

# Department of the Prime Minister and Cabinet

## Child Poverty Reduction Proactive Release March 2018

The document below is one of a suite of documents released by the Department of the Prime Minister and Cabinet (DPMC) that formed the basis of decisions on the Child Poverty Reduction Bill introduced on 31 January 2018.

Some parts of this document would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

**Date:** 24 November 2017

**Title:** Child Poverty Legislation: Next Steps and key considerations.

**Information withheld with relevant section(s) of the Act:**

- Paragraphs 1 (3<sup>rd</sup> bullet point) and 2 s 9(2)(h) - legal privilege.
- Paragraphs 7 (last bullet point), 8 and 11 - 17 s 9(2)(h) - legal privilege.



# Report

Date: 24 November 2017

Security Level: IN CONFIDENCE

## Child Poverty Legislation: Next steps and key considerations

### Purpose of the report

- 1 This report seeks your feedback on the following matters to help DPMC and MSD finalise the Cabinet paper.
  - **Finalising your approach to targets** – given your preference to introduce a general requirement to set targets, we would like to confirm how frequently targets should be reviewed. We would also like your direction on whether you want to get Cabinet's agreement to the first set of targets now, and if so, what they should be.
  - **Finalising your approach to the strategy** – given your preference for a single strategy focused on broader child wellbeing, we are seeking your comfort with how we have scoped the requirement, and how this fits with existing components of the Vulnerable Children's Act.
  - **Considerations from a Māori perspective** – we have outlined what some of the key issues might be from a Māori perspective, and are seeking your direction on what your preferred approach to consultation on this proposal might be, taking into account the principles of the Treaty of Waitangi.

s9(2)(h)

2

### Recommended actions

- 1 **Discuss** your preferred approach with officials at your meeting with them on Tuesday 28 November at 9am.
- 2 **Indicate** if there are any areas in the draft Cabinet paper where we and DPMC have not reflected your preferences.

---

Nic Blakeley  
Deputy Chief Executive  
Ministry of Social Development

---

Date

## Finalising the approach to your targets

- 3 We understand that your preference is to introduce a general requirement to set targets, rather than to include specific targets in the legislation itself. We have drafted the Cabinet paper on this basis, and used the earlier suggestion of a combination of ten year longer-term target and three year intermediate targets.
- 4 You will note that DPMC and MSD have made a some calls in this latest draft:
  - We have included content in case you still want to get Cabinet’s agreement to the first set of longer term targets now. We can remove this section if you would instead like to set the targets at a later date. One approach is to leave the content in, but amend the recommendations to seek Cabinet’s approval to consult on them with key stakeholders, including Māori, before they are finalised.
  - We have drafted this content using the same targets that we had included previously, which were based on the Sustainable Development Goals. It is worth noting that if you opt for the ten year framework, then this means those targets would now need to be achieved by 2028, two years earlier.
  - We have not included any proposed intermediate targets. We could provide you with urgent advice on intermediate targets should you wish, but you may prefer to wait until after the bill is passed, and announce them alongside the strategy.
  - We have drafted the paper on the basis that the longer-term targets would only need to be renewed at least once every ten years – this could, however, be a more frequent requirement. For example, you could require Governments to update their long term ambitions every three years, at the same time they set their intermediate goals.

## Finalising your approach to the strategy

- 5 Based on your feedback to date, our understanding of your current preferences is that you would like:
  - to include a single strategy requirement within the reshaped (and renamed) Vulnerable Children’s Act, focused on the wellbeing of all children
  - for the strategy to have a particular focus on areas similar to those in your members bill, which was focused on poverty and related socio-economic disadvantage
  - to retain the existing Chief Executives’ plan in the Vulnerable Children Act, which will be means of supporting the children of interest to Oranga Tamariki.
- 6 There are still some matters we would like to confirm with you:
  - **Are you comfortable with how we’ve specified what the content of the strategy must cover?** Based on your feedback above, we have drafted one way the strategy could look, but this is just one option amongst many. The Cabinet paper’s current approach is to require the strategy to have a strong focus on child poverty, but otherwise to keep the kinds of policy measures required relatively general.
  - **Are you comfortable with how the CE’s Plan is framed?** The Vulnerable Children’s Plan will be renamed, and focused more squarely on children Oranga Tamariki works with, and those who are at risk of future statutory involvement. The requirement to produce the plan would be triggered by the release of the strategy (effectively making it a regular mandatory requirement), and the previous role for the Minister in ‘setting priorities’ for the plan would be removed.
  - **Are you comfortable with how much flexibility we’ve include in terms of the Ministers who will be accountable for the strategy, and for the other requirements in the bill?** Our recommendation is to retain flexibility in the

legislation, in order to ensure the legislation is durable and continues to be workable for future governments. We suggest that the Prime Minister be responsible for designating the responsible Minister for different parts of the legislation; for example, the Cabinet paper currently states that the Strategy and the Chief Executive's plan could be the responsibility for the same Minister, or different Ministers.

- **Is there anything else you want to require?** In the current draft of the Cabinet paper, the strategy is required to set out:
  - The outcomes sought for children and how they will be measured
  - The likely impact of the policy measures on child poverty measures

The draft does not currently specify any groups that must be consulted when developing the strategy (though any relevant obligations under the United Nations Convention on the Rights of the Child and/or the Treaty of Waitangi would still apply).

## Considering a Māori Perspective

- 7 MSD officials have discussed the proposals with officials from Te Puni Kōkiri and undertaken a review of relevant literature in relation to Māori and child poverty. Some of the key issues frequently raised include:

- As the current draft of the Cabinet paper notes, Māori children are significantly over-represented amongst poverty statistics, with Māori children proportionally more likely than Pakeha children to experience poverty, and rates of poverty, including severe and persistent poverty, around double the rates of Pakeha children.
- When discussing such over-representation, Māori perspectives stress the importance of understanding this within the historical context of colonisation, the on-going experience of racism and discrimination, and the extent to which Māori whānau have borne the brunt of economic restructuring, particularly in the 1980s and early 1990s.
- Currently, only very limited analysis by ethnicity is reported because of the relatively small sample sizes for Māori, Pacific and other ethnic groups (especially Pacific). The Cabinet paper includes significant improvements to data collection, which should enable improved reporting by ethnicity. Current proposals do not, however, go so far as to require reporting by ethnicity in the legislation itself.
- Given the over-representation of Māori in poverty statistics, reducing child poverty generally should have particular benefit for Māori children. The current Cabinet paper does not currently, however, propose separate targets for Māori children. The Children's Commissioner's Expert Advisory Group on Child Poverty recommended, for example, that the targets set for reducing child poverty achieve parity for Māori and Pasifika with other children. This would require an accelerated rate of poverty reduction for these groups.
- The income measures are based on the household as the unit of measurement, which is based on a definition of people cohabiting in a dwelling. This may not always be consistent with Māori conceptions of family structure, which stress the critical importance of the wider whānau as the primary social unit. The feasibility of whānau-based income measures has not been explored, and they are unlikely to be developed in time to be included in the Cabinet paper.
- The non-income measures of children's day-to-day living standards will reflect the impact of any support from wider social networks outside the home, but they will not measure the wellbeing of the wider whānau, unless this flows through to an improvement in the material living conditions of the children.

Current measures have a deliberate focus only on material wellbeing, rather than other wellbeing domains, including cultural wellbeing, which Māori perspectives often see as very important.

- More generally, Māori perspectives tend to emphasise the extent to which Māori children develop in whānau and community settings and the importance of situating the child in these larger contexts. From this perspective, whānau-centric policy measures are of particular importance when developing the strategy - policy that intends to produce positive outcomes for Māori must both be mindful of whānau dynamics and be attentive to the specificity of the impact of the policy on the child.
- The Ministry of Social Development, as an agency of the Crown, is required to comply with the principles of the Treaty of Waitangi. The applicable principles here are partnership and active protection.
  - The principle of **partnership** requires the Crown to act reasonably and with the utmost good faith towards Māori. Inherent in this duty is a requirement to make informed decisions on matters that affect Māori interests, which may require consultation on particularly significant issues.
  - The principle of **active protection** requires the Crown to actively protect Māori interests (here, Māori children living in poverty). Where taonga is in a vulnerable state (such as children living in poverty), it may require strengthened action on the part of the Crown. The Crown's responsibility may be further increased if the vulnerable state is the result of any default or breaches of the Crown.

s9(2)(h)

8

9 In terms of consultation with Māori, as time has been limited, MSD has undertaken relatively modest and targeted consultation – involving an internal Māori Reference group and with Te Puni Kōkiri.

10 However, while consultation on the Bill phase of the work has been limited, there will be the opportunity for much wider consultation as part of the select committee process, and in the development of a child wellbeing strategy.

11 s9(2)(h)



Approved for release by the Minister for Child Poverty Reduction

s9(2)(h)

Approved for release by the Minister for Child Poverty Reduction