

Child Poverty Reduction and Eradication Bill

Member's Bill

Jacinda Ardern

Explanatory note

General policy statement

There are an estimated 270,000 children currently living in poverty in New Zealand. According to the 2012 survey on Household Incomes, 21% of children also experience material deprivation. Both measures of poverty, a relative measure based on median income, and a measure based on access to what many would consider the basic necessities for a child to thrive, are important if New Zealand is to have an accurate picture of the circumstances many children in New Zealand are growing up.

In 2007 the United Nations General Assembly noted that “children living in poverty are deprived of nutrition...access to basic health-care services, shelter, education, participation and protection, and that while a severe lack of goods and services hurts every human being, it is most threatening and harmful to children, leaving them unable to enjoy their rights, to reach their full potential and to participate as full members of the society.” This makes child poverty a moral issue. As the most vulnerable members of our community, the Government has a responsibility to act and improve the conditions in which 1 in 4 of our children are growing up.

Child poverty is also an economic issue. Infometrics has estimated that poor investment in children in their early years is costing the country between \$6-8 billion per annum. The cost to society in health, justice and the economy, let alone the lost potential, is too great, requiring the Government to tackle this issue.

The purpose of this bill is to achieve a sustainable reduction in the numbers and proportion of children living in poverty in New Zealand, and to alleviate the socio-economic disadvantage these children experience. It does so by putting child poverty at the heart of government policy development and decision making, and establishing targets to reduce and eradicate the impact of child poverty.

Measurement of child poverty is an important starting point. Simply put, you can't manage what you haven't measured, nor can government be held to account on an issue without agreed measurements. As UNICEF has stated, "it is monitoring that makes possible evidence-based policy, political accountability, informed advocacy and the cost effective use of limited resources." This bill sets a definition of poverty, and establishes a range of measurements. It then requires government to set targets to reduce the number of children living in poverty

In addressing child poverty, measures of income are not sufficient. This bill recognizes that by requiring Government to establish child poverty reduction indicators under the headings of education, health, socio-economic, and child quality of life. They may include for instance targets around early childhood education participation, housing issues, or access to primary healthcare.

Delivering genuine change for children requires establishing a transparent mechanism to hold the government to account on poverty reduction. This bill does this by requiring the Minister of Social Development to establish long and short term targets, and report to Parliament against them. The Minister of Finance must also include a child poverty reduction statement in the annual budget policy statement.

To ensure true cross departmental collaboration on child poverty, the bill also establishes a child poverty reduction board, which brings together heads of all the relevant government departments to deliver a reduction in child poverty and associated indicators.

The Children's Commissioners Expert Advisory Group to reduce child poverty recommended a legislative framework similar to that set out in this bill. The United Kingdom has a similar mechanism, and is one of the few countries in the world that does. It is time that New Zealand became a champion on behalf of its own children, and put their needs at the heart of Government decision making through this bill.

Clause by clause analysis

Part 1 General Provisions

Clause 1 is the title clause.

Clause 2 is the commencement clause.

Clause 3 provides the purpose of the clause to reduce child poverty and alleviate socio-economic hardship faced by children in New Zealand.

Clause 4 provides the objectives of the Government in order to achieve the purposes set out.

Clause 5 defines ‘child poverty’ for the purposes of this Act.

Part 2

Obligations of Central and Local Governments and the Child Poverty Reduction Board

Clause 6 sets out the Government’s policy commitments in order to reduce child poverty.

Clause 7 sets out the measurement mechanisms and the indicators to identify the levels in order to target resources.

Clause 8 establishes the targets that the Government must set using information from measurement mechanisms.

Clause 9 establishes an obligation on the Government to report to Parliament the progress made on reduction and eradication in each financial year.

Clause 10 establishes the Child Poverty Reduction Board.

Clause 11 sets out the mechanism of participation by local government, iwi, community organisations and social services providers.

Part 3

Public Finance Act 1989 Amended

Clause 12 amends the Public Finance Act to require the Minister of Finance to include the budget’s impact on the ‘child poverty reduction strategy’ as part of the Budget Policy Statement.

Jacinda Ardern

Member’s Bill

Contents

Part 1 General Provisions

- 1 Title
- 2 Commencement
- 3 Purpose
- 4 Objectives
- 5 Definition of ‘child poverty’

Part 2 Obligations of Central and Local Governments and the Child Poverty Reduction Board

- 6 Government policy commitments

- 7 Criteria for measurement
- 8 Establishment of targets
- 9 Progress reports
- 10 Establishing a Child Poverty Reduction Board
- 11 Coordination and implementation with local government, community organisations, iwi and social services providers

Part 3 Public Finance Act 1989 Amended

- 12 Section 26M amended
-

The Parliament of New Zealand enacts as follows:

Part 1 General Provisions

1 Title

This Act is the Child Poverty Reduction and Eradication Act **2012**.

2 Commencement

This Act comes into force on the day after the date on which it receives the Royal assent.

3 Purpose

The purpose of this act is to –

- (a) achieve a sustainable reduction in the numbers and proportion of children living in poverty in new Zealand; and
- (b) alleviate the socio-economic disadvantage experienced by children living in poverty in New Zealand.

4 Objectives

The objectives of this act is to achieve the purpose by –

- (a) providing a statutory definition of children living in poverty
- (b) setting objectives towards meeting the purpose of the Act
- (c) establishing criteria for the measurement of the numbers and proportion of children living in poverty
- (d) requiring the establishment of periodic targets for reducing the numbers/proportion of children living in poverty
- (e) requiring the government to issue periodic child poverty reduction strategies and reports of progress made towards meeting those targets
- (f) establishing indicators for the purpose of alleviating the socio-economic disadvantage of children living in poverty
- (g) establishing mechanisms for monitoring progress, implementing policies and co-ordinating services.

5 Definition of ‘child poverty’

For the purposes of this Act, children living in poverty are defined as all persons aged under 18 years of age who experience deprivation of income and the material resources required for them to develop and thrive, enjoy their rights, achieve their full potential and participate as full and equal members of New Zealand society.

Part 2 Obligations of Central and Local Governments and the Child Poverty Reduction Board

6 Government policy commitments

The Government must ensure that there are policies in place aimed at reducing the proportion of children living in poverty and alleviating the socio-economic disadvantage they experience by –

- (a) increasing the income of households with one or more children with a view to reducing the proportion of children living in poverty
- (b) reducing the material deprivation of children living in poverty
- (c) improving educational outcomes for children living in poverty
- (d) improving health outcomes for children living in poverty
- (e) enhancing social inclusion for children and their families living in poverty
- (f) ensuring that all children grow up in adequate and decent housing
- (g) ensuring that all children grow up in safe and cohesive communities
- (h) enabling more cost-effective, co-ordinated service support
- (i) enabling effective community responsiveness
- (j) enacting policy measures to reduce and mitigate child poverty by having due regard to the requirements of the UN Convention on the Rights of Child
- (k) enacting policy measures to reduce and mitigate child poverty by having due regard to the principles of the Treaty of Waitangi.

7 Criteria for measurement

1 There must be annual poverty measurements for the following –

- (a) To provide reliable data for policy purposes including the setting of targets for reducing child poverty
- (b) To track changes in child poverty rates over time
- (c) To identify the household groupings where children are more likely to be living in poverty
- (d) To evaluate and account for the effectiveness of policy measures to reduce child poverty and alleviate its effects
- (e) To assess the impact of major economic, demographic and social changes on child poverty.

2 There must be annual income and related poverty measurements for the purposes of identifying the ‘target income groups’, namely:

- (a) a fixed-line measure
- (b) a moving-line measure
- (c) a material deprivation measure

- (d) a severe poverty measure
- (e) a poverty persistence measure.

3 The Government must establish child-poverty-reduction indicators (CPRI) under the following heads:

- (a) Education - incorporating ECE participation, school-readiness, primary/secondary school achievement and truancy and transition to skills and training
- (b) Health – incorporating primary care enrolment, immunisation, Sudden Unexplained Infant Death, disease rates with a social gradient, teen pregnancy; disability and mental health
- (c) Socio-economic – incorporating housing; number of working family members, family structure, care and protection and social security interventions
- (d) Child quality of life – incorporating child participation and views, child social isolation, whānau-community integration

8 Establishment of targets

1 The Minister for Social Development must set periodic child poverty reduction targets by taking into account section 7, which should include –

- (a) Short-term child poverty reduction targets, set every three years from the date of commencement
- (b) Long-term child poverty reduction targets, set every ten years from the date of commencement.

2 The child poverty reduction targets in subsection 1 must be set to –

- (a) Reduce the proportion of children living in each of the target income groups (set out above)
- (b) Achieve specified outcomes in each of the CPRI groups.

3 The Minister of Social Development must publish within one year of the date of commencement of the Act:

- (a) The short-term and long term targets for each of the target income groups
- (b) The short-term and long-term outcomes in each of the CPRI groups
- (c) The specific dates at which the short-term and long-term targets and outcomes will be measured
- (d) A ten-year child poverty reduction strategy setting out actions to be undertaken over both the short-term and long-term periods.

4 The Minister of Social Development must publish a new ten-year child poverty reduction strategy prescribing a new set of short-term and long-term child poverty reduction targets and outcomes within one year of the expiry of the preceding strategy.

9 Progress reports

1 The Minister of Social Development must issue the following reports to Parliament concerning child poverty reduction progress –

- (a) Ministry of Social Development must produce an annual report of progress made under the child poverty reduction strategy. The report should provide –
 - I. The most recent data on the numbers and proportion of children the target income groups
 - II. The most recent data with respect to the recommended CPRIs;
 - III. A report of progress made towards meeting the short-term and long-term targets in respect of target income groups and meeting the short-term and long-term CPI outcomes
 - IV. A report of progress made in implementing actions to be undertaken under the child poverty reduction strategy.
- (b) Ministry of Social Development must produce a report of the results against the short-term targets and outcomes, issued no later than six months after the specified measurement date
- (c) Ministry of Social Development must produce a report of the results against the long-term targets and outcomes, issued no later than six months after the specified measurement date.

2 All data in subsection 1 must be reported in respect of the target income group measurements and the CPRIs and must be disaggregated into:

- (a) Age
- (b) Ethnicity
- (c) Gender
- (d) Household Size
- (e) Location (using census mesh blocks).

10 Establishing a Child Poverty Reduction Board

1 This Act establishes the Child Poverty Reduction Board (CRPB). The Board is charged with responsibility for the following functions –

- (a) Developing the ten-year child poverty reduction strategy in section 8(3)(d) and the policies to be undertaken pursuant to it
- (b) Implementing the policies and actions to be undertaken in the ten-year child poverty reduction strategy
- (c) Developing and annually measuring including the target income group measurements in section 7(2) and the CPRIs in section 7(3)
- (d) Developing co-ordinated cross-sector service delivery policies and procedures at local and regional levels pursuant to section 11
- (e) Monitoring cross-sector administrative arrangements at local and regional levels pursuant to section 11
- (f) Facilitating central government involvement and commitment to local area partnerships
- (g) Reviewing and reporting annually to the Minister for Social Development as to the progress and outcomes of the implementation of the child poverty reduction strategy.

2 The membership of the CRPB must have -

- (a) Director-General of Health

- (b) Secretary of Education
- (c) Secretary of the Treasury
- (d) Chief Executive of the Department of Prime Minister and Cabinet
- (e) Chief Executive of TPK
- (f) Chief Executive of Pacific Island Affairs
- (g) Chief Statistician
- (h) Secretary of Justice
- (i) Commissioner of Police
- (j) Children’s Commissioner.

11 Coordination and implementation with local government, community organisations, iwi and social services providers

1 The Government must support locally initiated child poverty reduction strategies by local authorities, community organisations, iwi social services that are aligned with the objectives set out in section 4.

2 The Government must enable establishment of local-area partnerships between central government agencies, local authorities, community organisations and iwi social service providers.

3 The functions of local area partnerships are –

- (a) Fostering the development of local-area child poverty reduction strategies
- (b) Establishing collaborative funding pools to support community-led child poverty reduction initiatives
- (c) Ensuring participation of children, young people and families in development of local-area child poverty reduction strategies
- (d) Monitoring and evaluating progress of local projects and strategies
- (e) Reporting to the CPRB regarding progress and outcomes of local-area child poverty reduction strategies.

Part 3 Public Finance Act 1989 Amended

12 Section 26M amended

In section 26M, after subsection (2)(c), insert:

- (d) how the Budget for that year accords with the child poverty reduction strategy set out in section 8 of the Child Poverty Reduction and Eradication Act 2012

