actions by Government to improve food security up to 2021/22

- A comprehensive package of income support initiatives was introduced (outlined in more detail on page 14), including the $5.5 billion Families Package, increases to Working for Families, and successive increases to main benefit rates.
- The Ka Ora, Ka Ako |Healthy School Lunch Programme was rolled out, delivering free and healthy lunches in schools. The programme was introduced at the beginning of Term 1 2020 in 31 schools facing greater socioeconomic barriers in the Bay of Plenty/Waiariki and Hawke's Bay/Tairāwhiti, delivering lunch to around 7000 students every day. As at August 2022 over 63 million lunches had been served across 960 schools to more than 220, 000 learners.
- Evaluations of the Ka Ora, Ka Ako | Healthy School Lunch Programme were undertaken in 2022, which show the programme is having a positive impact on health, mental wellbeing, and school functioning, and that menus exceeded standards for the majority of nutrients examined. These can be accessed here.
- The Government continued to fund the Fruit in Schools programme which reaches 566 year 1-8 schools and over 225,000 tamariki and provides one serving of either fresh fruit or vegetables daily during school term.
- Funding support was continued for the provision of food in schools through the KickStart Breakfast and KidsCan Food for Kids programmes.
- The Government invested $47 million over three years to create the Food Secure Communities programme to provide support for community food providers who are distributing food to people and whānau experiencing food insecurity.
- The Government invested $38m in Auckland-based social sector services, including support for foodbanks, food rescue and community food organisations, in response to the Delta outbreak.
- The Government continued to support the work of the New Zealand Food Network to distribute bulk surplus and donated food from national food producers, growers, and wholesalers through to food rescue and foodbanks around New Zealand.

Further actions by Government to improve food security, from 2022/23 onwards

- Funding was continued to provide approximately 220,000 children experiencing the greatest socio-economic barriers to education with daily healthy lunches, which can save families up to $30 a week per child.
- An additional 24 schools with around 3000 ākonga were invited and supported to join Ka Ora, Ka Ako | Healthy School Lunches Programme as a result of Equity Index changes.
- The Government continued to invest in the community food sector, to help ensure access to affordable, healthy and culturally appropriate food for under-served communities. This includes maintaining community food distribution infrastructure, and providing seed funding for food security initiatives such as social enterprises and māra kai.
- Further funding was provided for Whānau Ora Commissioning Agencies, which will help address food insecurity including through supporting kai sovereignty.

Regular school attendance

"A number are picking up paid work, working through the night – when it comes to coming to school – too tired; across Year 12 also. Kids are saying I need to work because my family needs the money – used to be because they want extra money." Teacher

"(They miss school) Because they have to look after their brothers and sisters." Learner[31]

What it means and why it matters

Regular school attendance is about whether children are attending school for at least 90% of the term. It is critical for student achievement and wellbeing. New Zealand research shows a strong relationship between regular attendance during Year 10 and achievement in senior secondary school, with each additional absence predicting a consistent reduction in the number of NCEA credits a learner attains.[32]

How it relates to child poverty and wider wellbeing outcomes

The causes of irregular school attendance are complex, encompassing learner, family, school, cultural, community and economic factors. Poverty and disadvantage is just one of several significant barriers to regular school attendance. Some children and young people may stay at home to look after younger siblings while parents and caregivers work, or work themselves to supplement family incomes. Survey research undertaken by the Education Review Office between June and August 2022 found about 7% of parents reported they were likely, or very likely, to not send their child to school if their child works a paid job[33].

Other families face particular challenges to maintaining regular attendance due to insecure housing and regularly moving to different areas, and illnesses associated with disadvantage (including those attributable to poor housing quality, overcrowding, and lack of access to primary health services). Lack of money to pay for school uniforms, period products, sports gear, lunches, devices, or travel to school can also make regular attendance a challenge.[34, 35]

School attendance also impacts and is impacted by other aspects of subjective wellbeing. Research shows links between missing school and mental and physical health, bullying, racial discrimination, a diminished sense of belonging, and lower levels of motivation. Students who report skipping no days of school consistently report the best wellbeing outcomes.[36]

How we measure progress

The CPRI for regular attendance is the percentage of children and young people (aged 6-16) who are regularly attending school, based on the School Attendance survey. Students are classified as regularly attending school if they have attended more than 90% of Term 2, where time is measured in half-days. Students are otherwise classified into 'irregular' attendance (attended 81-90% of the time), 'moderate' attendance (71-80% of the time), and 'chronically absent' (less than 70%) brackets. Absences include those classified as "justified" (e.g., illness) as well as "unjustified" (e.g., truancy).

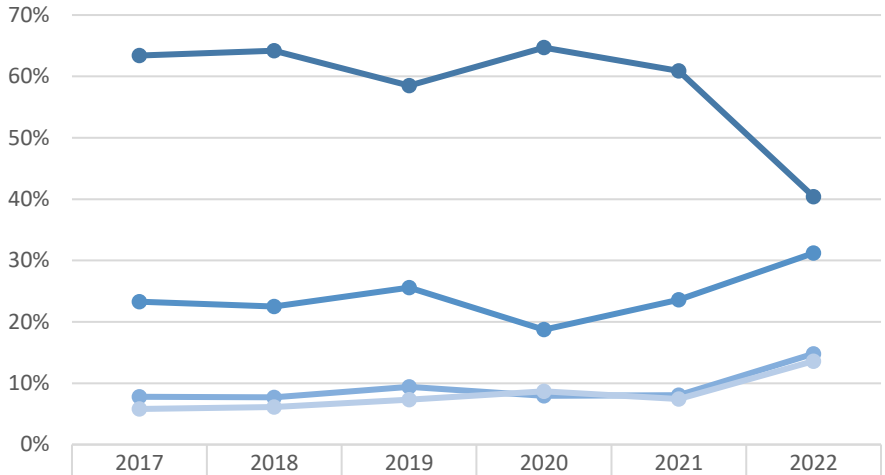
The data covers attendance for all of Term 2 and includes schools and kura providing English Medium Education, Māori Medium Education, and Mixed Medium Education.

This indicator is used for the outcome area 'children and young people are learning and developing' in the Strategy.

Rates of regular school attendance in Term 2 2022 were significantly lower

In 2022, 40% of learners (aged 6-16) attended school regularly in term 2. This compares with regular attendance rates of 61% achieved in 2021, 65% in 2020, and 59% in 2019 – as shown in Figure 18.

Figure 18: Proportion of learners aged 6-16 attending school by attendance category

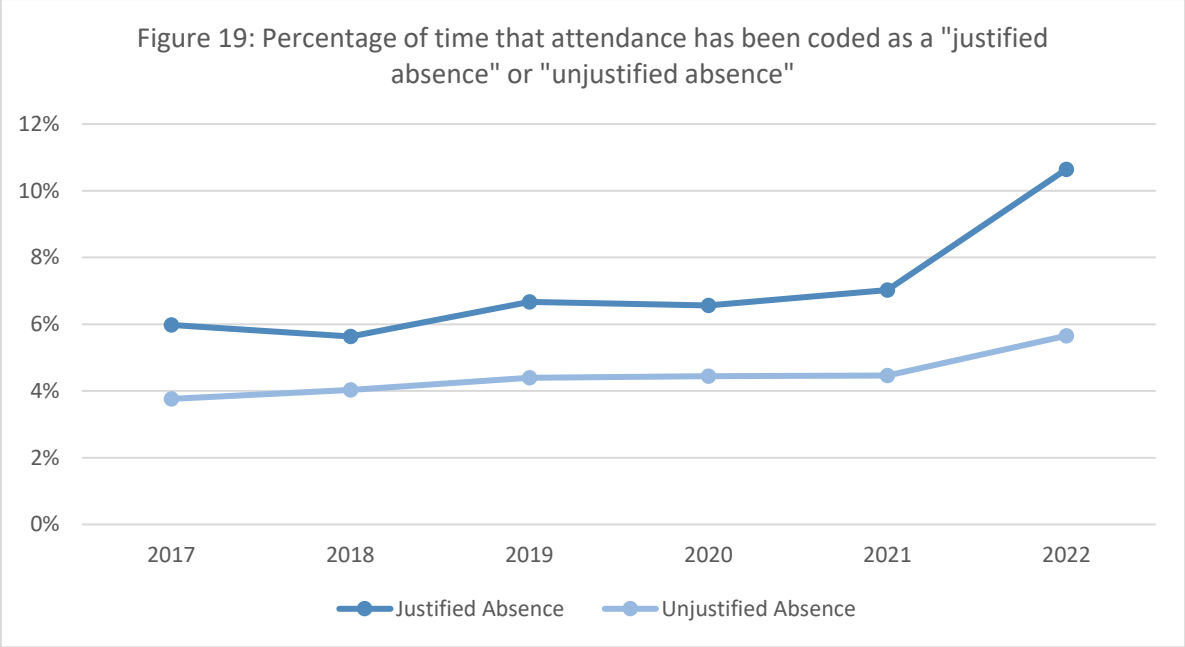


	2017	2018	2019	2020	2021	2022
Regular (more than 90%)	63%	64%	59%	65%	61%	40%
Irregular (81-90%)	23%	23%	26%	19%	24%	31%
Moderate (71-80%)	8%	8%	9%	8%	8%	15%
Chronic (70% or less)	6%	6%	7%	9%	7%	14%

Source: Attendance Survey, Ministry of Education

The drop in overall attendance rates reflects an increase in "justified absences" caused by COVID-19

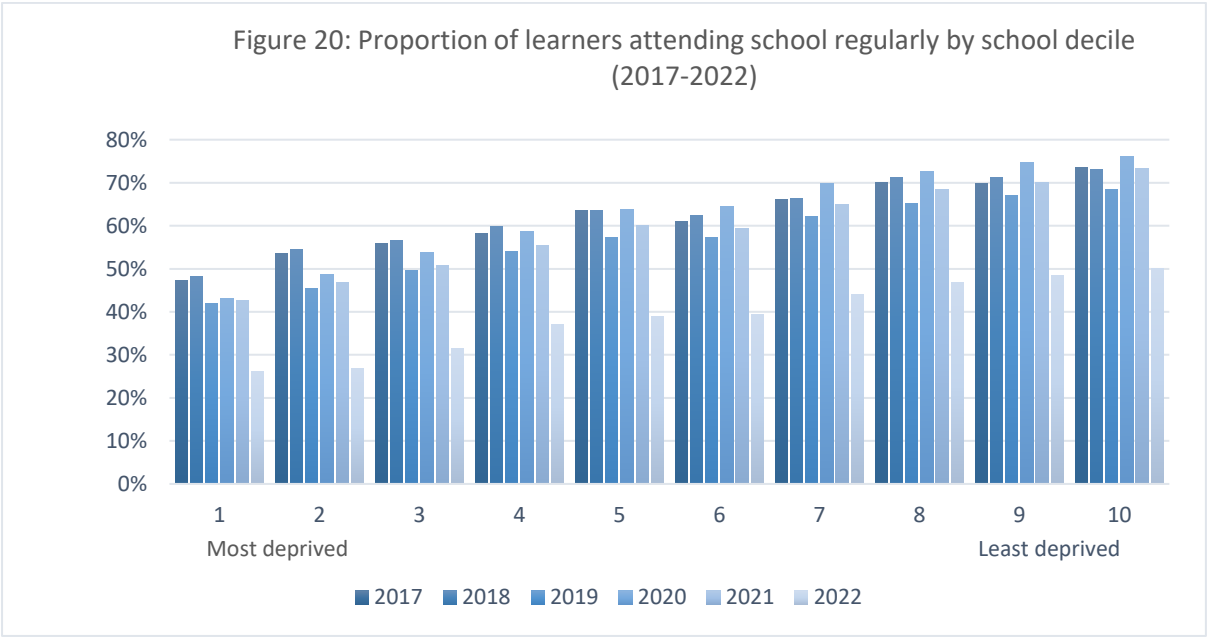
This large decrease observed in 2022 was largely driven by an increase in "justified absences". As shown in figure 19, the proportion of term time missed due to these absences increased from 7% in 2021 to 11% in 2022. Within this category, the biggest increase was attributable to an increase in "short-term illness or medical reasons"[37]. This period of low attendance rates followed the sharp rise in COVID-19 cases from mid-March that continued to be high throughout Term 2 of 2022, causing high levels of absences. Attendance rates in Term 2 of 2022 were also impacted by higher levels of typical winter illness.



Source: Attendance Survey, Ministry of Education

Socio-economic disparities in regular attendance rates continue

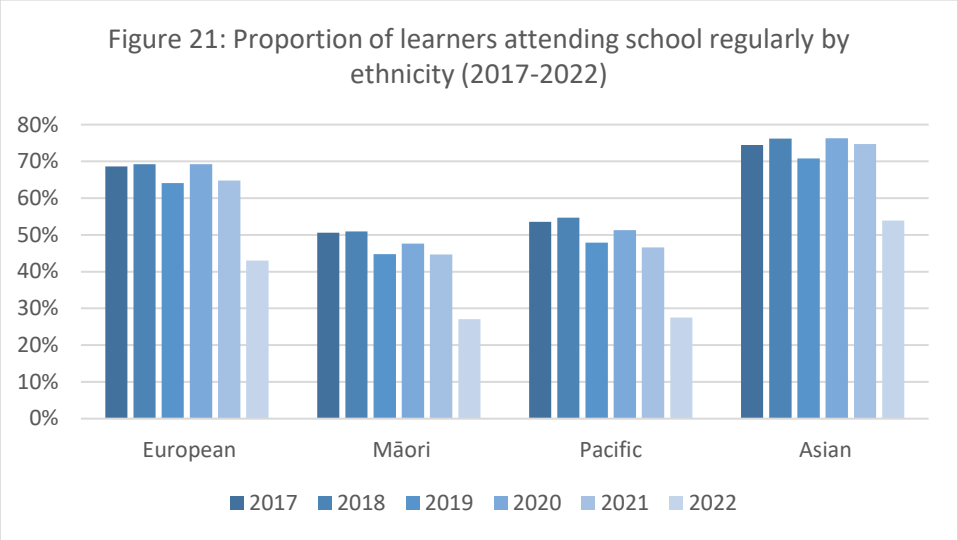
Learners from low decile schools (ie, that draw their students from lower socio-economic areas) continue to face greater barriers to regularly attending school. Before COVID-19 there was already a marked social gradient in attendance rates, with rates below 50% in decile 1 schools and higher than 70% in decile 10 schools. This disparity has tended to widen since COVID-19, although the sharp drop observed in 2022 was fairly consistent (as a percentage of rates in 2021) across decile groups, as shown in Figure 20.



Source: Attendance Survey, Ministry of Education

Ākonga Māori and Pacific learners face greater barriers to regular attendance

In 2022, 27% of ākonga Māori and 28% of Pacific learners aged 6-16 attended school regularly, compared with the overall average of 40% across all students, as shown in Figure 21.

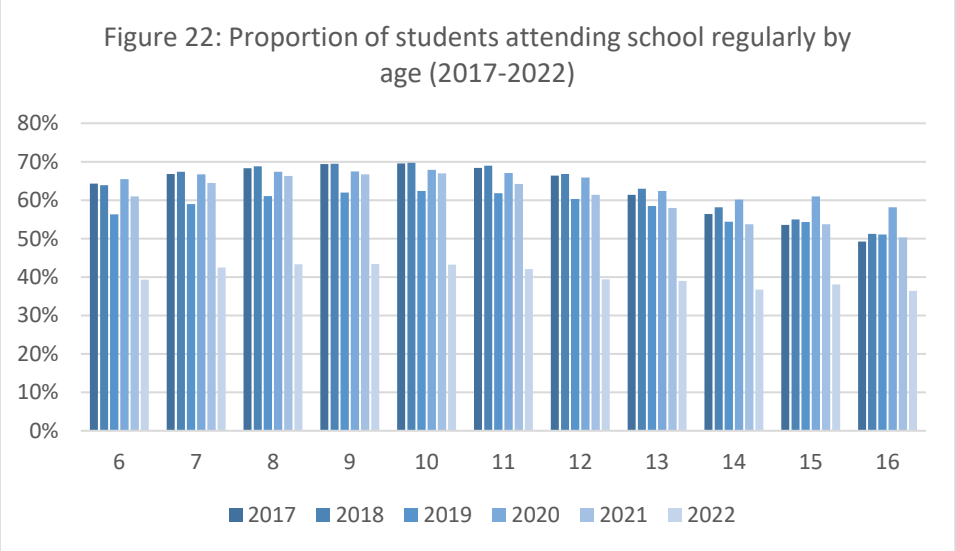


Source: Attendance Survey, Ministry of Education

The reduction in regular attendance rates observed in 2022 (as a proportion of rates in 2021) was greater for ākonga Māori and Pacific learners. This suggests that these groups experienced greater barriers to attending as a result of the disruptions caused by the pandemic in 2022.

Rates of regular attendance decreased more for primary school learners

Regular attendance usually peaks at around the aged of 9-11, before dropping off as students get older, as shown in Figure 22. The decrease in regular attendance observed in 2022, as a proportion of attendance rates in 2021, was slightly higher for primary school learners compared to secondary school learners.



Source: Attendance Survey, Ministry of Education

Summary of actions by Government to improve regular attendance up to 2021/22

- The Government launched in June 2022 the All In For Learning Strategy | Kia kotahiteū ki teako.
- The Government commenced a multi-year programme to refresh The New Zealand Curriculum and redesign Te Marautanga o Aotearoa, aimed at ensuring all ākonga experience rich and responsive learning, which is a core component to being present, participating and progressing in school and kura.
- $88 million was invested through Budget 2022 to help address the many factors influencing attendance including:
    - a regional response fund of $40 million over four years to meet local education needs, with a strong initial focus on ensuring students are going to school and are engaged in their learning
    - $11.2 million to deliver 14 new School-Wide practitioners so each school using this service receives high quality support tailored to their needs
    - $7.7 million to expand Check & Connect: Te Hononga and Te Mana Tikitiki, which provides targeted and intensive supports for Māori and Pacific learners at risk of disengaging, using kaupapa Māori and bicultural evidence-based approaches
    - $7.8 million to address cost pressures in the Incredible Years programmes, to support caregivers, whānau, and school and early childhood educators to improve young children's communication skills and emotional regulation
    - $15.5 million to scale up Te Aho o Te Kura Pounamu support for at-risk young people to reengage in school, in line with its proven 'Big Picture' approach, supporting around 2500 at-risk students annually
    - $6 million to address current Attendance Service cost pressures and allow providers to increase capacity to support schools.
- The Government invested in the Ikura| Manaakitia te whare tangata to provide access to free period products for children and young people in all state and state-integrated schools and kura across New Zealand. Currently 2130 schools, kura, activity centres and alternative education providers have opted into the initiative, representing an estimated 96 percent of menstruating students. Objectives of this programme include reducing barriers to access and improving school attendance and reducing financial strain on families and whānau experiencing poverty/ material hardship.

Further actions by Government to improve regular attendance, from 2022/23 onwards

- The Government implemented a $74 million Attendance Turnaround Package investment (as part of a pre-Budget 2023 announcement), including:
    - $37.6 million to implement 82 new attendance officer roles who will work with schools in supporting students who are irregularly or moderately absent
    - $28.4 million to increase capacity and address cost pressures within the Attendance Service
    - $7.7 million to develop an improved and standardised system for attendance data collection and analysis.
- The Government implemented new attendance measures at the beginning of Term 2 of 2023. The new measures are designed to provide a better picture of the actions taken by schools to respond to learners' absences and enable schools to demonstrate the timeliness of their efforts to address learner absence.

- The Education (School Attendance) Regulations 1951 are being reviewed to support improvements in the collection and reporting of attendance data.
- Learning support in Kaupapa Māori and Māori medium schooling is being provided, ensuring children and young people with learning support needs are supported to reach their potential.
- The Government is investing in strengthening Pacific Early Learning Education to improve Pacific early learning services' ability to provide high quality education that reflects the cultures, identities, and languages of its communities.

Potentially avoidable hospitalisations

"(My daughter) picked up a really bad cold and we ended up in hospital for one or two nights just because she couldn't breathe properly." (Mum of 2-year-old, living in a caravan)[38]

What it means and why it matters

Potentially avoidable hospitalisations (PAH) include illnesses and injuries that can be prevented through more effective primary health care services, or broader public health and social policy interventions that target the underlying determinants of health.

Potentially avoidable hospitalisations include respiratory conditions, gastroenteritis, skin infections, tooth decay, vaccine preventable illnesses, and physical injuries (both intentional and unintentional). Many of these conditions can lead to later adult health problems, such as chronic lung disease, cardiovascular disease, mental illness, dental decay, and shortened life expectancy.[39]

How it relates to child poverty and wider wellbeing outcomes

For some children in New Zealand, low income can be a barrier to accessing primary health care to treat illnesses and receive vaccinations.[40] This can include the cost and time of travelling to a health centre, or the difficulties faced by parents in taking time away from work to attend appointments with their children. Low income also acts as a barrier to accessing better quality housing and a healthy diet, both of which are strongly related to health outcomes.[41] As noted in the chapter of this report on housing affordability, there is also evidence that poverty is linked to household over-crowding, especially for Māori and Pacific children[42], which is in turn associated with higher rates of respiratory hospitalisations.

How we measure progress

This indicator looks at the rate of children aged 0-14 years* hospitalised for potentially avoidable illnesses and injuries, based on data collected by Manatū Hauora. Data for this indicator includes hospitalisation as a result of intentional and unintentional injuries, which are part of the official definition of potentially avoidable hospitalisations by Manatū Hauora.

This data covers hospital events from July 2021 to June 2022, and so reflects rates of avoidable hospitalisation for children during the COVID-19 pandemic. Although essential health services remained open at all Alert Levels, there were a number of reasons that people may not have accessed services, including uncertainty about what was an essential health need, restricted transport options, and fear of being infected with COVID-19.

This indicator is used for the outcome area 'children and young people are happy and healthy' in the Strategy.

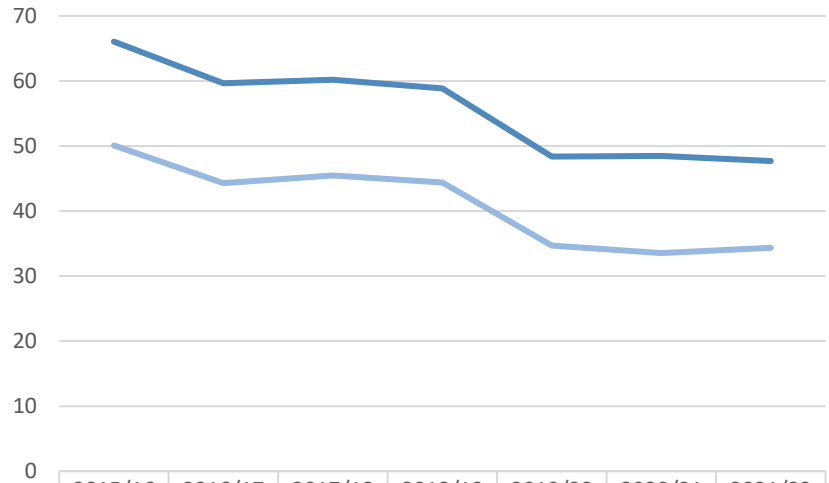
* The data reported here includes children aged 0 to 14 years and 11 months and is described in previous reports and gazetted as children aged 0-15. All PAH rates presented are age standardised.

Rates of potentially avoidable hospitalisations have been unchanged over the past three years

In 2021/22, the rate of potentially avoidable hospitalisations was 48 per 1000 children (aged 0-14). The rate of potentially avoidable hospitalisations hasn't changed over the past three years since the marked decrease observed in 2018/19, as shown in Figure 23.

Over the seven years to 2021/22, rates of potentially avoidable hospitalisations have decreased from 66 potentially avoidable hospitalisations per 1000 children aged 0-14 in 2015/16 to 48 in 2021/22. This trend is the same when looking at rates for illnesses only (excluding injuries), where rates per 1000 children aged 0-14 decreased from 50 in 2015/16 to 34 in 2021/22.

Figure 23: Age standardised PAH rate per 1000 children aged 0-15 (2015/16 - 2020/21)



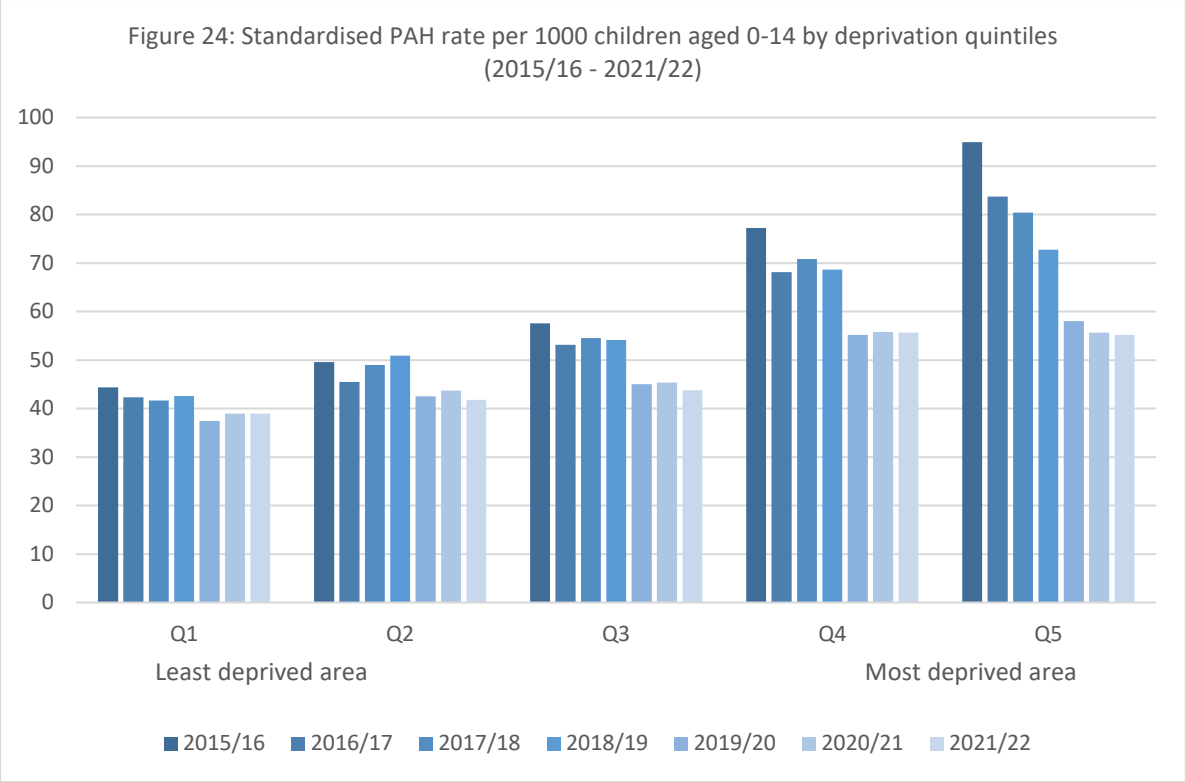
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
PAH rate per 1000 population	66	60	60	59	48	48	48
PAH rate per 1000 population (excluding injuries)	50	44	45	44	35	34	34

Source: National Minimum Dataset, Manatū Hauora

The marked decrease in potentially avoidable hospitalisations after 2018/19 has been widely attributed to the impact of COVID-19 lockdowns[43]. In 2021/22, there was an increase in admissions for respiratory conditions compared to 2020/21 consistent with the lifting of COVID-19 protection measures. This increase was offset by decreases in admissions for other reasons.

Children living in areas of high deprivation have higher rates of potentially avoidable hospitalisations

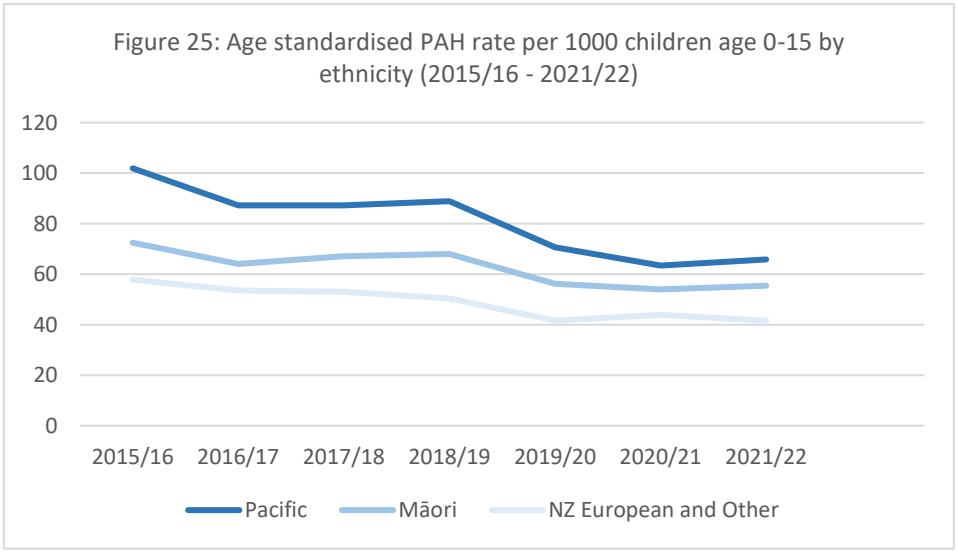
Rates of potentially avoidable hospitalisations are higher among children living in more deprived areas (particularly deprivation quintile 4 and quintile 5). Disparities in the rates for the most deprived areas declined sharply between 2015/16 – 2019/20 and have been broadly unchanged since then, as shown in Figure 24.



Source: National Minimum Dataset, Manatū Hauora

Disparities in potentially avoidable hospitalisations are narrowing for Pacific children

In 2021/22, rates of potentially avoidable hospitalisations for Pacific children aged 0-14 were 66 per 1000 children; and 55 per 1000 Māori children. This compares with 42 per 1000 children of European and Other ethnic backgrounds. As shown in Figure 25, disparities in rates for Pacific children have narrowed over the past seven years.

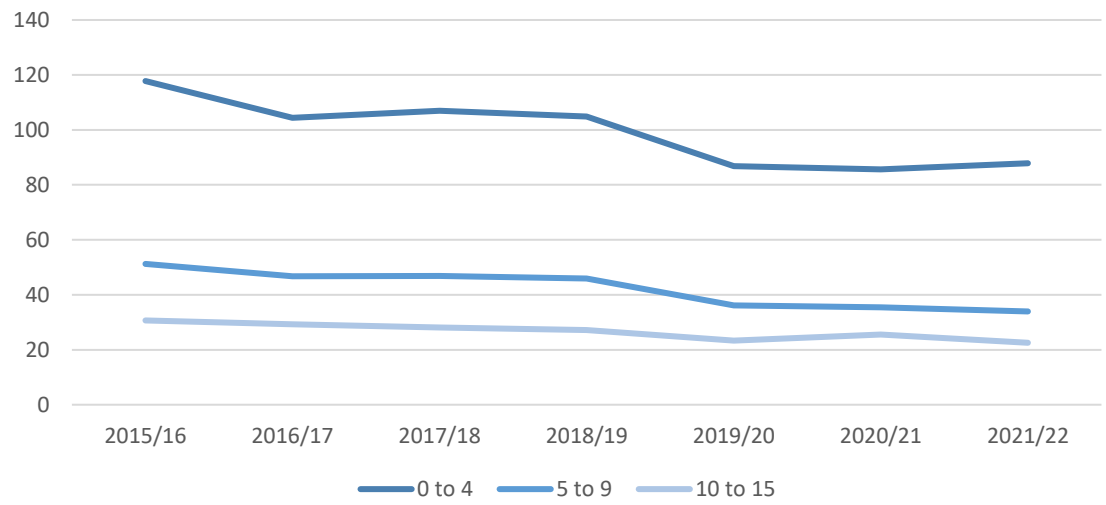


Source: National Minimum Dataset, Manatū Hauora

Other key observations

Rates of potentially avoidable hospitalisations are highest among younger children, as shown in Figure 26. In 2021/22 the rate of potentially avoidable hospitalisations for children aged 0-4 was 88 per 1000 children, compared with 34 per 1000 children aged 5-9 and 23 per 1000 children aged 10-14. Younger children are particularly vulnerable to unhealthy environments (e.g., low-quality housing) due to their still-developing immune systems. Research by the University of Canterbury indicates that up to a third of all hospitalisations for children under five could be avoided with good access to quality housing, health services, and fluoridated drinking water.[44]

Figure 26: PAH rate per 1000 children by age group (2015/16 - 2021/22)



Source: National Minimum Dataset, Manatū Hauora

In 2021/22 respiratory conditions was the leading cause of potentially avoidable hospitalisations among children aged 0-14, at a rate of 14 per 1000. Unintentional injury was a close second-ranked cause of potentially avoidable hospitalisations in 2021/22 at a rate of 13 per 1000.

Summary of actions by Government to reduce potentially avoidable hospitalisations to 2021/22

- Free and low-cost doctors' visits were extended for children under the age of 14 enrolled with a GP, reaching 56,000 more young people.
- The cost of visiting a doctor or nurse was lowered for adults with a Community Services Card, and their dependants aged 14 to 17 years, who are enrolled with a GP.
- School-based health services were expanded to reach over 115,000 students across nearly 300 schools.
- Free toothbrushes and fluoride toothpaste were provided to children and families.
- Healthy active learning initiatives were rolled out – including a physical activity workforce to support schools, kura and communities; and health and physical education curriculum resources for schools. Tapuwaekura was developed and is being delivered to provide a kaupapa Māori approach to healthy and active learning. The initiative expanded from 8 to 14 regions across New Zealand from January 2022, and will grow from supporting 300 schools to 800 schools and kura.
- Funding for Whānau Ora was provided to support the health and wellbeing of whānau and communities.
- An additional 20 mobile dental clinics were funded to improve access to dental services for children and young people.
- Mana Ake was funded to provide mental health and wellbeing support for children in primary school years to five more regions.
- A new Suicide Prevention Strategy and Action Plan was established.
- Government-funded influenza vaccinations were extended to people with significant mental health diagnoses and those that access mental health and addiction services.
- Covid Peer Support Funding was provided which enabled 20 peer organisations to work with communities to promote COVID vaccinations, immunisations and health checks with a priority on Māori.
- The Oranga Hinengaro System and Service Framework was developed and published.
- A proposal to reduce speed limits to make streets outside schools safer was consulted on.
- The development of a national rheumatic fever care coordination system (register) was commenced to improve delivery of secondary prophylaxis for children and young people, and ensure continuity of care if people move between regions/areas.
- The development of a Group A Streptococcus (GAS) vaccine was started to prevent rheumatic fever in New Zealand, working with partners in Australia. This work is still in the early phases.
- Funding for Mana Kidz was continued. This is a free, nurse-led, school-based programme that provides comprehensive healthcare for children, with a focus on rheumatic fever prevention in the Counties Manukau Health region. Mana Kidz currently operates in 88 primary and intermediate schools in South Auckland.
- Funding was continued for an enhanced nursing prototype in Mangere/Otara to test a different model of care for young people with rheumatic fever and rheumatic heart disease.
- Funding for rheumatic fever awareness-raising in Pacific communities was continued.

- Work to better understand echocardiographic (ECHO) case finding/screening for undetected rheumatic heart disease in school/community-based settings was started.
- A dental scoping project was commenced to improve the dental health outcomes for rheumatic fever (bicillin patients) and rheumatic heart disease patients.
- A rheumatic fever roadmap was launched that will reset, renew and amplify efforts to tackle rheumatic fever and rheumatic heart disease.

Further actions by Government to reduce potentially avoidable hospitalisations, from 2022/23 onwards

- From 1 July 2022, Te Aka Whai Ora, the Māori Health Authority, was established with a strategic remit to provide leadership and direction to ensure the health system delivers high quality and equitable outcomes for Māori and all groups.
- The Suicide Prevention Strategy and Action Plan is being further rolled out.
- The ongoing national rollout of the five-year, Budget 2019 Access and Choice primary mental health and addiction programme is continuing. This will build a missing part of the mental health and addiction system for people with mild to moderate needs, as highlighted in He Ara Oranga.
- The Oranga Hinengaro System and Service Framework is being implemented.
- Access to digitally-enabled support for individuals, whānau, communities and services so people can access mental health and wellbeing services earlier is being rolled out.
- School-based health services are being enhanced to better meet the needs of our priority population groups, which are rangatahi Māori, Pacific young people, rainbow young people, young people in care, and disabled young people.
- The Government is further investing in Te Aorerekura, the national strategy to eliminate family violence and sexual violence, which will help break intergenerational cycles of violence.
- The Government is removing $5 prescription co-payments for all New Zealanders to ease the impacts of the cost of medication.

Annex one: Further details on data, including sources and methods

Interpreting change over time

The Child Poverty Related Indicators are based on data from a variety of survey and administrative datasets, each of which has particular features and limitations that need to be kept in mind when interpreting any changes in the indicators over time.

Particular caution is needed when interpreting small, year-to-year changes in estimates from sample surveys. Any differences over time in the indicators based on the Household Economic Survey (which is used to estimate the housing affordability and housing quality indicators) and the New Zealand Health Survey (used to estimate the food insecurity indicator) are subject to sample error. Sample error arises because the indicators are estimated with some uncertainty around the true indicator rate, because a sample, rather than the whole population, is surveyed. Sample error quantifies this uncertainty and is used to define a range, termed the 'confidence interval', within which estimates from repeated, random samples of the same population, at the same time, are likely to fall. Figures within the report based on sample survey data include 95% confidence intervals. Where relevant, the report also notes whether any changes between years are statistically significant. Non-significant changes are reported as either no change or within sample error. It should be noted that this does not take account of various sources of non-sampling error such as non-response bias.

It should be noted that, all else being equal, sample errors increase as sample size decreases. This means that sample survey estimates for smaller sub-populations will be less precise and so it may be more difficult to detect statistically significant changes over time for these groups. Similarly, estimates from the Household Economic Survey from before 2017/18 and in 2021/22 were based on a substantially smaller overall sample size and so the sample errors around annual estimates tend to be larger.

In some cases, it may be appropriate to report an indicative trend increase or trend decrease over a longer-term period (a minimum of three, and ideally more, successive years). A decreasing trend may be observed even though there is no statistically significant difference in estimates between any successive years.

School attendance data and data on potentially avoidable hospitalisations are not based on sample surveys and so it is not necessary or appropriate to take into account sample error when assessing changes over time. However, these data sources may be subject to a range of other non-sampling errors and bias that may need to be taken into account when interpreting the results.

Reported changes over time, in any of the indicators, do not imply anything about causation. Any changes, whether statistically significant or not, may be attributable to a range of factors including: wider changes to the economy, environment or society; policy changes; or methodological issues.

COVID-19

COVID-19 arrived in New Zealand in 2020, resulting in an initial nationwide lockdown in March 2020 followed by a number of shorter regional and national lockdowns as well as ongoing economic and social challenges up until June 2022, including the Delta and Omicron

outbreaks. Table 1 summarises the reporting periods for each of the indicators used for 2021/22 reporting.

The pandemic disrupted the collection of the Household Economic Survey (from which the housing affordability and quality indicators are derived) and New Zealand Health Survey (from which the food insecurity indicator is derived). Both surveys were suspended in March 2020, instead of continuing until the end of June 2020 as originally planned. The 2019/20 data therefore serves as a pre-COVID baseline for these indicators.

As with the Household Economic Survey for the year ended June 2020, the pandemic impacted Stats NZ's ability to conduct face-to-face interviews in respondents' homes for parts of the year to the end of June 2021. Consequently, the sample size was reduced to just over 16,000 households from the initially planned 20,000 households. This is consistent with what was achieved in year ended June 2020 when interviewing ceased in March 2020. The reduced sample size means the sampling errors on these statistics are slightly higher than in previous years. Stats NZ analysed the data to check for any impact of this change in interview pattern, but no discernible impact was noted, and are therefore confident that the data is fit for purpose. Household Economic Survey data for 2021/22 was significantly impacted by the Delta and Omicron outbreaks. This meant the overall sample size was much smaller than normal (8900 households, rather than 20,000 as planned) and so the sample errors, particularly for sub-populations, were much larger than in previous years.

COVID-19 caused similar disruptions to the New Zealand Health Survey. There was limited ability to undertake face-to-face interviews and the overall sample size was significantly smaller in 2019/20 (9699 adult respondents), 2020/21 (9709 adult respondents) and particularly 2021/22 (4434 adult respondents) compared to the target sample size of 14,000 adults. As with the Household Economic Survey, because of the smaller overall sample size, the sampling error is larger and the estimates are less precise than in previous years. There was no evidence of seasonal bias affecting the comparability of the results.

School attendance data usually covers attendance for all of Term 2. Due to the first nationwide lockdown, the data for 2020 only covers the last seven weeks of Term 2 when students physically attended schools.

Table 1: Details on indicator data sources and reporting timeframes

CPRI	Data source	Technical reference	Data for 2021/2022 is based on:	Frequency of reporting
Housing affordability	Household Economic Survey 2021/22 (Stats NZ)	Impacts of disrupted data collection on 2022 Household Economic Survey statistics | Stats NZ	annual household incomes data and experiences for households interviewed from July-2021 to June 2022, for the period 12 months prior to interview	Annually
Housing quality				
Food insecurity	NZ Health Survey 2021/22 (Manatū Hauora)	Methodology Report 2021/22: New Zealand Health Survey	experiences for households interviewed from September 2020 to August 2021 for the period 12 months prior to interview	Annually
Regular school attendance	Attendance Survey 2022 (Ministry of Education)	Attendance | Education Counts	attendance monitored over the course of Term 2 2022	Annually
Potentially avoidable hospitalisations	National Minimum Dataset 2021/22 (Manatū Hauora)	Indicator of potentially avoidable hospitalisations for the Child and Youth Wellbeing Strategy: A brief report on methodology | Ministry of Health NZ	the National Minimum Dataset for Hospital Inpatient Events where date of discharge is between 1 July 2021 and 30 June 2022	Annually

Approach to reporting on data by socioeconomic group

We have reported on each indicator by socioeconomic status. We have used different measures of socioeconomic status across the indicators, reflecting the availability of data from different sources:

Annual household income quintiles (used for the housing affordability and housing quality indicators): though it is recognised that socioeconomic disadvantage usually reflects a broader range of factors than income, household income is used as a proxy for socioeconomic status in this report. Income groups are quintiles (to the nearest hundred dollars) of household equivalised disposable income. Equivalised income is a measure of household income that takes account of the differences in a household's size and

composition. Quintiles are formed by dividing the total population of households into five groups of equal size, based on their equivalised disposable income.

NZDep quintiles (used for the food security and potentially avoidable hospitalisations indicators): NZDep is an index of socioeconomic deprivation based on Census data relating to income, home ownership, employment, qualifications, family structure, housing, access to transport and communications. It provides a deprivation score for each geographical area in New Zealand. This report uses NZDep quintiles, where quintile one represents the 20 percent of small areas with the lowest levels of deprivation (the least deprived areas) and quintile five represents the 20 percent of small areas with the highest level of deprivation (the most deprived areas).

School deciles (used for the regular school attendance indicator): deciles are a measure of the socioeconomic position of a school's student community relative to other schools throughout the country. A school's decile is based on the small Census areas where its students live (meshblocks), not on the general area of the school. Deciles are based on five equally weighted socioeconomic indicators for a community (including household income, parent occupation, household crowding, parent qualification and income support receipt). The Ministry of Education's (MoE's) school decile system is used to target funding to help schools overcome any barriers to learning that students from lower socioeconomic communities might face (the lower the school's decile, the more funding it receives).

Ethnicity Information

We have reported on each indicator by ethnic group. Ethnicity is reported slightly differently across the indicators, reflecting the different data sources. Data on rates for Middle Eastern Latin American and African (MELAA) children, while available for child poverty, housing affordability and housing quality, were not reported because the sample error on estimated rates in 2021/22 was too large to be able to reliably report.

Total Response (used for the housing affordability, housing quality, food security and school attendance indicators): ethnic groups are reported using the total response method. People are able to identify with more than one ethnic group and are counted once for each group they identify with. Therefore, numbers by ethnic group do not sum to the total population.

Prioritised ethnicity (used for potentially avoidable hospitalisation): Ethnic groups are reported using prioritised ethnicity. People are able to identify with more than one ethnic group, responses are then prioritised to Māori, then Pacific, then Asian, then "Other" ethnicities. A person identified as having more than one ethnicity will only be counted once. Numbers by ethnic group sum to the total population.

Child poverty, housing affordability and housing quality

Data on child poverty, housing affordability and housing quality was prepared by Stats NZ based on the Household Economic Survey (HES).

Children not living in private dwellings: HES data only includes children that usually reside in a private dwelling. This means the data will not include an estimated 5540 children (approximately 0.5% of all children) in New Zealand living in non-private dwellings (e.g., motels, refuges and caravans)[45].

In addition to this, HES data will not include children living without shelter (e.g., rough sleeping, sleeping in cars or improvised shelters). This data is only available through the Census. The most recent Census data from 2018 indicates that around 576 children aged under 15, and a further 324 children aged 15-24, lived without shelter[46].

HES collects information on household income, savings, and expenditure, as well as demographic information on individuals and households. For HES 2018/19, changes to the survey including a larger sample size mean the housing affordability and quality indicators can be reported on more accurately by income quintile and ethnicity. In addition, to improve data precision, income data is based on administrative data from the IDI, rather than respondents being required to answer this question themselves. Further information on the HES methodological changes can be found here on the Stats NZ website.

For the housing affordability indicator, the outgoing to income ratios are not mutually exclusive. Households that spend more than 40% of their household disposable income on housing costs will also be included in the more than 30% category.

The data for quintile 1 (lowest income quintile) includes loss from investments or self-employed income, or no income received. Investigation by Stats NZ of the characteristics of the households that make up the group with very low income has shown that many of these households do not have the high deprivation scores we might expect of households with low income. This suggests that either the reported income value is incorrect, these households have access to other economic resources, or that the instance of low or negative income is temporary. This has an impact on the data reported for quintile 1.

Food security

The data on food security is based on a single question asked as part of the New Zealand Health Survey. The question was asked in the years up to 2015/16, but was not asked again until the 2019/20 survey (in the field until end March 2020). The question is one of eight that makes up the food security index, which is a weighted combination of responses to the following questions by the adult respondent, answering often, sometimes or never:

- we cannot afford to eat properly
- food runs out in our household due to lack of money
- we eat less because of lack of money
- the variety of foods we are able to eat is limited by a lack of money
- we rely on others to provide food and/or money for food, for our household, when we don't have enough money
- we make use of special food grants or food banks when we do not have enough money for food
- I feel stressed because of not having enough money for food
- I feel stressed because I can't provide the food I want for social occasions.

The index scores are used to assess severe-to-moderate food insecurity, and severe food insecurity, among children in New Zealand households. A 2019 report on household food insecurity among children in New Zealand can be found here on the Manatū Hauora website.

The report by Manatū Hauora on the 2021/22 Health Survey results can be found here.

Regular attendance

MoE reports annually on student attendance, based on data generated during Term 2 of the school year (between the end of April and beginning of July). It is a voluntary survey run across primary and secondary schools. Regular attendance is defined as students attending school for more than 90% of available half days.

MoE's attendance data does not report on student attendance by age. The Attendance Survey covers all students (aged 5 to 18+) from participating schools, and the data is presented by student year levels. This CPRI specifically looks at the attendance rates of students aged 6 to 16, whereby age is determined by joining attendance data with the National Student Index. Through doing so, we note minor differences to the MoE's published results. These have an immaterial impact on overall results and trends (+/- 1%).

The MoE's report on Term 2 2022 attendance for all students can be found here.

Potentially avoidable hospitalisations

Manatū Hauora does not directly collect data on potentially avoidable hospitalisations. Data for this indicator uses the National Minimum Dataset (Hospital Inpatient Events) and a specific methodology developed from academic literature and discussions with experts.

Annex two: Overview of child poverty rates for each primary and supplementary measure under the Act

Measures			Baseline year (2017/18)	2021/22	Change since baseline (2017/18 to 2021/22)
Primary*	**Before-housing-costs (BHC50)** Children in households with much lower incomes (50%) than the median household income in a given year	Rate	16.5%	12.0%	-4.5%
		Children	183,400	137,800	-45,600
	After-housing-costs (AHC50, fixed line) Children in households with incomes much lower (50%) than a typical 2018 household after they pay for housing costs and adjusting for inflation	Rate	22.8%	15.4%	-7.4%
		Children	253,800	176,800	-77,000
	Material hardship A lack of six or more of the 17 items in the material deprivation index (DEP-17), which include things like having two pairs of shoes in good condition and not putting off visits to the doctor	Rate	13.3%	10.3%	-3.0%
		Children	147,600	118,900	-28,700
Supplementary	**Low income (BHC60)** Less than 60% median equivalised disposable household income before housing costs	Rate	25.3%	20.7%	-4.6%
		Children	281,200	238,700	-42,500
	Low income (AHC60) Less than 60% median equivalised disposable household income after housing costs	Rate	30.6%	28.5%	-2.1%
		Children	341,100	327,900	-13,200
	Low income (AHC50) Less than 60% median equivalised disposable household income after housing costs	Rate	22.8%	19.4%	-3.4%
		Children	253,800	223,700	-30,100
	Low income (AHC40) Less than 40% median equivalised disposable household income after housing costs	Rate	15.7%	12.5%	-3.2%
		Children	174,300	144,200	-30,100
	Severe Material Hardship (9+ on DEP-17)	Rate	5.8%	3.9%	-1.9%
		Children	64,800	45,100	-19,700
	Low Income and Material Hardship (AHC60 and 6+ on DEP-17)	Rate	8.8%	5.9%	-2.9%
		Children	98,300	67,300	-31,000

*A fourth primary measure, capturing persistent poverty, is currently being developed and must be reported on for the 2025/26 year onwards.

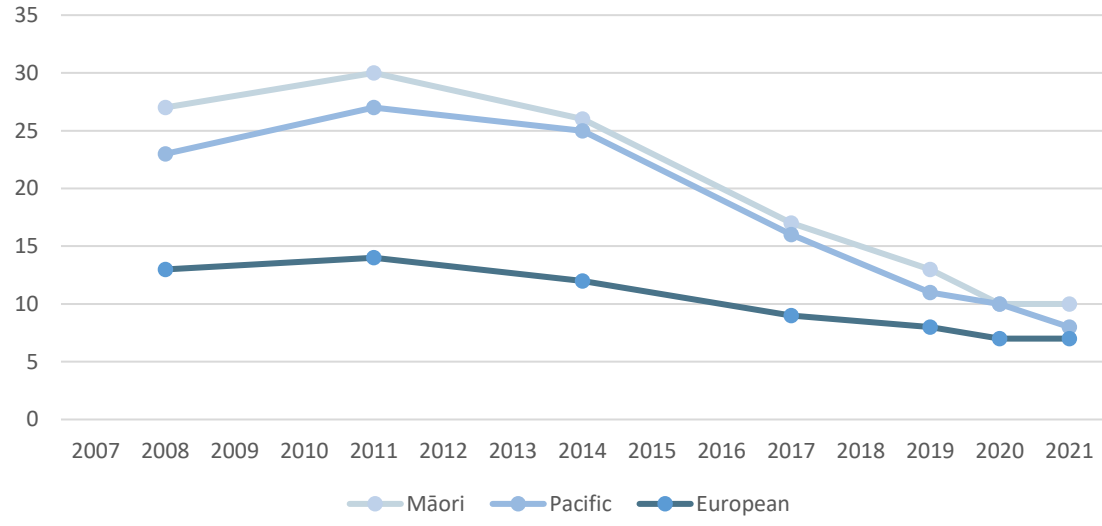
Annex three: Longer-term trends in child poverty rates for tamariki Māori and Pacific children

MSD's Child Poverty Report provides the best available analysis and reporting on longer term trends in child poverty rates, including by ethnicity[47].

Because Household Economic Survey data prior to 2018/19 was based on a much smaller sample size, MSD reporting on child poverty trends by ethnicity are based on a rolling average over three years, to smooth out volatility in the data[****].

As shown in Figure 27, this data shows that looking at child poverty trends on an AHC50 fixed-line measure (using half the median income in 2007 as the baseline year[††††]) disparities in child poverty rates for tamariki Māori and Pacific children have changed dramatically. Over the three years to 2012, when average rates on this measure peaked (following the Global Financial Crisis), rates for tamariki Māori (33%) and Pacific children (35%) were nearly double the rates experienced by European New Zealand children (16%). However rates over the three years to 2021 do not vary markedly by ethnicity. This means that child poverty over the past decade reduced at a proportionally faster rate for Māori (two-thirds reduction) and Pacific (nearly four-fifths reduction) compared to New Zealand European children (reduction of a little over a half).

Figure 27: Percentage of children in poverty on AHC50 (fixed, reference year 2007) over time, for Māori, Pacific and European



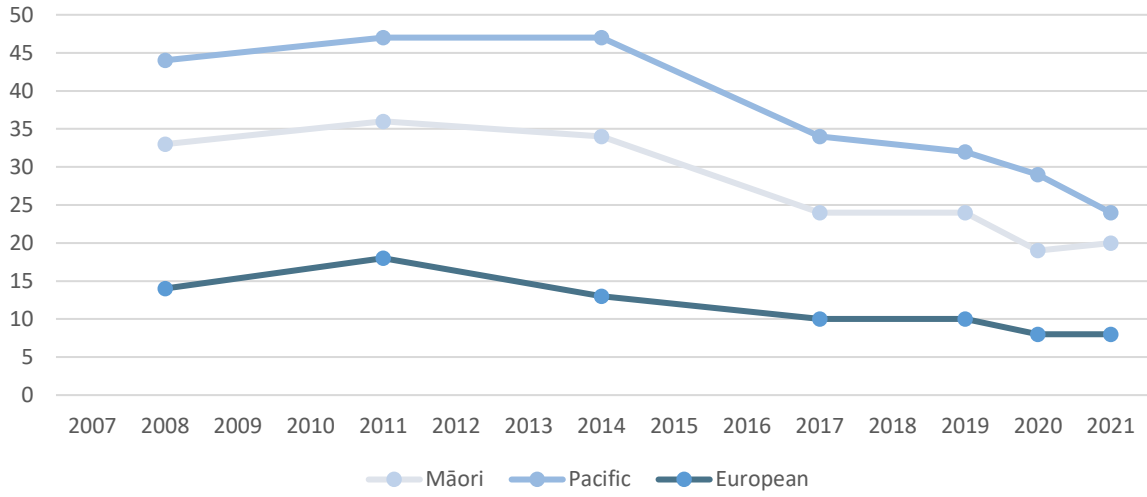
Source: Household Economic Survey, Stats NZ (as reported by Perry (2022, table G.1))

[****] It should be noted that rates reported here are based on total ethnicity and so individual children may be included in the subtotals for more than one subgroup . However this should not affect the interpretation of the high level trends discussed in this annex.

[††††] rather than 2018, as used in the primary AHC50 poverty measure under the Child Poverty Reduction Act.

Long-term trends on the DEP-17 material hardship measure are not available by ethnicity. However, data on a closely correlated material hardship measure, the material wellbeing index, show a slightly different pattern to what we see for AHC50, as shown in Figure 28. Over the three years to 2012 rates on this measure were more than twice as high for tamariki Māori (36%) and three times as high for Pacific children (47%) compared to New Zealand European children (14%). In the three years to 2021, rates had nearly halved for all groups, including Māori (20%), Pacific (24%) and New Zealand European children (8%). But unlike the AHC50 measure, there's no evidence that the relative size of the disparity has changed – rates are still about two to three times higher for Māori and Pacific.

Figure 28: Percentage of children in material hardship (using the material wellbeing index) over time, for Māori, Pacific and European New Zealanders



Source: Household Economic Survey, Stats NZ (as reported by Perry (2022, table F.8))

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