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RACP Submission:

Child Poverty Reduction Bill 2018

March 2018

Introduction

The Royal Australasian College of Physicians (“RACP”) welcomes the opportunity to submit feedback on the Child Poverty Reduction Bill 2018 (the “Bill”).

The RACP works across more than 40 medical specialties to educate, innovate, and advocate for excellence in health and medical care. Working with our senior members, the RACP trains the next generation of specialists, while playing a lead role in developing world best practice models of care. We also draw on the skills of our members, to develop policies that promote a healthier society. By working together, our members advance the interest of our profession, our patients and the broader community.

The RACP’s key points are

- The RACP supports the intention of the Bill to help achieve a significant and sustained reduction in child poverty and to enhance the overall wellbeing of children.
- The RACP notes that the intention of the Bill is in line with the RACP’s NZ Election Statement **Make it the Norm**, which advocates for equity through addressing the social determinants of health.
- The RACP is concerned about the lack of clarity contained in the Bill surrounding financing, targets, measures, and key definitions.

The Bill

The Explanatory Note states that the Bill reflects the Government’s intent to help achieve a significant and sustained reduction in child poverty through a Child Poverty Reduction Act, and to enhance the overall well-being of children through amendments to the Vulnerable Children Act 2014.

The stated purpose of the Bill is to encourage a focus on child poverty reduction, facilitate political accountability against published targets, require transparent reporting on child poverty levels, and create a greater commitment by Government to address child well-being.

The Bill has four main parts. It requires:

- Governments to measure child poverty annually using ten specified and clearly defined measures – four measures referred to as ‘primary’ and six as ‘supplementary’.
- Government to set intermediate (three year) and long-term (ten year) politically binding targets for each of the four measures. Governments will be free to determine their preferred targets and amend them as they like.
- Government Statistician to report annually on rates of child poverty based on the ten measures.
- Governments to develop, publish, and subsequently review, a comprehensive child well-being strategy (the Strategy), which will include a particular focus on reducing child poverty.
- On Budget day, Government to report on how the Budget will reduce child poverty, and how the government is progressing towards its targets.

The Bill is essentially a commitment device, created to encourage successive governments and the wider community to focus on child poverty and to take action to address it.

Background

New Zealand children living in poverty have poorer health outcomes. Children in the most disadvantaged communities are nearly three times more likely to end up in hospital for common respiratory and infectious conditions associated with poverty¹. They are three times more likely to be sick, over two times more likely to be admitted to hospital for infectious diseases, and at least 1.5 times more likely to be hospitalised^{2,3,4}. The health effects of growing up in poverty continue into adulthood. Children in a Dunedin longitudinal study who grew up in poverty were more likely to have poor health outcomes in adulthood. This was independent of their health as an infant⁵.

As Physicians and Paediatricians, we care for children struggling with preventable illness every day. We know that unhealthy housing, insecure and precarious work, and poor mental health directly impact on children and whānau health and well-being. Too often we treat illness knowing our child patients are returning to housing and social situations that will perpetuate poor health.

The RACP wishes to challenge the current state, where unacceptable levels of child poverty and shocking housing conditions have become apparently 'normalised' in our society. Inequities in health outcomes will persist unless such stark social inequities are addressed. Taking action on the social determinants of health needs a whole-of-society response led by government, and such action is overwhelmingly supported by the evidence.

RACP Position

The RACP supports the intention of the Bill, which is in line with the RACP's **Make It the Norm** campaign which advocates for health equity through the social determinants of health⁶.

Our campaign calls for policymakers to **make health equity the norm** to improve health outcomes for the most vulnerable people in our communities. We call for immediate actions, including:

- Making **Healthy Housing** the norm by introducing a regulation to mandate a Warrant of Fitness and Health for residential dwellings;
- Making **Good Work** the norm by promoting the Living Wage to support the health and wellness of employees and their whānau; and
- Making **Whānau Well-being** the norm by taking a child-centred approach to all legislation, policy, and regulation⁷.

The intent behind the Bill of commitment towards sustained Government commitment to reducing poverty, with a focus on child poverty, is in line with the RACP's *Make It The Norm* campaign. The RACP see this as a positive step by Government to implement a bill that takes a step towards addressing the social and environmental factors affecting health outcomes for New Zealand children.

¹ Duncanson M, Oben G, Wicken A, Morris S, McGee M, Simpson J. Child Poverty Monitor: Technical Report. New Zealand Child Youth Epidemiology Service. Dunedin. University of Otago; 2017.

² Baker M, Telfar R. Increasing incidence of serious infectious diseases and inequalities in New Zealand: A national epidemiological study. *Lancet*. 2012 Mar 24; 379(9821): 1112-9.

³ Craig E. New Zealand children's social monitor 2011 update. 2011. New Zealand Child and Youth Epidemiology Service, Dunedin; 2011.

⁴ Easton B, Ballantyne S. The economic and health status of households. Wellington School of Medicine. Wellington.

⁵ Poulton R, Caspi A, Milne B, Thomson W, Taylor A, Sears M, Moffitt T. Association between children's experience of socioeconomic disadvantage and adult health: A life-course study. *The Lancet*. 2002; 360.

⁶ The Royal Australasian College of Physicians. Make it the Norm: Equity Through the Social Determinants of Health. August 2017.

⁷ Ibid.

RACP Comments on the Bill

A step towards health equity

The RACP is pleased to see the Government take a step towards health equity in New Zealand through the creation of this Bill.

The RACP recognise that health is multidimensional, encompassing more than just the treatment of illness and disease. Health equity can be promoted through strategies that consider the wider determinants of health such as housing and living environments, working conditions, and social environments in which people grow, develop, and age.

New Zealand has made a commitment to the 17 Sustainable Development Goals (SDGs), a set of targets designed to shape a global response to ending poverty, protect the planet, and ensure prosperity for all. The SDGs include a call to ensure *healthy lives and promote wellbeing for all at all ages*⁸. Actions to address the social determinants of health at the micro-, meso-, and macro-levels will make a real difference to New Zealand achieving equity for people, their whānau, and their communities⁹.

This Bill shows a continuing Government commitment to take action in relation to child poverty, which is a positive step towards health equity in New Zealand.

Comments on definitions

'Material hardship' and 'Severe material hardship'

The RACP recommends that the definitions for “material hardship” and “severe material hardship” are based on the definitions used by the NZ Child Poverty Monitor (CPM)¹⁰. Under the CPM definition, “material hardship” is defined according to a list of 17 everyday essentials and services which are considered essential or almost essential by most New Zealanders¹¹. We have **attached** the list of these 17 items from the NZ Child Poverty Monitor website. “Material hardship” is defined as lacking seven or more, and severe material hardship as lacking nine or more of these items¹².

Material well-being is determined by the household’s command over resources in relation to the needs of that household. An increase in income in a low-income household will usually raise that household’s material well-being. However, income alone is not necessarily a reliable factor. Factors other than income can determine whether a household has the resources needed to achieve a minimum acceptable standard of living¹³. For children, material deprivation means missing out on many of the things that most New Zealand children take for granted including adequate and nutritious food, good shoes and clothing, the ability to see a doctor when sick, a warm, dry house, and a separate bed¹⁴.

A non-income based measure like this can provide insight into actual living standards of families, including their ability to keep the house warm in winter, whether they can visit the doctor when they need to, and whether they can afford fresh meat and vegetables.

⁸ United Nations Development Programme. Sustainable Development Goals. New York; United Nations; 2017.

⁹ The Royal Australasian College of Physicians. Make it the Norm: Equity through the social determinants of Health. August 2017.

¹⁰ Duncanson M, Oben G, Wicken A, Morris S, McGee M, Simpson J. Child Poverty Monitor: Technical Report. New Zealand Child Youth Epidemiology Service. Dunedin. University of Otago; 2017.

¹¹ Child Poverty Monitor New Zealand Website. Available at <http://www.childpoverty.co.nz/flow-infographics/household-survey-2016>.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

“Persistent poverty”

It is concerning that the important definition of “child poverty” is set to be defined under the Bill by 2025. The costs of poverty, both to children and the wider society, are greater when poverty is in early childhood and is severe and persistent¹⁵. Failure to address childhood poverty now will detrimentally affect our future health as a nation and so there is a strong need for it to be addressed earlier rather than later. It is recommended that the date for the definition of this term is brought forward, unless there is a strong reason for it not to be.

“Well-being”

There is no definition for the term “well-being” in the Bill. This is of concern as the term is used consistently throughout the Bill. It also results in a lack of clarity in relation to the Strategy, which is discussed later in this submission. Either a definition or guidance principles on the definition of the term could be included, with the inclusion of “whānau well-being” in that definition.

The concept of “whānau well-being” is complex and definitions can differ. Whānau is often described as whakapapa-based relationships of mutual obligation. “Whānau” includes intergenerational relationships and may extend beyond one household, perhaps including friends and others. “Whānau wellbeing” can be described as a “collective state of wellbeing that is enmeshed with wellbeing at the individual level”¹⁶.

“Child”

The RACP supports the Bill’s definition of a child as someone who is under 18 years of age. This definition recognises the diversity of children’s rights and needs, including those of older children and adolescents.

Accurate and realistic measures and targets needed

Accurate representation of housing prices and incomes

It is important that the fixed line low-income after housing costs accurately represents the current average housing prices and incomes. A fixed line measure will take income at a certain point in time, which is then used as the baseline. This method is problematic because incomes will change over time. While the median income may change, a reference year that is too outdated may fail to take account of more significant changes. It is important also that the data is not out of date by the time it is publicly released.

Realistic and enduring targets and measures

The RACP recommend that targets and measures are realistic and enduring. The Bill requires government departments to work together and successive governments to adhere to the legislation. Under section 23 of the Bill, the current Government may change the targets by notice in the *Gazette*. Although the political reality means that compromises will need to be made, realistic and enduring targets and measures would be a good guard against targets being downgraded by an existing or incoming government. It should also be noted that there is a danger of “gaming” targets, whereby the focus of governments is on meeting targets and perhaps manipulating data or using the targets as a ‘tick box exercise’, rather than focussing on children’s well-being.

Central role of the Statistician problematic

The Bill gives the Government Statistician (the “Statistician”) considerable influence over how the statistics are produced and how the key terms are defined. Section 6 of the Bill gives the Statistician the duty and power to define concepts or terms. These include the relevant terms under section 5 of the Bill, including key terms such as ‘income’, ‘household’, and ‘household income’. Section 6 of the Bill allows for the Statistician to make written decisions defining concepts and terms suitable for operation of parts 1 and 2 of the Bill. Under section 33 of the Bill, the Statistician can decide how the statistics are produced.

¹⁵ Solutions to Child Poverty in New Zealand evidence for Action. Expert Advisory Group on Solutions to Child Poverty. December 2012.

¹⁶ Kukutai T, Sporle A, Roskrige M. Subjective whānau wellbeing in Te Kupenga. Wellington. Social policy evaluation and research unit; April 2017.

The RACP is concerned that the Bill grants the Statistician too wide an ambit in defining the terms and concepts used in the Bill. Sufficient consultation must take place with the wider community, including with whānau, hapū and iwi, to ensure that the terms used are inclusive of all groups and perspectives in New Zealand society who are affected by the Bill.

Requires long-term cross-party support

Keeping low rates of child poverty involves up-front fiscal costs. These costs are often more visible than the economic and social benefits associated with reduced family hardship. They can therefore be politically inconvenient and may be a difficult part of the Bill to sustain over the long term, particularly if governments change.

Data collection issues

Detail of data collection

Data collection should preferably include sufficient detail about groups of people in order to have a better understanding of the scale and detail of poverty that exists in New Zealand. Groups that could be included are people with different disabilities, ethnicities, and geographic areas of collection. Only having aggregated, national level data will make it harder to identify and address population health at the local or community level.

Use of administrative data

Use of administrative data should be limited in order to avoid breaches of privacy. It should also be noted that administrative data does not always give the full picture. For example, it can miss particular populations who do not have access to the services where the data is collected from.

Method of collection of data

The Bill is not clear about where the data will sit in relation to any current data collection. It is unclear whether it will be collected with the census, if it will add more questions to the census, or whether it will be collected in another way altogether. More clarification is needed on this point.

Te Ao Māori perspective

The Bill will need to uphold the principles of Te Tiriti o Waitangi and respect tamariki and rangatahi Māori as tangata whenua.

Thorough Consultation is needed

The RACP recognise the specific requirement in the Bill for the responsible Minister to consult with Māori representatives and children as a part of the development of the Strategy. It also recognises the requirement for the responsible Minister to consult with Māori organisations and iwi before the Strategy is adopted or changed.

The RACP recognise that section 45 of the Bill requires that the Oranga Tamariki Action Plan, and any draft of it, must show that chief executives have taken steps aimed at strengthening whānau, hapū, and iwi.

Data sovereignty must be considered

The Māori Data Sovereignty Network defines “data sovereignty” as the understanding that data is subject to the laws of the nation within which it is stored. “Māori data sovereignty” is defined as the recognition that Māori data should be subject to Māori governance. Māori data sovereignty supports tribal sovereignty and the realisation of Māori and iwi aspirations¹⁷.

¹⁷ Te Mana Raraunga. Māori Data Sovereignty Network Charter.

The RACP recognise that any data collection made in relation to Māori should be collected in a way that aligns with Te Tiriti o Waitangi and Māori fulfillment of their rangatiratanga, or self-determination. Māori view data collected about them as taonga¹⁸. Care should be taken to ensure that Māori data sovereignty is recognised.

Whānau well-being

For many Māori the well-being of whānau is just as important as the well-being of the individual, perhaps more important¹⁹. This can be seen in the many practises in Te Ao Māori that revolve around the primacy of whānau and communities, including relationships and expectations of reciprocity and kinship structures such as hapū and iwi. Health can be seen as a community rather than individual concept. This should be considered in the wording and implementation of the Bill, particularly if a definition of “well-being” is added. A suggested term to add which would include this concept is “whānau well-being”, as discussed earlier in this submission.

Access must be universal

The RACP believe that all services offered as a result of the Bill should be of equitable access to all children. Reducing child poverty and mitigating its impact on children depends on all children being able to access quality public services.

Child well-being strategy and action plan

The RACP encourages that the Strategy is developed in consultation with iwi, Māori organisations, non-government organisations, communities, whānau, and children. It is important that the Government does not make all decisions on the Strategy without sufficient consultation with diverse groups who will be affected by the Bill.

There is no detail in the Bill about how the Strategy will be resourced. The Strategy should be adequately resourced and must have clear time frames and procedures for review and monitoring. The RACP also have concerns that it is possible for the Strategy to be changed by subsequent governments, which may lead to a dilution of the intention of the Bill.

The Bill requires continuous cross-party support over a period of time. The Bill requires Government agencies to work together to improve the well-being of “particular groups” of children, create a Strategy, create and implement an “Oranga Tamariki Action Plan” (“Action Plan”), jointly report on the implementation of the Action Plan, and review the Action Plan as specified under the Bill. Sustaining effective, long-term cross-agency support for this may prove difficult.

There is a lack of clarity and guidance about what the Strategy will entail. There are some loose guidelines under sections 6 and 7 of the Bill which refer to children’s “well-being”, which is undefined.

The Bill is also silent on where the funding for the resulting Strategy and Action Plan will come from. Further clarity on these points would be preferable.

¹⁸ Te Mana Raraunga. Māori Data Sovereignty Network Charter.

¹⁹ Kukutai T, Sporle A, Roskrug M. Subjective whānau wellbeing in Te Kupenga. Wellington. Social policy evaluation and research unit; April 2017.

Summary

- The RACP supports the intention of the Bill to help achieve a significant and sustained reduction in child poverty and to enhance the overall wellbeing of children.
- The RACP notes that the intention of the Bill is in line with the RACP's NZ Election Statement **Make it the Norm**, which advocates for equity through the social determinants of health.
- The RACP is concerned about the lack of clarity contained in the Bill surrounding financing, targets, measures, and key definitions.
- The RACP is concerned about data sovereignty for Māori in relation to the data collection aspect of the Bill.
- The RACP is concerned about central role of the Statistician, and that accurate and realistic targets and measures are used.

The RACP thanks the Social Services and Community Select Committee for the opportunity to provide feedback on this Bill. The RACP would like to present in person to the Social Services and Community Select Committee. To discuss this submission further, please contact the NZ Policy and Advocacy Unit at policy@racp.org.nz.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jonathan Christiansen', enclosed in a thin black rectangular border.

Dr Jonathan Christiansen
New Zealand President
The Royal Australasian College of Physicians

Material hardship – list of 17 items in household survey

MATERIAL HARDHIP – 7 UP: CHILDREN IN HOUSEHOLDS THAT ARE MISSING 7 OR MORE ITEMS ON THIS LIST

MATERIAL HARDHIP – 9 UP: CHILDREN IN HOUSEHOLDS THAT ARE MISSING 9 OR MORE ITEMS ON THIS LIST

ENFORCED LACK OF ESSENTIALS (FOR RESPONDENT OR HOUSEHOLD AS A WHOLE)

1. meal with meat, fish or chicken (or vegetarian equivalent) at least each 2nd day
2. two pairs of shoes in good repair and suitable for everyday use
3. suitable clothes for important or special occasions
4. presents for family and friends on special occasions
5. home contents insurance

FINANCIAL STRESS OR VULNERABILITY

6. borrowed money from family or friends more than once in the last 12 months to cover everyday living costs
7. feel 'very limited' by the money available when thinking about purchase of clothes or shoes for self (options were: not at all, a little, quite limited, and very limited)
8. could not pay an unexpected and unavoidable bill of \$500 within a month without borrowing

ECONOMISED, CUT BACK OR DELAYED PURCHASES 'A LOT'

BECAUSE MONEY WAS NEEDED FOR OTHER ESSENTIALS (NOT JUST TO BE THRIFTY OR TO SAVE FOR A TRIP OR OTHER NON-ESSENTIAL)

9. went without or cut back on fresh fruit and vegetables
10. bought cheaper cuts of meat or bought less than wanted
11. put up with feeling cold to save on heating costs
12. postponed visits to the doctor
13. postponed visits to the dentist
14. did without or cut back on trips to the shops or other local places
15. delayed repairing or replacing broken or damaged appliances

in ARREARS MORE THAN ONCE IN LAST 12 MONTHS (BECAUSE OF SHORTAGE OF CASH, NOT FORGETTING)

16. rates, electricity, water
17. vehicle registration, insurance or warrant of fitness