CHiLD POVERTY ACTION GROUP

Beginner's Guide to Child Poverty Measurements in New Zealand

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Our mission

Founded in 1994, the Child Poverty Action Group (CPAG) is an independent, registered charity working to eliminate child poverty in Aotearoa New Zealand through research, education and advocacy.

Our work

CPAG produces research about the causes and effects of poverty on children and their whānau and families, and uses this to inform public discussion and promote evidence-based responses.

CPAG is funded entirely by grants from charitable trusts and donations from the public. Our members across New Zealand include leading academics, doctors, teachers, health workers, community workers and many others.

Our work covers issues such as health, housing, education, taxation, disability, employment and income support.

Our focus on children

CPAG focuses on eliminating poverty for children because:

Overall effects of poverty are worse for children — Child development is adversely affected by poverty, and can lead to detrimental effects for an entire life.

Children are more likely to experience poverty — Children are over-represented among those in deprived households.

Children don't get a say — Decisions affecting children are made without their input; state democracy involves only adults.

Acknowledgement

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Introduction

This document provides accessible information on New Zealand's child poverty reduction framework, namely the Child Poverty Reduction Act (2018) and the statistical measures used to monitor our progress towards reducing child poverty.

Child Poverty Reduction Act (2018)

The Child Poverty Reduction Act (2018) received royal assent on 20th December 2018. The Act requires the government to focus on child poverty reduction by:

- Collecting data and measuring the level of child poverty.
- Setting a 10-year long-term reduction target (2027/28) and three sets of three-year intermediate targets leading up to the 10-year target. Intermediate targets are set for 2020/21, 2023/24 and 2026/27.
- Identifying and defining indicators of child poverty reduction.
- Reporting on the rate of child poverty each year.
- Report on child poverty progress on Budget Day and outline how the budget will reduce child poverty.
- Reporting on child poverty reduction progress by identified indicators.
- Declaring and explaining to parliament if the Government fails to meet reduction targets.

What measures are used for child poverty in New Zealand?

The Child Poverty Reduction Act (2018) legally requires the New Zealand Government to monitor and report on child poverty through 10 measures:

Primary Measure
1) Before Housing Cost 50 - Moving
2) After Housing Cost 50 - Fixed
3) Material Hardship
4) Persistent Poverty
Supplementary Measure
5) Before Housing Cost 60 – Moving Line
6) After Housing Cost 60 – Moving Line
7) After Housing Cost 50 – Moving Line
8) After Housing Cost 40 – Moving Line
9) Severe Material Hardship
10) After Housing Cost 60 & Material Hardship

The government uses these four primary measures to evaluate its progress in child poverty reduction and set intermediate and long-term reduction targets for each of these measures.

Persistent poverty data collection will start on July 1st, 2025 and will be reported on for the first time in February 2027. All other measures have been reported annually since 2019.

We will go in-depth into what each measurement captures later in the document. For more information on the overall framework of the 2018 Child Poverty Reduction Act, please refer to some of our other work (Wensley, 2023; St John, 2022; Hancock, 2019).

How is data collected for child poverty in New Zealand?

New Zealand's Child Poverty Statistics primarily rely on the Household Economic Survey conducted by Statistics New Zealand (StatsNZ). The Survey was created in 1973 to collect information about household incomes, expenditures, and savings for policy development and decisions.

With the introduction of the Child Poverty Reduction Act in 2018, the sample size of the Household Economic Survey was increased from 5,000 to 20,000 households in the 2018/19 financial year with a sharper focus on targeting low-income households. Hence, the child poverty assessment in New Zealand is much more representative.
Difficulty in data collection in recent years has driven the increased usage of administrative data to procure information collected through the Household Economic Survey. Administrative data is information already collected by the government, such as tax and health records.

It is also important to note that participants are asked about household situations during data collection for the *past* 12 months. This means that when the child poverty statistics are released, they may draw from data as far back as 24 months from release and, therefore, do not provide real-time information. The Household Income and Living Survey will replace the Household Economy Survey in the 2025/26 financial year. This means 2024/25 will be the last financial year to use the Household Economic Survey.

How is material hardship measured?

The Household Economic Survey includes a set of questions called the Deprivation-17 questionnaire. This collects data on a household's material well-being. The questions can be broadly divided into the following five categories (see Figure 1):

1. Food (3 questions)
2. Clothing & Shelter (5 questions)
3. Maintenance (2 questions)
4. Healthcare (2 questions)
5. Lifestyle & Behaviour (5 questions)

These questions range from something concrete, such as "Do you have a meal with meat, fish or chicken (or vegetarian equivalent) at least each second day?" to conditional, such as "In the last 12 months, have you had to postpone or put off visits to the doctor to keep costs down?", and to hypothetical question, such as "If you (or your partner) had an unexpected and unavoidable expense of $500 in the next week, could you pay in a month without borrowing?".

A response that indicates deprivation will earn one point in the questionnaire. A household scoring 6 to 8 points across the questionnaire is considered to be in material hardship, and one scoring 9 points or over is considered to be experiencing severe material hardship.

Material hardship is reported as a primary measure in the annual Child Poverty Report, and mandated targets are attached to this measure. Severe material hardship is reported as a supplementary measure.

How is income poverty measured?

Income poverty is measured through household income. A household is a group of people sharing private accommodation at least four nights a week. This group must also share food or contribute money towards the household's costs.

Income figures collected in the Household Economics Survey go through a cleaning process before being used to measure child poverty. This cleaning process involves several steps:

1) A person's income combines wages, self-employment incomes, investments, benefit payments, tax credits and superannuation.
2) The collected income data is checked with administrative data, such as people's tax records. In cases where income data is inaccurate due to typos or false reporting from participants, the data is corrected by a StatsNZ technician.
3) The checked income of individuals within the same household is added for a total figure called **gross household income**.
4) The gross household income is converted to **disposable household income** by deducting all taxes paid.
5) The household data then goes through a weighting process called **equivalisation**. Adults and children are given different multipliers. The first adult's income is counted in full – a multiplier of 1. Subsequent incomes of adults and children over 14 are counted as half, each earning a multiplier of 0.5. Any children under 14 are counted as roughly a third, a multiplier of 0.3.
6) The result of this process is what is referred to as **household equivalised disposable income (HEDI)**. The disposable household income is multiplied by the (equivalisation) multiplier based on its composition to obtain a household's HEDI. The overall formula looks like this:

$$(gross\ household\ income - deductable) \div equivalisation\ multiplier \\ = household\ equivalised\ disposable\ income\ (HEDI)$$

The purpose of equivalisation is to ensure that the income data is reflective of the financial demands of different household sizes and compositions. In this way, income earners will show a lower total household equivalised disposable income when they have children than without children. Let us see how equivalisation plays out with some examples.

The Smith Household:
Caregiver 1: $20,000 per annum
Caregiver 2: $25,000 per annum
Ben (age 15): $1,040 per annum
Emma (age 15): $0 per annum
The **gross household income** of the Smith household is also **$46,040**.
Holding the same set of assumptions that all incomes are wages, subscribe to a 3% KiwiSaver and no student loan, this gives us a **gross disposable household income** of **$38,641.96**.
In this case, the two children are over the age of 14 which means all four members of the Smith household use an adult equivalisation multiplier. The Smith household earns a total **equivalisation multiplier of 2.5** with each subsequent members adding on a multiplier of 0.5 to first adult's base multiplier of 1.
We then divide the gross disposable household income of $38,641.96 by 2.5 to create Smith household's **HEDI** which is **$15,456.78**.

The Moana Household
Caregiver 1: $25,000 per annum
Caregiver 2: $20,000 per annum
Jason (age 15): $1,040 per annum
The **gross household income** of the Moana household is **$46,040**
Let's assume that all incomes of the Moana household are wages, subscribe to a 3% KiwiSaver and no student loan. After deducting tax payables, this gives us a **gross disposable household income** of **$38,641.96**.
Since all household members are over the age of 14, every member uses an adult multiplier. The first income is counted in full of a multiplier of 1. The two subsequent incomes are counted in half, each earning a multiplier of 0.5.
The Moana household has a total equivalisation multiplier of **2**, a result from adding 1(caregiver 1) + 0.5 (caregiver 2) + 0.5 (Jason).
We then divide the gross disposable household income of $38,641.96 by 2 to create Moana household's **HEDI** which is **$19,320.98**.

The Wong Household
Caregiver 1: $25,000 per annum
Caregiver 2: $20,000 per annum
Peter (age 15): $1,040 per annum
Jade (age 13): $0
The **gross household income** of the Wong household is also **$46,040**.
Holding the same set of assumptions with the Moana household that all incomes are wages, subscribe to a 3% KiwiSaver and no student loan, this gives us a **gross disposable household income** of **$38,641.96**.
The equivalisation process is like the Moana household. However, Jade is under the adult threshold age of 14, so she only adds on a multiplier of 0.3. The three other household members use the adult multiplier. With the base multiplier of 1 from the first adult, the two subsequent adults each adds on a multiplier of 0.5, an addition of 1. This gives the Wong household an **equivalisation multiplier of 2.3**.
We then divide the gross disposable household income of $38,641.96 by 2.3 to create Wong household's **HEDI** which is **$16,800.85**.

In all three examples, the income of all household members adds up to $46,040 per annum. Due to their different makeups, the equivalisation score of each household is different.

Once the HEDI is calculated for all participating households, income data is prepared in two streams – before and after deducting housing costs. Households are ranked by their income in each stream, and the middle household is used as the median for each stream. For instance, if 101 households are sampled in a survey, the 51st household is the median household after being ranked by income level. If there is an even number of households, the median will be the average between the two households on both sides of the halfway line.

A median is generally the preferred indicator for the “typical” household. An average or mean is more sensitive to extremely high and low incomes, which can distort the “typical” income level representation. A median is less affected by these outliers, especially in income data where extreme values tend to be at the top, where most people have low-to-middle income, and a few earn incredibly high incomes. The median figure gives a better sense of the centre of the income spread than the mean in such cases.

For example, we have the following income in a survey sample:

Incomes: $30,000, $35,000, $40,000, $50,000, $1,000,000

Mean = ($30,000 + $35,000 + $40,000 + $50,000 + $1,000,000) ÷ 5 = $231,000

Median = $40,000 (the middle value)

In this case, the median gives us a better sense of the “typical” income or the centre than the mean as the single extreme at the top has a significant distorting effect.

The median income is the reference for where to set the poverty line in all income poverty measures. The number in each measure refers to a percentage of the median. Hence, the Before Housing Cost 50 (BHC50) measure refers to 50% of the median household equivalised disposable income before housing costs are deducted, and the After Housing Cost 50 (ACH50) refers to 50% of the median household equivalised disposable income after housing costs are deducted.

Two approaches of poverty measures then report these HEDI data. One is based on a moving poverty line, and the other is fixed. We shall explore them in the next section.

What is the difference between moving and fixed-line income measures?

A moving measure sets the poverty line based on the current year’s income data and its median income. This means the poverty line moves each year due to changes in the median income. This type of poverty measure is often called a “relative” measure because poverty is defined by people’s relative position from the median income – typically 60% to 40% of it.

Moving or relative poverty measures show the inequality between low-income and median households. As the median income increases over time, the gap between low and middle income becomes greater in nominal dollars (see Table 1).

A fixed poverty line anchors the threshold between “poor” and “not poor” to a particular year’s median income and monetary value. The poverty line is tied to the “base year”. The secondary primary measure, After Housing Costs 50 – Fixed, uses this approach. For New Zealand’s child poverty statistics, the base year is the 2017/18 financial year and will remain for 10 years until 2027/28. For these 10 years, the poverty line is calculated by adjusting the median income of 2017/18 to the inflation rate. In other words, this measure understands poverty by the 2017/18 standards and brings each year’s poverty up to date by adjusting the base year’s poverty line by the incurred inflation rate. A fixed-line approach to poverty measurement is also called an “absolute poverty” measurement.

Several indicators are used to track the inflation rate in New Zealand. The New Zealand child poverty statistics use the Household Living-Costs Price Index (HLPI) and adjust the poverty to the inflation rate experienced by the lowest income group (bottom 20% quintile) within this indicator.

To demonstrate the impact of inflation in a simplified way, we refer to previous examples of household incomes. All three example households had a gross income of $46,040 before the equivalisation process. The inflation indicator for child poverty statistics (HLPI) is 21.26% (2.d.p.) from June 2018 to 2023. This means that a gross household income of $46,040 in June 2023 is the same as $37,968 in June 2018. If the increase in household income does not exceed inflation, the household's financial position is worse in real terms.

By fixing the poverty line to 2017/18's household median income with inflation adjustment, we can see whether the growth of household income results from money worth less or the household is gaining more income and purchasing power, thus improving their financial positions.

Can you work out the HEDI for Rangi's household using the following information?
The Rangi household
Caregiver 1: $36,000 per annum
Caregiver 2: $40,000 per annum
Nikau (age 15): $2,040 per annum
Maia (age 15): $0
Aria (age 13): $0
All incomes are from wages, and they subscribe to a 3% KiwiSaver. No student loans
The **gross household income** of the Rangi household is **$78,040**.
Holding the same assumptions as the Moana household that all incomes are wages and subscribing to a 3% KiwiSaver gives us a **gross disposable household income** of **$64,159.96**.
In this case, four household members are considered adults, with the first giving an equivalisation multiplier of 1 and every subsequent person giving a multiplier of 0.5 each. Aria gives an equivalisation multiplier of 0.3 as a child. This gives a total equivalisation multiplier of **2.8**.
We then divide the gross disposable household income of $64,159.96 by 2.8 to create the Rangi household's **HEDI** of **$22,914.27**.

Primary Measures

Before Housing Cost 50 – Moving (BHC50)

This primary measure understands child poverty as those living in households with income 50% or below the annual median income.

In the 2022/23 financial year, the median Household Equivalised Disposable Income (HEDI) was $50,369. This means that the poverty line for 2022/23 is set at **$25,185** (see also Table 1 for historical trend). In other words, households with income at the bottom quarter (25%) are measured as being in child poverty. The last column of Table 1 shows the amount of money available to impoverished households before housing costs are deducted.

Table 1 Yearly Median Household Equivalised Disposable Income, Threshold for the Before Housing Costs 50 Poverty Line and Weekly Budget for a Household on the BHC50 Poverty Line since the first year of the Child Poverty Reduction Act (2018). Author's own. Data Source: Household Economic Survey, StatsNZ

Year (Ended in June)	Median Household Income ($NZD)	BHC50 Poverty Line ($NZD)	Weekly Budget for a Household just on the BHC50 Poverty Line
2019	$40,698	$20,349	$390
2020	$41,595	$20,798	$399
2021	$44,398	$22,199	$426
2022	$47,567	$23,784	$456
2023	$50,369	$25,185	$483

Historical data has shown that we made some progress in reducing child poverty by the BHC50 measure, but not at the pace required to meet the 2028 target, especially with the growth observed in the latest year (see Figure 1). In the 2024 Budget Report on Child Poverty (Willis, 2024), Treasury's forecast of the child poverty rate by the BHC50 measure shows that the situation may continue to worsen rather than improve.

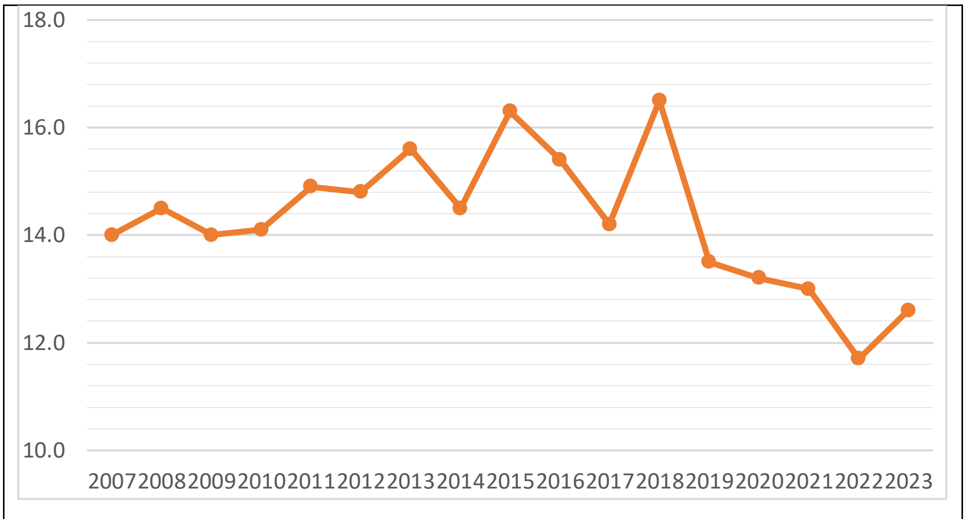

Figure 1. The trend in the rate of children under the BHC50 poverty line, 2007 – 2023 financial year. Author's own. Data Source: Child Poverty Statistics, StatsNZ.

After Housing Cost 50 – Fixed (AHC50 Fixed)

This income measure assesses each household's financial position after deducting reported expenditures on housing (rent, mortgage and/or rates). The income figures in this measure are adjusted and fixed to the 2018 value of New Zealand Dollars. Considering housing costs and inflation, this measure intends to give an overview of changes in households' real income after the basic necessity of shelter has been paid for.

The poverty of this measure is fixed at 50% of 2018's median HEDI, which was $15,250 (see Table 2). Each household's equivalised disposable income after housing costs in each following year are adjusted back to the 2018 NZD value. For instance, the median HEDI of 2022/23 was $38,310, and there has been 21.26% inflation, according to HLPI. Using the operation $38310 \div 1.2126 \approx 31{,}594\ (0\ d.p.)$, we see 2022/23's median HEDI is equivalent to $31,594 in 2018 NZD, a slight, real growth of $1,094 in a "typical" household's income. However, the degree of real growth is more concerning for a low-income household earning 50% of the median, only seeing an actual increase of $11 per week over the same period (see last column of Table 2).

Table 2 Annual median HEDI after housing costs and 50% of it compared to the base year's fixed poverty line of $15,250. Data Source: Household Economic Survey & Household Living-Costs Price Index, StatsNZ.

Year (Ended in June)	Median HEDI AHC of the Current Year	Inflation Rate Since 2018	Median HEDI After Housing Costs of the Current Year in 2018 NZD	Income of a Household Earning Half of the Median in 2018 NZD in the Current Year	Weekly Household Budget After Housing Costs, in 2017/18 NZD Value
2023	$38,310	21.26%	$31,594	$15,797	**$303**
2022	$36,600	13.35%	$32,290	$16,145	**$310**
2021	$34,546	6.10%	$32,560	$16,280	**$312**
2020	$31,729	3.53%	$30,648	$15,324	**$294**
2019	$31,246	1.91%	$30,661	$15,331	**$294**
2018 (base)	$30,500	0.00%	$30,500	$15,250	**$292**

The child poverty rate under the AHC50-Fixed measure decreased substantially from 2020 to 2022, reaching a historical low of just under 15% (see Figure 2). The substantial reduction in this period occurred alongside significant government efforts to increase household income at the lower levels. For instance, the annual minimum wage increases during 2019 – 2021 was substantially higher than each year's inflation rate. This progress is disrupted by the latest data from 2022/23, which suggests that the poverty rate is rising again.

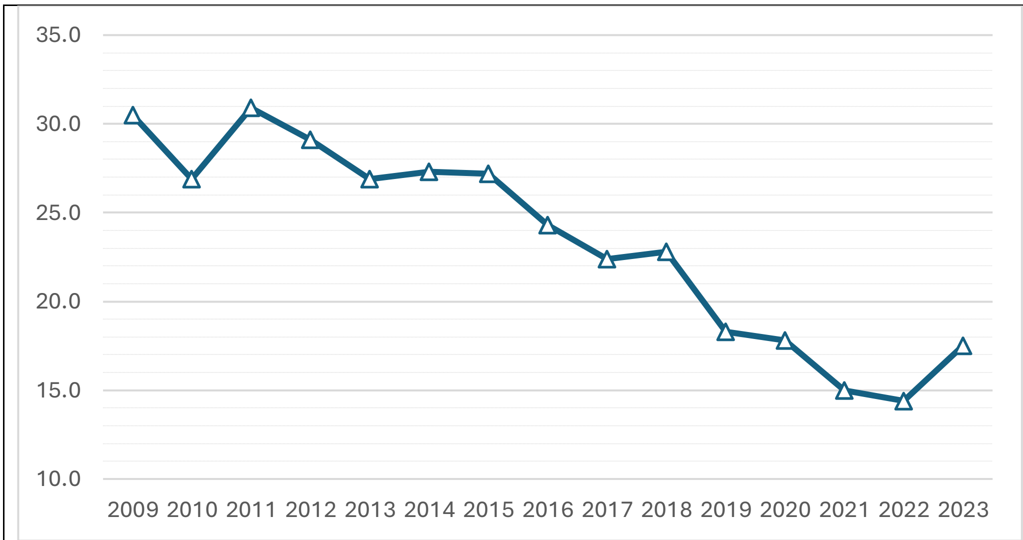

Figure 2. The trend in the rate of children under the AHC50-Fixed poverty line, 2009 – 2023 financial year. Author's own. Data Source: Child Poverty Statistics, StatsNZ.

Whether the three examples of households fall under poverty by the AHC50 Fixed measure depends on each household's housing situation, i.e., paying rent, mortgage, or living in a fully paid dwelling. Housing costs also vary by geographic area (see Waite, 2023; 2024; Johnson, 2023 on regional housing affordability and social housing stocks).

Material Hardship

Statistics New Zealand collect data on material hardship through an interview with one household member. As mentioned, material hardship is measured through an updated questionnaire called New Zealand Deprivation-17 – DEP-17 (see Appendix 1 for all 17 questions). Households that have indicated deprivation in six to eight of these 17 questions are classified as under material hardship.

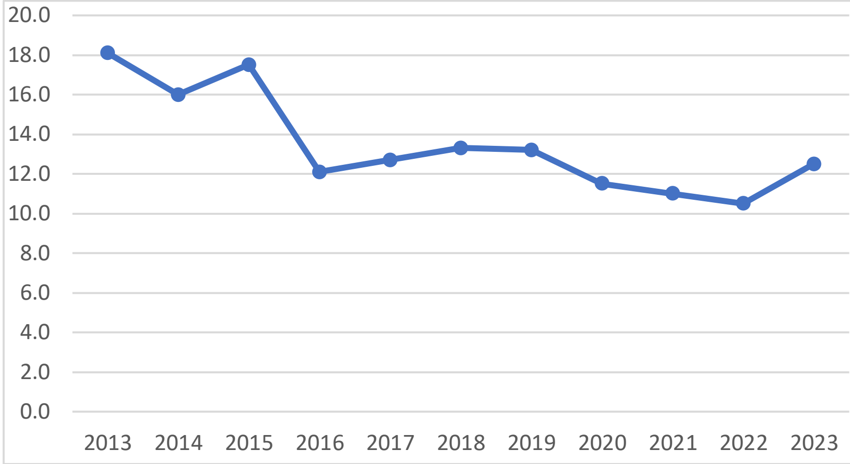

Figure 3. The trend in the rate of children under material hardship, 2013 – 2023 financial year. Author's own. Data Source: Child Poverty Statistics, StatsNZ.

The level of material hardship in New Zealand saw slight improvement over the past years (see Figure 3), especially in the disproportionate rate of material hardship between different ethnic groups (see Figure 4).

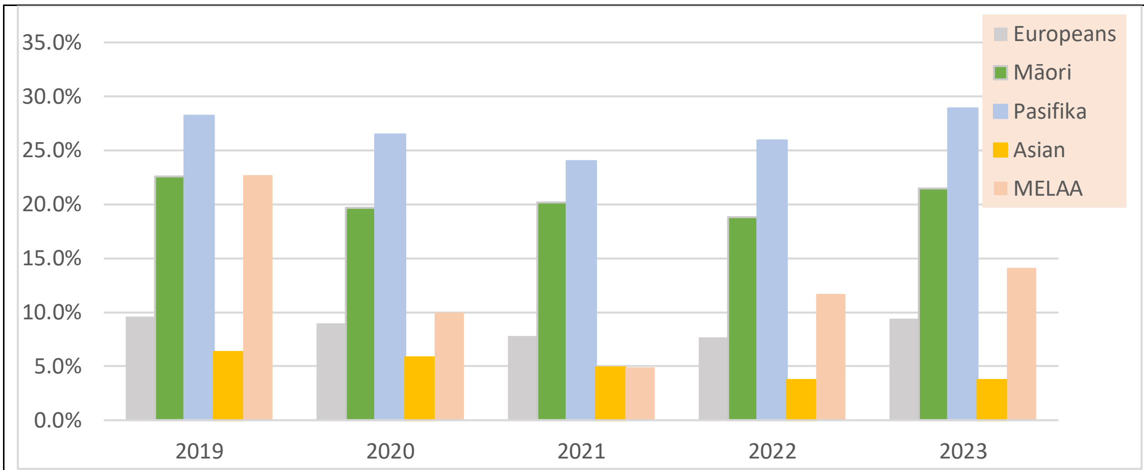

Figure 4. The rate of material hardship by ethnicity in New Zealand, 2019 – 2023 financial years. The figure is the author's own. Data sourced from Child Poverty Statistics, StatsNZ.

Persistent Poverty

The definition of persistent poverty was released on November 8th, 2024. It is defined as "children living in households with less than 60% of the median household equivalised disposable income before housing costs are deducted (relative rate), in the current year and for at least 2 of the previous 3 years".

This measure uses a mix of survey and administrative data. The yearly survey will identify households that have under 60% of the median HEDI before housing costs. Names and the addresses of identified households will be used to identify and link information available in the administrative database and retrieve their income data over the past three years. If identified households' HEDI before housing costs fell below 60% of the year's median in two of those three years, then they are considered to be in persistent poverty.

Statistics New Zealand's press release stated that the associated reduction target will follow in December 2024

The first financial year that persistent poverty will be measured is 2025/26. This means that data collection will begin on July 1st, 2025 and conclude on June 30th, 2026. The earliest reporting of persistent poverty can be expected in February 2027.

The conceptualisation of this measure has been relatively discrete, with little consultation with the public and relevant community organisations. The released definition is less ambitious than its original intention of measuring the number of households locked in poverty by structural inequalities. For example, using before-housing costs income data rather than after-housing costs income data gives a less severe picture of the child poverty rate. The option of gathering longitudinal data on household income, housing costs, and other indicators of deprivation through the Living in Aotearoa Survey was removed by the Government's defunding of the project.

Suppose the scope of administrative data is solely confined to income and state transfers. In that case, it may point to a one-dimensional definition that sees poverty as an individual's ability to work for an income or their "inability" to work for an income and require state assistance. A narrow definition of Persistent Poverty measure is potentially problematic as it shifts poverty away from a structural outcome of our society's distribution of resources, especially the role of housing assets.[1]

Current progress on our reduction targets

Table 3 offers an overview of current progress and future child poverty reduction targets in New Zealand. Historically, our best progress is in the secondary primary measure – AHC50-Fixed – due to an increase in real income growth that outpaced inflation, especially from 2020 to 2022. BHC50 and Material Hardship trajectories are more concerning, and more targeted policies are needed to ensure the 10-year targets are met by 2028.

Table 3 Stocktake of current child poverty reduction progress and future targets.

Primary Measures	Baseline Year (2017/18)	1st intermediate target rates (2020/21)	Actual (2020/21)	Latest measured rates (2022/23)	2nd intermediate target rates (2023/24)	3rd intermediate targets for 2026/27	10-year targets (2027/28)
BHC50	16.5%	10.5%	13.6%	12.6%	10.0%	12.0%	5.0%
AHC50 Fixed	22.8%	18.8%	16.3%	17.5%	15.0%	14.0%	10.0%
Material Hardship	13.3%	10.3%	11.0%	12.5%	9.0%	11.0%	6.0%

[1] For more discussion, see CPAG's upcoming paper that conducts a comparative review of persistent poverty measures and its connection to inequality in New Zealand.

Supplementary Measures

1. Before Housing Cost 60 – Moving (BHC60)

This primary measure defines child poverty as those living in households with income below 60% of the annual median income. In the 2022/23 financial year, the median HEDI was $50,369. This means that the poverty line for BHC60 for 2022/23 is set at **$30,221**. In other words, households at the bottom 30% of total median HEDI are classified within child poverty under this supplementary measure.
All four examples of households are in poverty according to the BHC60 definition.

2. After Housing Cost 60 – Moving (AHC60)

The national median HEDI after housing costs for the 2022/23 financial year was $38,310. The poverty line under AHC60 is 60% of the annual median HEDI after housing, which is **$22,896**. Households with HEDI after housing costs under this amount are considered impoverished under this supplementary measure.

3. After Housing Cost 50 – Moving (AHC50 Moving)

The national median HEDI after housing costs for the 2022/23 financial year was $38,310. The poverty line under AHC50 is 50% of the annual median HEDI after housing, which is **$19,155**. Households with HEDI after housing costs under this amount are considered impoverished under this supplementary measure.

4. After Housing Cost 40 – Moving (AHC40)

The national median HEDI after housing costs for the 2022/23 financial year was $38,310. The poverty line under AHC40 is 40% of the annual median HEDI after housing, which is **$15,342**. Households with HEDI after housing costs under this amount are considered impoverished under this supplementary measure.

5. Severe Material Hardship

Households that have indicated deprivation in 9 or more of these 17 questions are classified as under severe material hardship.

6. After Housing Cost 60 & Material Hardship

This supplementary measure tracks child poverty through AHC60 and material hardship. Households whose HEDI after housing costs are under $22,896 and experienced six to eight items of deprivation within the DEP-17 questionnaire are affected by child poverty under this measure.

Before- vs. after-housing costs data

It is important to understand the impact of data choices on representations of the child poverty rate in New Zealand. We can see that the child poverty rate is more severe when using after-housing than before-housing data despite indexing to the same level of the median (see Figures 5 & 6). This is called housing-induced poverty. Low- to mid-income households are more vulnerable to housing-induced poverty due to lower rate of home ownership and being subject to private rental housing without the benefit of wealth-building, perpetuating inequality. Housing and rental costs have higher financial pressures on low- to middle-income households as these costs take up a higher proportion of these households' income.

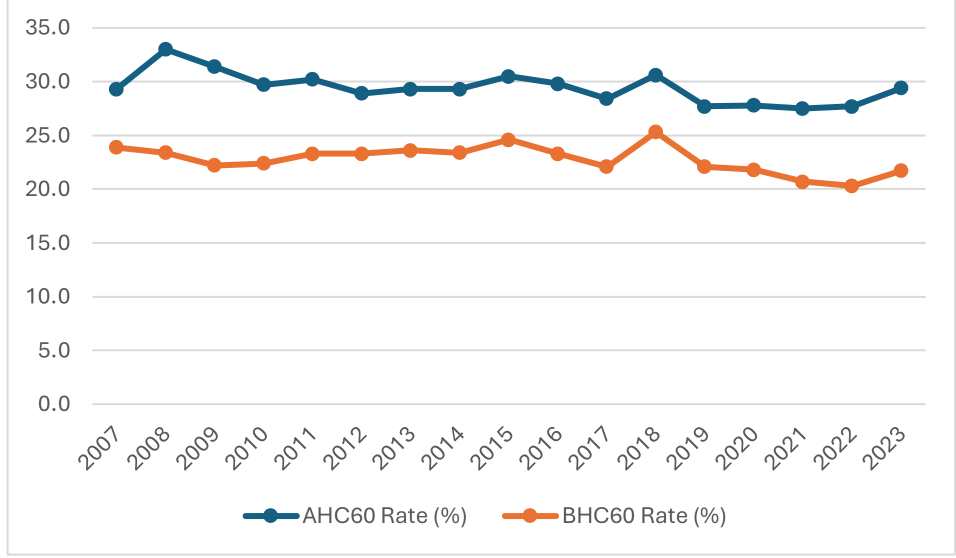

Figure 5. The trend in New Zealand's child poverty rate using comparable before- and after-housing cost income, 60% of the median, 2007 – 2023.

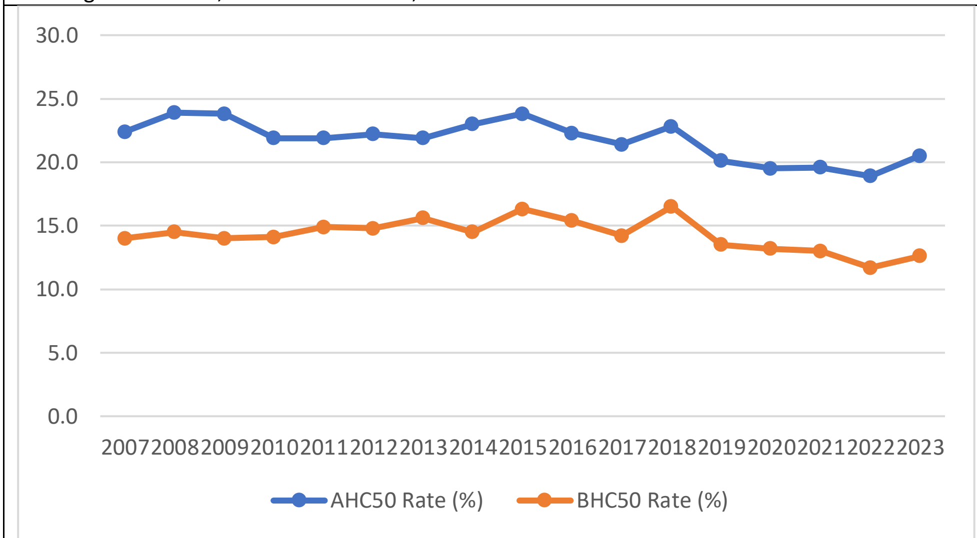

Figure 6. The trend in New Zealand's child poverty rate using comparable before- and after-housing cost income, 50% of the median, 2007 – 2023.

It is essential that we understand what kind of data are used to measure poverty and its implications on the representation of child poverty rates. Robust and accurate data that tells a fuller story of what produces poverty, like housing, is foundational to evidence-based policymaking. We must recognise the impact of housing on child poverty and set reduction targets tied to relative income measures that use after-housing cost data.

Conclusion

This guide has explained how New Zealand measures and tracks child poverty as part of the legislative framework under the Child Poverty Reduction Act (2018). By learning how child poverty is measured—such as income levels and material hardship—we can better understand what poverty looks like and how progress is tracked.

We have seen how different definitions of poverty impact the representation of child poverty rates. For example, measures based on the current year's income can show how poverty compares to what's "typical" in society, but the "typical" can change a lot from year to year. On the other hand, fixed measures give a clearer picture of long-term changes by adjusting for inflation. Combining these measures with information about material hardship helps capture a better sense of the child poverty rate in New Zealand.

The data shows that while there has been progress in some areas, like income after housing costs, there's still a long way to go to meet the 2028 goals. Some issues, like material hardship, are not improving fast enough, and certain groups are affected much more than others. This shows the need for more robust, fairer policies to support families and children.

By understanding how poverty is measured, we can better understand how information used for policymaking is produced and how such information can be improved for better policy decisions. Improving our understanding of information used in policymaking is an essential step in seeking transparency and accountability from decision-makers and advocating for better and more equal outcomes within our society.

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Appendix 1. Questions and scoring of the New Zealand Deprivation-17 (DEP-17) Index

Category	Question Introduction	Question
Enforced lack of essentials (an enforced lack is when the item is not had because of cost). Score = 1 if enforced lack, 0 otherwise.	I'm now going to ask you about some things you may or may not have or do. Do you have	A meal with meat, fish or chicken (or vegetarian equivalent) at least each second day?
		Two pairs of shoes in good condition that are suitable for your daily activities?
		Suitable clothes for important or special occasions?
		Home content insurance?
		Give presents to family or friends on birthdays, Christmas or other special occasions?
Economising behaviours (not at all, a little, a lot) Score = 1 if "a lot", 0 otherwise	I'm now going to read out a list of things some people do to help keep costs down. This is not about choosing to spend less. It is about being forced to keep costs down to pay for other basic things that you need. In the last 12 months have you had two do any of these to keep costs down?	Go without fresh fruit or vegetables?
		Buy cheaper cuts of meat or buy less meat than you would like?
		Postpone or put off visits to the doctor?
		Postpone or put off visits to the dentists?
		Do without or cut back on trips to the shops or other local places?
		Put up with feeling cold?
		Delay replacing or repairing broken or damaged appliances?
Restrictions (not at all limited, a little limited, quite limited, very limited) Score = 1 if very limited, 0 otherwise	When buying, or thinking about buying, clothes or shoes for yourself	How much do you usually feel limited by money available?
Restrictions (yes, no) Score = 1 if no, 0 otherwise		If you (or your partner) had an unexpected or unavoidable expense of $500 in the next week, could you pay in a month without borrowing?
Financial stress and vulnerability (not at all, once, more than once) Score = 1 if more than once, 0 otherwise	In the last 12 months, have any of the following happened to you (or your partner) because of a shortage of money?	You could not pay electricity, gas, rates or water bills on time?
		You could not pay for car insurance, registration or warrant of fitness on time?
		You borrowed from friends or family to meet everyday living costs?