CHILD POVERTY RELATED INDICATORS REPORT for the year ending 30 JUNE 2021

New Zealand Government

APRIL 2022

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Reporting on the Child Poverty Related Indicators

The Government is committed to more than halving child poverty in the next ten years and is making good progress towards that goal. Despite the impacts of the global COVID-19 pandemic, we are seeing a downward trend across all nine indicators of child poverty and two out of three of the Government's first child poverty reduction targets have been met.

The progress that has been achieved is making an important difference to individual children's lives. It means tens of thousands more children are living in households that are not having to make difficult trade-offs to meet basic needs like having enough to eat; living in a warm, dry house; and having opportunities that many take for granted, like attending a birthday party or joining a sports team.

Evidence shows that lifting children out of poverty in childhood, especially severe and persistent poverty, can have positive lifelong impacts that benefit everybody. Children who grow up in households with enough money are more likely to be healthy, to do well at school, to gain work, positively contribute and take up opportunities available to them. That is why this Government is tackling the long-term challenge of child poverty in New Zealand: to help make it the best place in the world to be a child.

Measuring progress in addressing the wider causes and consequences of child poverty

Achieving this vision requires not only that children live in households with enough money but also that we address the wider causes and consequences of poverty. To gain a more well-rounded understanding of the experiences of hardship for children and how we are making progress, the Government reports annually on Child Poverty Related Indicators (CPRIs). This is the third year that the CPRIs have been reported on, as required by the <u>Child Poverty Reduction Act 2018 (the Act)</u>. The Government has chosen five CPRIs that provide context beyond what we can understand from observing trends against the income and material hardship measures of child poverty. These CPRIs are:

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

Taken together, these indicators help tell a broader story about life for children living in poverty in New Zealand, over both the short and longer term.

These CPRIs are also used as indicators for three of the six outcome areas in the Child and Youth Wellbeing Strategy. The Child and Youth Wellbeing 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 is being published alongside this report, and can be found on the <u>Child and Youth Wellbeing website</u>.

Trend improvement in three out of five CPRIs

The latest data included in this year's CPRI report is from 2020/21 and reflects the lives and experiences of children and young people since the start of the COVID-19 pandemic, but prior to the Delta and Omicron

outbreaks. Overall, the data indicate a longer-term improving trend on three out of five of the CPRIs. The key findings and trends from 2020/21 data include:

- There has been a large and statistically significant decrease in rates of children living in food insecure households since 2019/20. This result likely reflects the combined impacts of longer-term investments aimed at reducing child poverty, including the Families Package and main benefit rates increases, as well as specific COVID-19 responses including the \$36 million funding for food bank providers and the expansion of the Ka Ora, Ka Ako | healthy school lunches programme.
- Rates of children experiencing potentially avoidable hospitalisations, while unchanged from the previous year, indicate that the substantial improvement on this indicator observed in 2019/20 has been sustained. We have also seen a steady reduction in rates of children living in poor quality housing since 2018.
- The proportion of children living in unaffordable housing has been broadly stable over the past decade and this has continued through 2020/21. This recent result partly reflects how, despite the severe economic disruption caused by the pandemic, income growth on average has kept pace with increases in housing costs.
- Some of the key areas for improvement include addressing the long-term decline in regular school attendance rates. Attendance rates have fluctuated since 2019 but are substantially lower than they were five years ago.
- Across almost all the indicators it is critical to address the greater barriers faced by Māori, Pacific, and disabled children to achieving equitable outcomes relative to New Zealand children overall. COVID-19 appears to have worsened some of the inequities experienced by Māori and Pacific children in relation to regular school attendance, however there are signs of a narrowing of disparities on potentially avoidable hospitalisations.

Overall, while there is still much to be done across all the indicators, there are encouraging signs that we are making progress. This is consistent with the wider downward trend we are seeing across all nine of the material hardship and income measures of child poverty. Together, these results reflect some of the significant changes and investments that have been made over several years, including the \$5.5 billion Families Package, main benefit rate increases, better housing standards because of the Healthy Homes Guarantee Act 2017, the Ka Ora, Ka Ako | healthy school lunches programme, as well as the effective public health response and measures taken to cushion the social and economic impacts of COVID-19.

Indicators at a glance

Child Poverty Related Indicator	Change since previous year ⁴	Indicative longer-term trend²	Measures
Housing affordability	•	•	 34% of children (aged 0-17) lived in unaffordable housing in 2020/21 (i.e. in households spending more than 30% of their disposable income on housing). 29% of Māori children and 27% of Pacific children lived in unaffordable housing 33% of children with disabilities, and 32% of children living in households with a disabled person, lived in unaffordable housing
Housing quality	•	2	 6% of children (aged 0-17) lived in households with a major problem with dampness or mould in 2020/21. 10% of Måori children and 12% of Pacific children lived in households with a major problem with dampness or mould 10% 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	◆	2	 15% of children (aged 0-14) lived in households reporting that food runs out sometimes or often in 2020/21. 26% of Måori children and 37% of Pacific children live in households reporting that food runs out sometimes or often
Regular school attendance	♥	N	 61% of students (aged 6-16) regularly attended school in 2021 Regular school attendance was lower for Maori and Pacific students: 45% and 47%, respectively.
Potentially avoidable hospitalisations	0	2	 49 per 1000 children (aged 0-14) experienced potentially avoidable hospitalisations in 2020/21. Potentially avoidable hospitalisations were more common among Māori and Pacific children at 54 and 65 per 1000 children respectively.
		•=	improving 🛑 = no change 🛑 = worsening

For data based on sample surveys (housing affordability, housing quality, and food insecurity) only changes between years that are statistically significantly different are noted in the table above. See Annex 1 for further detail on interpreting changes over time.
 Longer term trends over at least four years are shown - even though differences between successive years are;

not statistically significant

Key initiatives at a glance



Achieved 2 out of 3 child poverty targets, lifting over

66,500 children out of poverty



Implemented the Healthy Homes Guarantee Act 2017 and set Healthy Homes Standards



Increased the accommodation supplement as part of the

\$5.5 billion Families Package



Expanded the free and healthy school lunch programme Ka Ora Ako to reach





Implemented the \$50 million

Urgent Response Fund to respond to learners' wellbeing needs to support re-engagement and attendance



Extended free and low-cost doctors' visits to reach

> 56,000 more young people

Housing affordability

What it means and why it matters

Housing affordability is about whether households have high housing costs relative to their disposable income. Housing costs are the biggest single item of household expenditure, so housing unaffordability is often associated with significant financial stress, particularly for low and middle income families.

How it relates to child poverty and wider wellbeing outcomes

Children living in unaffordable housing are disproportionately from poor households. Unaffordable housing means these households can face difficult trade-offs because there is not enough money to cover other basic needs such as healthy food, heating, clothing, and transport costs.¹ The financial stress and burden 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.

Attempts to reduce housing costs can also lead to various risks to child wellbeing; for example, living in a house that is cold, damp, in an unsuitable location, or overcrowded. Living in a crowded house greatly increases the risk of transmission and experience of communicable diseases and respiratory infection, particularly for younger children.² It can also mean severely reduced personal space and privacy, inadequate space for children to do homework or study, and increases the chances of relational stress.³

How we measure progress

Housing affordability can be measured in a number of ways. Spending more than 30% of disposable household income on housing costs is generally considered unaffordable. In line with this, the CPRI for housing affordability is 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 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.

This indicator is used for the outcome area 'children and young people have what they need' in the Child and Youth Wellbeing Strategy, as seen in the annual report on progress published alongside this report.

Data for this indicator come from the Household Economic Survey and the most recent data reflects the household's circumstances in the 12 months prior to when they were interviewed. Interviews for 2020/21 data were conducted in the period from July 2020 to June 2021.



The proportion of children in unaffordable housing has been broadly stable since at least 2007

In 2020/21, 34% of children and young people (ages 0 – 17) lived in households spending more than 30% of their disposable income on housing. As shown in Figure 1, there has been no significant change in the proportion of children living in unaffordable housing between 2020/21 and 2019/20 on either the 30%, 40%, or 50% housing unaffordability thresholds. Taking sample error into account, there is also no evidence of any clear longer-term trends in housing affordability since at least 2007 across all of the unaffordability thresholds.



Source: Household Economic Survey 2020/21, Stats NZ

The most recent rates should, however, be seen within the context of longer-run trends for housing affordability, which are provided in the Ministry of Social Development's <u>Household Incomes Report</u>. This shows that the proportion of all households (excluding superannuitant households) spending more than 30% on housing increased from around one in seven (14%) in the late 1980s to around one in three (35%) in the late 2000s, where it has broadly remained since.

Despite the apparent stability of this measure over time, it is important to note that this indicator will not necessarily reflect all changes in housing costs. For example, if some people had their rent or mortgage increase from 31% to 39% of their income, this would not move the indicator. The indicator will partly reflect rising house prices, although the impact may be offset by other factors such as rising incomes and lower interest rates.

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

There are large differences between socioeconomic groups for this indicator. This is important to consider given that low income households will experience a much greater financial strain from unaffordable housing than high income households.

As shown in Figure 2, about 60% of children from the bottom 20% of the income distribution (quintile 1) households live in households that spend more than 30% of their income on housing costs and 36% of children from low-income households live in households that spend more than half their income on

housing costs. The corresponding rates for high income (quintile 5) households are much lower at 11% (at the 30% unaffordability threshold) and 1% (at the 50% unaffordability threshold).

There is no evidence that the disparities by household income have worsened in recent years. The proportion of children in unaffordable housing from low income (quintile 1) households in 2020/21 has not significantly changed since 2019/20 or 2018/19 at either the 30%, 40% or 50% unaffordability thresholds. Prior to this, we do not have reliable long-term data showing how the proportion of children in low-income households in unaffordable housing has changed over time. However robust, long-term trend data on housing affordability by income quintile is available for all households without superannuitants (not just those with children), as shown in the Ministry of Social Development's Household Incomes Report. This data shows that although affordability has been stable since the late 2000s for all households, affordability has worsened for low-income households throughout much of the 2010s.



Source: Household Economic Survey 2020/21, Statistics NZ

Rates of children in unaffordable housing generally do not significantly differ by ethnicity or disability

As shown in Figure 3, there are generally no statistically significant differences between rates of European, Māori, or Pacific children living in unaffordable housing (at the 30%, 40% or 50% thresholds), although Asian children have higher rates of living in households with high housing costs.

^{*} Annual equivalised household income quintile (Q1 is the bottom fifth of households, Q5 is the top fifth)



Source: Household Economic Survey 2020/21, Statistics NZ

Around 36% of disabled children, and 34% of children in households with a disabled person, live in households spending more than 30% of their income on housing. These rates are not statistically significantly different from the overall rates for children.

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

Children living in dwellings that are owned or partially owned by the usual residents have lower rates of unaffordability at all three thresholds, compared to those who rent or do not own their home. Children in single parent households also have higher rates on all three measures compared to couples with one or more children, as shown in Figure 5.



Source: Household Economic Survey 2020/21, Statistics NZ

There are likely to be other groups that experience unaffordable housing that are not picked up by this measure. Families with children living in non-private dwellings (i.e. living in motels, boarding houses or camping grounds) are likely to have faced significant challenges with housing affordability and security but this will not be reflected in data from the household economic survey.

Since COVID-19, income growth has kept pace with increases in housing costs

It is notable that despite the profound impacts of COVID-19 on the economy, the housing affordability indicator has not changed significantly in the year to June 2021. This is broadly consistent with the after-housing-cost moving line measures of child poverty which showed no significant change in 2020/21 compared to 2019/20.

The non-significant change in the housing affordability indicator reflects how housing costs and household incomes have both increased, on average, between 2020/21 and 2019/20. Household Economic Survey data show that housing costs on average increased by approximately 2.5% – from \$340 to \$349 per week over this period. For renters, the average weekly spend on rent increased 5.4%, from \$372.30 to \$392.30. At the same time, median household disposable incomes increased by approximately 5.5%.

To improve housing affordability, we have:

- Delivered an additional 8,354 public homes through Kāinga Ora and community housing providers between November 2017 and the end of June 2021, taking the total number of public homes to 74,588.
- Introduced the Urban Growth Agenda to remove barriers to the supply of land and infrastructure and make room for cities to grow up and out.
- Delivered 1,000 additional transitional housing places under the Homelessness Action Plan in February 2021.
- Expanded Housing First to a total of 2,700 places to improve the social and housing outcomes of chronically homeless people and their families and whānau.
- Increased funding for Housing Support Products to help an additional 2,250 people per year access new housing or sustain their existing accommodation.
- Introduced the 12-month residential rental freeze.
- Piloted a rapid-rehousing approach to support individuals and whānau into permanent housing.
- Made \$400 million available to support more New Zealanders into home ownership by increasing support for progressive home ownership products, such as shared equity and rent-to-buy schemes.
- Reduced the deposit required for a First Home Grant and Loan to five percent, making it easier for first home buyers to get a deposit together.
- Invested in the Māori Housing Network to provide additional papakāinga (Māori collectively owned homes), housing repairs, and capability building programmes.
- Supported Pacific households into home ownership, including delivering financial capability programmes to over 3,000 Pacific people, developing feasibility studies and business cases for development of communally owned land.
- Increased the Accommodation Supplement as part of the Families Package, delivering an average increase from \$71 to \$98 a week.
- Indexed benefits to wage growth, increased benefit abatement thresholds, permanently increased main benefits by \$25, doubled the Winter Energy Payment in 2020/21.

2021/22 and onwards, we are:

- Extending Housing First Programmes in Christchurch, Wellington and Nelson.
- Delivering further transitional housing places, including 1,000 places delivered under the Public Housing Plan in November 2021, with a further 1,000 to be delivered by June 2022.
- Providing opportunities for over 700 people to complete the Pacific Financial Capability Development Programme in 2022, with around 100 participants achieving home ownership.
- On 1 April 2022, increasing main benefit rates by between \$39.74 and \$62.35 per adult per week, compared to April 2021. These increases are part of Budget 2021 policy initiatives to lift main benefit rates in line with a key recommendation from the Welfare Expert Advisory Group, with an additional \$15 per week, per adult, for families with children.
- Increasing the Family Tax Credit and Best Start payment, lifting the incomes of 346,000 families by an average of \$20 a week from April 2022.
- Further increasing the minimum wage rate in April 2022, to \$21.20.

Housing quality

What it means and why it matters

Housing quality is about living in a safe, warm, dry home. In addition to its impact on the immediate wellbeing of all household members, living in warm and dry housing makes children less likely to experience poor health, including respiratory illnesses and infections.⁴

It is estimated that around 46,000 children are hospitalised every year from preventable, housing-related diseases like asthma, pneumonia and bronchiolitis, with hospitalisation rates peaking in winter.⁵ 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.⁶

How it relates to child poverty and wider wellbeing outcomes

There are complex inter-dependencies between poor quality housing and poverty. A lack of income is a key barrier to accessing quality housing, especially in the context of high and increasing housing costs, and the generally lower quality and limited range and availability of rental housing.

Many families also face difficult trade-offs between housing quality, housing costs and finding housing that is the right size and in a suitable location to access employment, childcare and educational opportunities. Housing quality is often one of the first things that lower-income families may need to compromise on.⁷ Low quality housing can also lead to further pressure on the household budget, as extra costs are incurred to keep uninsulated, cold houses warm, as well as the costs of medical treatment, child-care and loss of employment income owing to sickness caused by poor quality housing.⁸

How we measure progress

The CPRI for housing quality is the percentage of children (ages 0–17) living in households with a major.* problem with dampness or mould over the past 12 months.

This indicator is used for the outcome area 'children and young people have what they need' in the Child and Youth Wellbeing Strategy, as seen in the annual report on progress published alongside this report.

Data for this indicator come from the Household Economic Survey and the most recent data covers the period July 2020 to June 2021.



^{*}Respondents to the HES 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.

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

In 2020/21, 6% of children and young people (aged 0-17) lived in households reporting a major problem with dampness or mould.



Source: Household Economic Survey, Stats NZ

There was no statistically significant change on this indicator in 2020/21 compared to 2019/20. However, as shown in Figure 6, there has been a consistent downward trend on this indicator since 2017/18, indicating an overall improvement in the number of children living in households with major damp or mould problems.

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

There are significant differences in housing quality for different socioeconomic groups. In 2020/21 10% of children in the lowest-income (quintile 1) households lived in housing with a major damp or mould problem, compared to 1% of children in the highest-income (quintile 5) households. There is no evidence that this disparity has significantly narrowed in the past four years for which there is reliable data by income quintile.



Source: Household Economic Survey 2020/21, Stats NZ

Māori and Pacific children face greater barriers to living in quality housing

The barriers to accessing quality housing are higher for Māori and Pacific children. As shown in Figure 8, 10% of Māori children and 12% of Pacific children live in households reporting a major problem with dampness or mould compared to 6% of New Zealand children overall. Although the estimated rates for

⁺ Annual equivalised household income quintile.

Māori and Pacific children are somewhat lower than in the previous year, these differences do not meet the threshold for statistical significance. This may partly reflect the smaller sample size and greater uncertainty around estimates for sub-populations.[‡]



Source: Household Economic Survey 2020/21, Stats NZ

Other key observations

Other groups facing financial disadvantage also experience greater barriers to accessing quality housing. A significantly higher proportion of children of sole parents (11%) live in poor quality housing compared to couples with children (4%). And around 10% of children with disabilities live in households with a major problem with dampness or mould, which is the same as the rate for children in households with a disabled person. This is nearly double the rate experienced by children overall. Housing quality issues are also strongly related to tenure, with a significantly higher proportion of children living in households not owning their own home reporting a major problem with dampness or mould (11%), compared with households living in owner-occupied dwellings (2%).

Housing quality, COVID-19 and time spent at home

COVID-19 is likely to have affected how housing quality impacts on children's outcomes. Particularly during lockdowns, children and families are likely to have spent a much greater proportion of their time at home. More time at home not only adds to the cost of heating poorly insulated homes, but it is likely to have increased the level of exposure to damp or mould for those living in poor quality housing.

[†] The Household Economic Survey had a smaller sample size than usual in 2020/21 owing to disruptions caused by COVID-19. This means that estimates for sub-populations are measured with less precision. See Annex 1 for further details.

To improve housing quality, we have:

- Improved the quality of housing and conditions for renters 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.
- Introduced the Warmer Kiwi Homes programme that offers 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.
- Introduced the Winter Energy Payment, as part of the Families Package, to help those on a main benefit, receiving Superannuation or a Veteran's Pension with the cost of heating their homes over winter. In response to COVID-19, this was doubled in 2020 to support beneficiaries and superannuitants to remain safe and well at home.
- Invested in the Māori Housing Network Repair Programme, which has delivered critical repairs to nearly 1,500 Māori homes across Aotearoa New Zealand and delivered DIY workshops to whānau-led community projects.

2021/22 and onwards, we are:

- Partnering with Māori through 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.
- Supporting energy efficiency, including through new mandatory Energy Efficiency Certificates to support homeowners to reduce their power and energy costs.
- Continuing to implement the recommendations following the Electricity Price Review, with a particular focus on alleviating energy hardship.

Food insecurity

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.⁹

Household food insecurity has been associated with a wide range of child health and development problems from infancy through to adolescence, including child obesity,.¹⁰ poor academic performance, and developmental and behavioural problems.¹¹

How it relates to child poverty and wider wellbeing outcomes

Both New Zealand and international research shows a strong relationship between food insecurity and low income. When disposable income is limited, quality and quantity of food is often compromised.¹²

Food insecurity also contributes to family stress and can damage wellbeing when caregivers feel anxious about their ability to provide food or feel stigmatised about relying on charity or emergency assistance programmes 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.¹³ Family meals can also be an important way for families and communities to spend quality time together, and for food insecure households this experience may be compromised.

How we measure progress

The indicator for food security 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. There is a gap in the data available as this question was removed from the Health Survey in 2016/17 and reinstated in 2019/20. The Health Survey was disrupted due to COVID–19 in 2019/20 and in 2020/21.**. Further detail about these impacts is outlined in the technical annex.

This food security indicator is used for the outcome area 'children and young people have what they need' in the Child and Youth Wellbeing Strategy, as seen in the annual report on progress published alongside this report.



[§] 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.

^{**} See <u>Methodology Report 2019/20: New Zealand Health Survey</u> and <u>Methodology Report 2020/21: New</u> <u>Zealand Health Survey</u> for more details about the impacts of COVID-19 on data collection in these years.

Food insecurity has improved substantially in the last year ^{††}

In 2020/21, 15% of children (aged 0-14) lived in households that reported that food ran out often or sometimes in the past year, as shown in Figure 9. This represented a large and statistically significant decrease from 20% in 2019/20. In 2020/21 around 3% of children lived in households that reported food runs out often. This is statistically significantly lower than the rates observed in 2019/20 (4%) and in earlier years (which ranged from 4-5%).



Source: NZ Health Survey, Ministry of Health

Children from the most deprived areas are much more likely to live in food insecure households

Food insecurity increases with socioeconomic deprivation. In 2020/21, 31% 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 5% of children in households in the least deprived areas (NZ Deprivation Index Quintile 1).

⁺⁺ Food insecurity indicator methodology has been updated in this report to align with methodology used by the Ministry of Health's New Zealand Health Survey 2020/21. As such, rates differ slightly from previous years' reports (<1ppt).



Source: NZ Health Survey, Ministry of Health

Māori and Pacific children face greater barriers to food security

In 2020/21, Māori children were 2.5 times more likely to be living in households reporting that food runs out often or sometimes in the past year compared to non-Māori children. Pacific children were three times more likely than non-Pacific children to experience food insecurity on the same indicator. There has been a statistically significant decrease in this indicator of food insecurity for Māori children between 2015/16 (35%) and 2020/21 (26%).



Source: NZ Health Survey, Ministry of Health.

Food insecurity overall has improved...

The overall improvement on the CPRI food security indicator is consistent with similar changes observed on a related food security indicator captured in the New Zealand Health Survey: the proportion of children aged 0–14 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 14% in 2020/21.

The encouraging improvements on these indicators may reflect the Government investments in child poverty reduction over the past four years as well as the specific measures to mitigate the financial

impacts of COVID-19, including the permanent \$25 a week increase to main benefit in April 2020, the doubling of the winter energy payment in 2020, and the expansion of the food in schools programme.

... but rates of food bank usage have not decreased

At the same time, it should be noted that data relating to food bank and food grant usage paints a more nuanced story about the experience of food insecurity over this period. New Zealand Health Survey data shows that the number of children aged 0-14 living in households that reported using food grants and food banks "often or sometimes" in the past year did not change significantly since 2019/20 - even though this measure typically closely tracks the other survey indicators of food insecurity (which both decreased).

There was also evidence that the number of people accessing support from food bank providers and Ministry of Social Development (MSD) special needs grants for food increased over this period, especially during lockdowns. As shown in Figure 12, the number of MSD Special Needs Grants for food increased sharply during the nationwide COVID-19 lockdown that occurred from March to June 2020. This increase likely reflects a number of factors including the higher rates of financial hardship experienced following the sharp initial rise in unemployment after the first lock-down, as well as operational changes made by MSD which made it easier for people to access grants^{‡‡}.

Food bank providers reported a similar sharp spike in demand during the initial COVID-19 lockdown, with food bank usage returning to similar, or slightly higher levels after this^{§§}. Again, this may reflect a combination of factors including increased demand due to financial hardship, difficulties accessing food in the context of the lockdown, as well as the increased visibility and proactive outreach of food bank support following the \$32 million of additional Government funding provided for food banks around this period.



Source: Ministry for Social Development

[#] See <u>The impacts of COVID-19 on one-off hardship assistance (msd.govt.nz) for a more complete</u> <u>description of the factors affecting observed changes in hardship assistance.</u>

^{§§} See page 27 of the <u>tsa</u> state of the nation 2022.pdf (salvationarmy.org.nz) report.

To improve food security, we have:

- Continued the roll out of the Ka Ora, Ka Ako | healthy school lunches programme. 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 7,000 students every day. As at the end of June 2021, 193,000 students in 790 schools received daily free and healthy school lunches through the programme.
- Undertaken an evaluation of the Pilot Food in Schools Programme, which shows it is improving food security and mental wellbeing, especially for the most disadvantaged learners.
- Continued funding support for the provision of food in schools through the KickStart Breakfast and KidsCan Food for Kids programmes.
- Invested \$32 million over two 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.
- Invested \$38m in Auckland-based social sector services, including support for foodbanks, food rescue and community food organisations, in response to the Delta outbreak.
- Increased funding for marae and Whānau Ora to support communities in response to COVID-19.

2021/22 and onwards, we are:

- Providing funding through the Food Secure Communities Implementation Fund for communities to implement or scale up sustainable initiatives which will increase access to affordable and healthy kai within low-income communities and/or enable Māori to exercise tino rangatiratanga over food systems that feed and nourish whānau. In doing so, this helps reduce the dependency on foodbanks and food hardship grants.
- Providing funding through the Care in the Community welfare approach, as part of the COVID-19 response, to ensure community food services can continue to support households who need food parcels to safely self-isolate.
- Continuing to work with 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.
- Continuing the roll-out of Ka Ora, Ka Ako | healthy school lunches programme. As at March 2022 45 million lunches had been served and 921 schools and 211,000 learners were receiving free and healthy school lunches daily. An independent evaluation of the programme is being undertaken from February 2022.
- Temporarily increasing the income limits applying to hardship assistance for 8 months from 1 November 2021 in response to the COVID-19 resurgence.

Regular school attendance

What it means and why it matters

Regular school attendance relates to whether children are attending school for at least 90% of the term. It is critical for student achievement and wellbeing. A New Zealand study found a strong relationship between regular student 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 student subsequently attains.¹⁴

It is also likely that attendance impacts, and is impacted by, other aspects of subjective wellbeing. Research shows links between skipping school and schoolwork-related anxiety, bullying, a diminished sense of belonging, and lower levels of motivation. In every case, students who report skipping no days of school reported the best wellbeing outcomes.¹⁵

How it relates to child poverty and wider wellbeing outcomes

Poverty and disadvantage can pose a significant barrier 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. Others face particular challenges to maintaining regular attendance due to insecure housing and regularly moving to different areas, and illnesses associated with disadvantage (including poor housing quality, overcrowding, and lack of access to primary health services). Lack of money to pay for school uniforms, period products, PE gear, lunches, devices, or travel to school can also make regular attendance a challenge.^{16, 17}

How we measure progress

The child poverty related indicator for regular attendance is the percentage of children and young people (ages 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 can be classified as either justified (e.g. illness), or unjustified (e.g. truancy).

The data covers attendance for all of Term 2. Due to the COVID-19 lockdown, the data for 2019/20 only covers the last seven weeks of Term 2 when students physically attended schools (18 May 2020 to 3 July 2020) and counts students who were enrolled for a minimum of one half-day. Note that in all other years including 2021, students were only counted if they were enrolled for a minimum of 30 half-days.

This indicator is used for the outcome area 'children and young people are learning and developing' in the Child and Youth Wellbeing Strategy, as seen in the annual report on progress published alongside this report.



Rates of regular school attendance have been variable since COVID-19, but show an overall downward trend since 2015

In 2021, 61% of students (ages 6–16) attended school regularly in term 2. This compares with attendance rates of 65% achieved in 2020, and 59% in 2019 – as shown in Figure 13.

The Ministry of Education has reported a trend of declining regular attendance from 2015 to 2019. In 2015, 69% of students regularly attended school but by 2019, and before the impacts of COVID-19, this had dropped to 58%. It is notable that attendance rates in 2020, measured in the period following the first nationwide lockdown, were higher on average than over the same period in 2019. Research by the Ministry of Education indicates this likely reflects substantially lower rates of absence due to illness, offset by slightly higher rates of unjustified absences. The lower rate of absence due to illness is likely to be because of the preceding period of isolation reducing the spread of communicable diseases. Term 2 of 2020 was also immediately after lockdown resulting in a temporary boost of attendance. The attendance rate in 2021 dropped back down to 61%, closer to the rates observed in 2019. The drop in Term 2 2021 attendance may have been linked to students being encouraged to stay at home at any sign of illness.¹⁸ However, research by the Education Review Office has found that there have been a number of additional challenges due to COVID-19 around student re-engagement and participation during 2020 and into 2021, which may have impacted attendance rates, particularly for students in Auckland and those in more disadvantaged circumstances.



Source: Attendance Survey, Ministry of Education

Socio-economic disparities in regular attendance rates have widened since COVID-19

Although school attendance was higher after the first nationwide lockdown, this result varies depending on the level of socio-economic advantage within schools. Prior to 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. However this disparity has widened since COVID-19. In the top 5 decile schools attendance in 2020 and 2021 appears to have bounced back compared to the particularly low rates observed in 2019. By contrast, for students in decile 1 and 2 schools attendance has been persistently low since 2019. This suggests that COVID-19 appears to have worsened the existing socio-economic inequalities in attendance rates.



Source: Attendance Survey, Ministry of Education

Māori and Pacific children face higher barriers to regular attendance

In 2021, 45% of Māori children and 47% of Pacific children aged 6-16 attended school regularly, compared with the overall of 61% across all students. This pattern is also consistent when looking back at attendance in earlier years.



Source: Attendance Survey, Ministry of Education

The time trends in attendance rates by ethnicity shows a similar pattern to what we see for school decile. Attendance rates for European and Asian students have bounced back to rates closer to 2017 and 2018 levels, whereas the barriers to attendance for Māori and Pacific children appear to have persisted.

Disparities in outcomes for some population groups are created and maintained by our respective systems, for example through racism and discrimination. The differences in outcomes signal that some populations are underserved by our systems and more should be done to support equitable outcomes. Government is leading a range of actions to support equitable outcomes for all children and young people.

There is some evidence that fewer Māori and Pacific children are leaving school altogether, post COVID-19.¹⁹ As noted by the Ministry of Education, "we know from school and community reports that there are cases where COVID-19 is negatively impacting on students' ability to remain in schooling. Yet the broader data suggests that for every student in this situation this year, there may have been just as many (if not more) similar students experiencing different pressures than in previous years. In this way, COVID-19 might simply be directing attention to existing societal inequities."²⁰

Other key observations

Regular attendance usually peaks at around the ages of 9–11, before dropping off as students get older. Across age groups, attendance increased markedly in 2020 compared to 2019, which (as noted above) may be a result of lower rates of absence due to illness immediately following the COVID–19 lockdown. There is evidence again, however, of an uneven bounce back in attendance rates by age. Attendance rates for older children in 2021 have dropped back down to levels at or below rates observed in 2019, whereas for younger children attendance rates have increased to levels above those in 2019.

The Ministry of Education has undertaken more in-depth analysis of the underlying drivers of declining attendance rates for different groups, both before and since COVID-19 to better understand these patterns.



Source: Attendance Survey, Ministry of Education

To improve regular attendance, we have:

- Supported distance and blended education by providing 49,000 devices to schools for their students and connecting more than 40,000 families to the internet during COVID-19 lockdowns.
- Developed regional action plans for engagement in learning which will be revised through engagement with local school communities.
- Started to redesign the Attendance Service, including trialling two pilots in South Auckland and Kawerau to improve the service.
- Implemented TK400 to provide support to Auckland NCEA students who had become, or were at risk of becoming disengaged, because of lockdown disruptions. 193 students received support over Term 4 2020 and Term 1 2021. The programme was successful in reaching at-risk students, and had a positive impact on student wellbeing and engagement.
- Progressed a review of the codes used to record a student's presence or absence, as well as collecting attendance data across the year to gain richer insights into the reasons for non-attendance.
- Started the phased roll-out of the free period products in schools initiative. As at the end of 2021, 1,986 schools and kura had opted into the initiative. Since June 2021, 1,476 orders for products have been placed and delivered to schools and kura.
- Implemented a \$50 million Urgent Response Fund to respond to learners' needs related to attendance, re-engagement with learning, and wellbeing to support attendance (including cultural wellbeing) following COVID-19 lockdowns.
- Implemented a national plan for working collectively with schools on new attendance and engagement approaches to support all children and young people to return to early learning, school and kura following the COVID-19 containment period.
- Delivered the Akonga Youth Development Community Fund to support Iwi and communitybased youth development providers to deliver programmes outside of traditional education settings (e.g. schools/kura) to support Akonga/learners (aged 12 to 21 years) who have been adversely affected by the impact of COVID-19 pandemic to stay engaged in their education journey.
- Topped up the School High Health Needs Fund that provides teachers' aide support for students with high health needs so they can attend school safely.
- Undertaken research to identify the barriers and enablers schools face when seeking to create safe and inclusive environments and collect examples of best practice.
- Provided additional funding which will enable counselling support for around 24,000 of our most vulnerable children and young people in 141 schools throughout Aotearoa.

2021/22 and onwards, we:

- Invested \$15 million in 2021/22 to support re-engagement of students in Auckland/ Tamaki Mākaurau following the local lockdown in that region.
- Are building the foundations for blended education, including reviewing legislative settings, and continuing the development of necessary infrastructure.
- Are exploring options for increasing collaborative learning opportunities, including expanding the roles of Te Kura, the Virtual Learning Networks and other blended education organisations.
- Are further rolling out the free period products initiative. From the start of Term 1 2022, schools and kura will be able to request dispenser units, and gain access to educational resources. An evaluation of the programme will be scoped in 2022.
- Are responding to the Select Committee Inquiry into attendance and finalising the Engagement Strategy to connect children and young people with learning.

Potentially avoidable hospitalisations

What it means and why it matters

Every year thousands of children across New Zealand are admitted to hospital with avoidable illnesses and injuries.²¹ 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. 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.²²

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 in order to treat illnesses and receive vaccinations.²³ This can include the cost and time of travelling to a health centre, or parents 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.²⁴

How we measure progress

This indicator looks at the rate of children ages 0–14* hospitalised for potentially avoidable illnesses and injuries, based on data collected by the Ministry of Health. Data for this indicator includes hospitalisation as a result of intentional and unintentional injuries, which are part of the Ministry of Health's official definition of potentially avoidable hospitalisations.

This data covers hospital events from July 2020 to June 2021, and so reflects rates of avoidable hospitalisation for children and young people 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 Child and Youth Wellbeing Strategy, as seen in the annual report on progress published alongside this report.



previous reports and Gazetted as children aged 0-15. All PAH rates presented are age standardised.

^{*} The data reported here includes children aged 0 to 14 years and 11 months and is described in

Rates of potentially avoidable hospitalisations have been trending down since 2015/16

In 2020/21, the rate of potentially avoidable hospitalisations was 49 per 1,000 children (ages 0-14). This is a continuation of the rates observed since the notable drop seen in 2019/20 compared to previous years.

Over the six years to 2020/21, rates of potentially avoidable hospitalisations have been decreasing: from 67 potentially avoidable hospitalisations per 1,000 children aged 0-14 in 2015/16 to 49 in 2020/21. This trend is the same when looking at rates for illnesses only (excluding injuries), where rates per 1,000 children aged 0-14 decreased from 51 in 2015/16 to 34 in 2020/21.



Source: National Minimum Dataset, Ministry of Health

The Ministry of Health has analysed the data on a monthly basis and note that the numbers of patients decreased significantly since March of 2020. This may be because social distancing has reduced the rates of infectious illnesses,²⁵ and the nationwide lockdowns may have also resulted in a reduction in injuries due to less travel, and less sport played.

Higher rates in more deprived areas, but these disparities have narrowed dramatically in recent years

As noted in previous reports, rates of potentially avoidable hospitalisations are higher among children living in more deprived areas. Rates for the most deprived areas declined rapidly over 2015/16 – 2019/20 and remained broadly unchanged since then.



Source: National Minimum Dataset, Ministry of Health

There are higher rates for Māori and Pacific children, but these disparities are narrowing

In 2020/21, potentially avoidable hospitalisations for Pacific children aged 0–14 were 65 per 1,000 children; and 54 per 1,000 Māori children. This compares with 45 per 1,000 children of European and Other ethnic backgrounds. These findings are similar to those of a University of Canterbury study, which found that rates for all illnesses, particularly respiratory illnesses, are highest among Māori and Pacific children.²⁶

The decrease for Pacific children in 2020/21 was greater than for Māori or European and Other children, reducing the gap between rates for children of different ethnicities. However, there are still differences between these ethnic groups.



Source: National Minimum Dataset, Ministry of Health

Other key observations

Rates of potentially avoidable hospitalisations are highest among younger children. In 2020/21 the rate of potentially avoidable hospitalisations for children aged 0-4 was 86 per 1,000 children, compared with 36 per 1,000 children aged 5-9 and 26 per 1,000 children aged 10-14. Younger children are particularly vulnerable to unhealthy environments (e.g. low-quality housing) due to their still-developing immune systems. Recent 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.²⁷



Source: National Minimum Dataset, Ministry of Health

Overall, we can see the largest drops for 2020/21 in the groups that have the highest rates – younger children, children living in higher deprivation areas, Pacific children, and Māori children. However, the gaps between these groups and the general population remain.

Unintentional injury was the highest leading cause among children – at 14 and 15 per 1000 respectively. Respiratory conditions were the second highest leading cause of potentially avoidable hospitalisation among children (12 per 1000). Potentially avoidable hospitalisations for respiratory conditions has decreased notably over time from 21 per 1000 in 2015/16 to 12 per 1000 in 2020/21.

To reduce potentially avoidable hospitalisations, we have:

- Extended free and low-cost doctors' visits for children under the age of 14 enrolled with a GP, reaching 56,000 more young people.
- Lowered the cost of visiting a doctor or nurse for adults with a Community Services Card, and their dependants aged 14 to 17 years, who are enrolled with a GP.
- Provided free toothbrushes and fluoride toothpaste to children and families.
- Rolled out healthy active learning initiatives including: a physical activity workforce to support schools, kura and communities; developed and distributed health and physical education curriculum resources for schools; and Tapuwaekura being developed and delivered to provide a kaupapa Māori approach to healthy and active learning.
- Expanded and enhanced school-based health services to reach over 96,170 students across 300 schools. This initiative was evaluated in 2021.
- Boosted funding for Whānau Ora to support the health and wellbeing of whānau and communities.
- Expanded the Ministry of Health's Healthy Homes Initiative to improve the quality of housing to prevent childhood hospitalisations.
- Funded an additional 20 mobile dental clinics to improve access to dental services for children and young people.
- Expanded Mana Ake to provide mental health and wellbeing support for children in primary school years to five more regions: Northland, Counties Manukau, Bay of Plenty, Lakes and West Coast.
- Included within the Suicide Prevention Action Plan a national hui of suicide prevention forces; continued community funding for targeted suicide prevention for Māori and Pacific and youth; enhanced information services for whānau and suicide reporting guidelines for media; provided additional postvention services in DHBs.
- Consulted on a proposal to reduce speed limits to make streets outside schools safer.

2021/22 and onwards, we are:

- Expanding the Healthy Active Learning initiative. The initiative will expand from 8 to 14 regions across Aotearoa from January 2022, and will grow from supporting 300 schools to 800 schools and kura.
- Further enhancing Mana Ake, based on the findings of the evaluation of the programme due in early 2022.
- Further rolling out and evaluating the free toothbrushes and fluoride toothpaste programme.
- Running a HeadFirst Mental Wellbeing Programme pilot across five DHB regions: the programme involves workshops in schools and rugby clubs to promote mental health and wellbeing.
- Establishing a fit-for-purpose sexual violence primary prevention system that addresses the social drivers that allow sexual violence to occur. It includes targeted investment for kaupapa Māori approaches.

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, and this needs 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 we can be 95% confident the true rate falls (assuming the sample is randomly selected from the population). Figures within the report based on sample survey data include 95% confidence intervals. 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 were based on a smaller overall sample size due to COVID-19 limitations 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 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 throughout the year to June 2021. None of the data included in this report reflect the impacts of the Delta or Omicron outbreaks. Table 1 summarises the reporting periods for each of the indicators used for 2020/21 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.

In 2020/21, New Zealand Health Survey data collection was delayed and so the reference period covers September 2020 to August 2021. The main impact of this disruption is that the overall sample size was significantly smaller in 2019/20 (9699 adult respondents) and 2020/21 (9709 adult respondents) compared to the previous target sample size of 14,000 adults. 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 2019/20 and 2020/21 results with previous years.

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.

CPRI	Data source	Data lag for this year's report	Frequency of reporting
Housing affordability Housing quality	Household Economic Survey 2020/21 (Stats NZ)	Data based on annual household incomes data and experiences for households interviewed from July-2020 to June 2021, for the period 12 months prior to interview.	Annually
Food insecurity	NZ Health Survey 2020/21 (Ministry of Health)	Data based on experiences for households interviewed from September 2020 to August 2021 for the period 12 months prior to interview.	Annually
Regular school attendance	Attendance Survey 2021 (Ministry of Education)	Data based on attendance monitored over the course of Term 2 2021.	Annually
Potentially avoidable hospitalisations	National Minimum Dataset 2020/21 (Ministry of Health)	Data sourced from the National Minimum Dataset for Hospital Inpatient Events where date of discharge is between 1 July 2020 and 30 June 2021.	Annually

Table 1: Details on indicator data sources and reporting timeframes

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 1 represents the 20% of small areas with the lowest levels of deprivation (the least deprived areas) and quintile 5 represents the 20% 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 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.

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 do sum to the total population.

Housing affordability and quality

The data on housing affordability and quality was prepared by Stats NZ based on the Household Economic Survey (HES). 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 by income quintile and ethnicity (this has not been possible previously). 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 <u>here</u> 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 answers to the questions are used as a basis to determine 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 <u>here</u> on the Ministry of Health website.

The Ministry of Health's report on 2020/21 Health Survey results can be found <u>here</u>.

Regular attendance

The Ministry of Education 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.

The Ministry of Education'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 ages 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 Ministry of Education's published results. These have an immaterial impact on overall results and trends (±1%).

The Ministry of Education's report on 2021 attendance for all students can be found here.

Potentially avoidable hospitalisations

The Ministry of Health 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.

The methodology report for the calculation of potentially avoidable hospitalisations has been published by the Ministry of Health <u>here</u>.

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