Report



Date:

21 August 2024

Security Level: In Confidence

To:

Hon Louise Upston, Minister for Child Poverty Reduction

File Reference:

REP/24/8/745

Confirming the priorities under the refreshed Child and Youth Strategy

Purpose of the report

1 This paper seeks your confirmation of the three priorities under the refreshed Child and Youth Strategy (the Strategy) and identifies indicative focus areas within the priorities.

Executive summary

- 2 You have indicated that you want the refreshed Strategy to have three new priorities: supporting children and their families and whānau in the first 2,000 days, reducing child material hardship, and preventing harm against children.
- 3 The identified priorities align with the evidence of what matters for children and young people and the Government's overall priorities and objectives, and there's been strong support for the priorities through targeted consultation and engagement with stakeholders and agencies.
- We now seek confirmation from you that these are the three priorities you want to take to Cabinet in October. These priorities would be included in the Strategy document itself, with some description on the priorities, to set out their scope and definition, why they are important and what significant work is already underway across Government.
- We've had particular feedback from stakeholders and agencies that they are concerned about not including an explicit and separate mental health priority – which has previously been a priority – within the refreshed Strategy. While mental health is not proposed to be a separate priority in the refreshed

Strategy, the three identified priority areas should address key factors that contribute to positive mental health outcomes for children and young people.

Within the three priorities, you have indicated that you want the Strategy to identify areas more specific areas of focus, to set clear direction on future action and investment for agencies, government and stakeholders. We've identified some indicative focus areas, based on the existing evidence and direction from Ministers, stakeholders and agencies:

First 2000 days	 Support positive parenting practices Support development of cognitive processes (executive function) Support maternal mental health
Reducing material hardship	 Mitigate additional household costs, including disability costs Address drivers of long-term disadvantage and hardship
Preventing child harm	 Address underlying stressors and risk factors, including material hardship Strengthen protective factors, including supporting nurturing positive parenting practices Support effective and responsive early intervention

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8	s 9(2)(f)(iv)
9	We welcome the opportunity to discuss this briefing with you at your next meeting with Child Poverty Reduction officials scheduled for 26 August. In particular, we would like to discuss how you want to reflect the focus areas in the October Cabinet paper. 5 9(2)(f)(iv)

We would also like to discuss



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with you the extent you wish to signal the focus areas in the public-facing Strategy.

Recommended actions

It is recommended that you:

- 1 confirm that your chosen three priorities for the refreshed Child and Youth Strategy are:
 - 1.1 supporting children and their families and whānau in the first 2,000 days
 - 1.2 reducing child material hardship, and
 - 1.3 preventing harm against children



- note that the three priorities will be reflected in the Strategy document, to set out the scope and definition of the priorities, why they are important and what significant work is already underway across government
- 3 note there are also additional areas and opportunities where the Government could focus to achieve improved outcomes
- 4 note the indicative focus areas identified for the three priorities:

First 2,000 days

- 4.1 Supporting positive parenting practices
- 4.2 Supporting development of cognitive processes (executive function)
- 4.3 Supporting maternal mental health

Reducing material hardship

- 4.4 Mitigating additional household costs, including disability costs
- 4.5 Addressing drivers of long-term disadvantage and hardship

Preventing child harm

- 4.6 Addressing underlying stressors and risk factors
- 4.7 Strengthening protective factors
- 4.8 Supporting effective and responsive early intervention

5 5 9(2)(1)(1)

6	agree to discuss:	
	6.1 how to reflect the focus areas in the October C	abinet paper
		Agree / Disagree
	6.2 how to reflect the focus areas in the public-fac	Agree / Disagree
7	agree to discuss this paper at your next meeting we Reduction officials.	Agree / Disagree
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Background

- You are reviewing and refreshing the Strategy to position it as an investment framework that reflects the Government's targets and priorities, and provides a coordinated, evidence-based investment approach to improving outcomes for children and young people across the life course [DPMC-2023/24-569 refers].
- 11 You have agreed to retain the current Strategy's vision and six outcomes, to update and simplify the measurement framework and to identify a set of high-level policy priorities aligned with this Government's approach to improving outcomes [DPMC-2023/24-731 refers].
- 12 You intend to seek Cabinet endorsement of a draft refreshed Strategy in October with a view to publishing an updated public-facing Strategy document in November 2024. We are now seeking confirmation of the priorities so we can confirm the 'what' of the Strategy. This advice sits alongside the advice on positioning the Child and Youth Strategy as an investment framework [REP/24/8/758 refers], which sets out 'how' the Strategy will make progress towards these areas, and on the supporting attachment, Attachment A, which sets out how the refreshed Strategy is intended to function as a communications tool and investment framework.

Setting priorities identifies where the Government wants to focus its efforts under the Strategy

- 13 Setting clear priorities under the Strategy identifies where the government of the day wants to focus its efforts to drive improved outcomes for children and young people across the vision and outcomes of the Strategy.¹
- 14 Setting priorities also provides a guide as to what a government considers is important in terms of investment in child and youth outcomes, for example, when it comes to reprioritisation of existing spend or new investment through future Budgets.
- 15 Priorities have been in place since the current Strategy was introduced in 2019, and they have supported agencies' efforts in implementing the Strategy to date. The four current priorities, set after the Strategy was reviewed in 2022, are reducing child poverty and the impacts of socioeconomic disadvantage; supporting child and whānau wellbeing in the first

¹ This does not mean that actions and work programmes that sit outside the priorities cannot fit under and contribute to the Strategy outcomes; rather the priorities are what the Government is particularly focused on.

1,000 days; addressing racism, discrimination and stigma; and enhancing child and youth mental wellbeing.

You are updating the priorities as part of the Strategy refresh

- 16 As part of the refresh, you are updating the policies and priorities under the Strategy framework. You have indicated that you want the refreshed Strategy to have three new priorities:
 - supporting children and their families and whānau in the first 2,000 days
 - reducing child material hardship, and
 - preventing harm against children.

The identified priorities align with evidence of what matters and the Government's overall priorities and objectives

- 17 You have chosen these three priorities as they align with the Government's overall priorities and objectives. They are also priorities that span multiple aspects of wellbeing and so present the opportunity for a cross-government and cross-agency approach to achieving improved outcomes for children and young people.
- 18 Your three priorities are underpinned by clear evidence of their relationship to broader child and youth outcomes, including the six Strategy outcomes. A summary of this evidence is set out in Appendix 1.
- While the priorities are distinct, there are also clear linkages and associations between them. For example, a child in a household experiencing poverty is significantly more likely to experience harm. Starting on the right trajectory through ensuring strong protective factors in the first 2,000 days means a child is less likely to experience harm or material hardship. Conversely, experiencing harm or material hardship in the first 2,000 days means a child is much more likely to experience poor outcomes later in life, and these outcomes are more likely to be experienced intergenerationally.
- Of your three priorities, the first 2,000 days and reducing material hardship priorities broadly align with two of the four priorities under the current Strategy (first 1,000 days and reducing child poverty). The other two current priority areas are not explicitly reflected in the three proposed priorities.

There's been strong support for the priorities through targeted consultation and engagement

21 You tested these three priorities with your Ministerial colleagues at the Child and Youth Ministers meeting on 8 May, and Ministers expressed broad support.

- 22 Officials undertook targeted consultation and engagement with key stakeholders on the refreshed Strategy in June and July, including consultation on the three proposed priorities. As noted in the summary of engagement [REP/24/7/685 refers], all stakeholders we spoke with were supportive of the three priorities as they align with what the evidence says is important in terms of the risk and protective factors that influence child and youth outcomes. Agencies have also broadly supported the priority areas.
- 23 Stakeholders agreed that a focus on the first 2000 days is critical as getting things right early on has been shown to improve outcomes in adolescence and later life. Specific feedback from stakeholders included the importance of building strong protective factors and of supporting the whole family or whānau during this critical time.
- 24 Stakeholders emphasised the importance of reducing material hardship in relation to children and families having what they need to succeed, and the relationship between being in material hardship and current and future poor experiences and intergenerational impacts.
- In relation to child harm, there was recognition of the long-term adverse impacts of harm experienced in childhood, particularly for mental health and offending behaviours, and the perpetuation of family violence across generations. As outlined in our previous advice to you, stakeholders supported a broad scope for the child harm priority [REP/24/7/642 refers].

Stakeholders and agencies want to see mental health as a priority area

- Stakeholders and agencies have expressed concern about the removal of child and youth mental health as a specific priority area, noting the increasing incidence of mental health challenges for young people and the role of a range of agencies in improving mental health outcomes.
- 27 Mental health is a key area of Government focus, with five universal mental health portfolio targets identified. There is a risk that removing the specific priority area on child and youth mental health may result in less attention and action towards improving mental health for children and young people, noting the universal nature of the mental health portfolio targets.
- There is a connection between the three priority areas and mental health outcomes. Evidence indicates that an increased focus within the three identified priority areas can help to address risk factors and strengthen protective factors that contribute to improved mental health outcomes over the longer term. Maternal mental health has also been identified as an indicative focus area within the first 2000 days priority area [see Table 1 on page 10].

- 29 We have also included a specific cross-cutting mental health indicator in the public reporting indicators for the Strategy, to support direct monitoring of mental health outcomes for children and young people as part of the Strategy delivery [REP/24/7/645 refers].
- 30 We now seek confirmation from you that these are the three priorities you want to take to Cabinet in October. Your three proposed priorities would supersede the four priorities under the current Strategy.

The priorities will be a key component of the Strategy as a communications tool

- 31 These priorities will be included in the public-facing Strategy document itself. You have confirmed that the public-facing Strategy should serve as a communications tool, to provide a framework for the Government to communicate to the public about the outcomes it is delivering for children and young people. To address this, we expect the Strategy document will include some description of the three priorities, so that the public and stakeholders understand what is meant by the priorities and how the Government and agencies intend to achieve these priorities.
- 32 We envisage the section on priorities in the Strategy document will include:
 - the definition and scope of the three priorities;
 - why the Government has chosen these three priorities;
 - some examples of significant priority actions and work programmes currently underway, aligned to Government and portfolio targets and priorities; and
 - what indicators the Government will measure to know we are making progress in relation to the priorities, as outlined in advice setting out the proposed indicators for the refreshed Strategy measurement framework [REP/24/7/645 refers].

Within the priorities, we recommend the Government identify areas of focus where there are opportunities to do more, as part of positioning the Strategy as an investment framework

33 The three proposed priorities are broad and encompass a range of different dimensions and levers within each area. However, for the Strategy to be truly effective as an investment framework that drives improved outcomes, it also needs to provide direction on where (within the priorities) there are areas and opportunities for government to do more and/or to do better.

- 34 The benefits of identifying specific areas for focus and attention within the priorities are that it provides clear direction and tangible areas where agencies can focus in the ongoing implementation of the refreshed Strategy² and the wider social investment approach.
- 35 This is consistent with your direction that the Strategy identifies clear priorities, and specific areas for future action and investment. Setting clear focus areas also aligns with your intention to have a more streamlined measurement framework under the refreshed Strategy that measures a smaller set of critical areas.

We've identified some indicative focus areas, based on the existing evidence and direction from stakeholders and Ministers

- 36 We've used the evidence of what matters for children, what we heard from stakeholders through targeted consultation and engagement, and discussions in the Child and Youth Ministers meetings – for example the importance of maternal mental health in improving outcomes in the first 2000 days- to identify some indicative focus areas across the three priorities. These are set out in Table 1 below.
- 37 The focus areas identified within the first 2,000 days present the opportunity to concentrate on building the key protective factors which set children on the right trajectory and make the most difference to long-term life outcomes.
- 38 The focus areas for material hardship look at addressing long-term drivers of hardship and disadvantage, while mitigating current hardship of some families and households with specific, additional needs.
- The focus areas within the child harm priority concentrate on strengthening protective factors and ameliorating risk factors around child abuse and neglect within the context of family, to prevent harm occurring and intervene early when first instances of harm have occurred. There are strong overlaps with the focus areas for the first 2000 days and for reducing material hardship.

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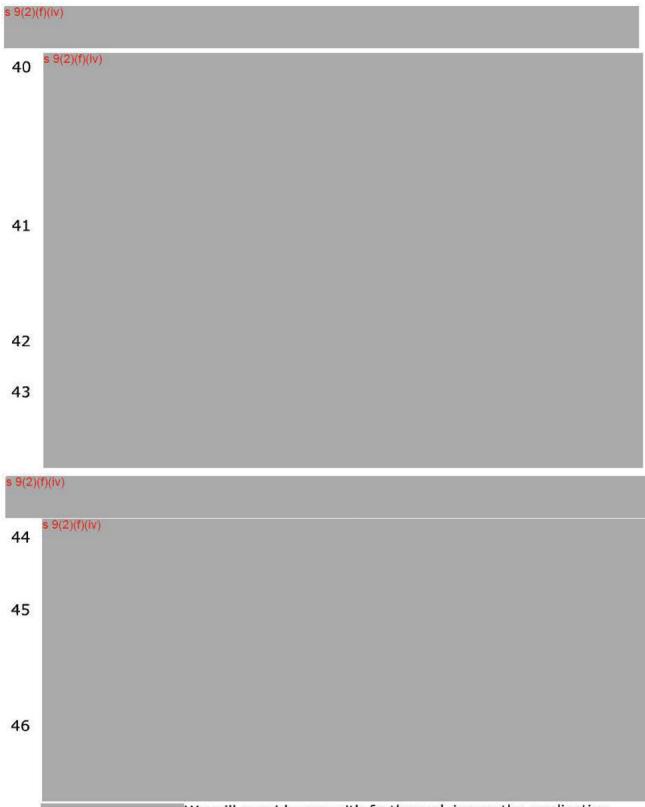
² Having broad priorities with little/no refinement has been an issue under the current iteration of the Strategy, which has seen limited progress on some of the priorities to date.

Table 1: Indicative focus areas for Strategy priorities

Priority	Area of focus	Why we recommend this area	Existing work to build on
First 2000 Days	Support positive parenting practices This area is focused on supporting parents to	Evidence shows that positive parenting, particularly in the first 2,000 days is key to enabling healthy growth and development, including cognitive development and socio-emotional learning.	s 9(2)(f)(iv) Kahu Taurima.
	parent well through a strong, nurturing parent- child relationship.	Stakeholders highlighted the importance of ensuring parents/caregivers can access information to help with parenting and have appropriate supports in place (especially for new parents).	
	Support development of cognitive processes (executive function) This area is focused on developing the set of foundational cognitive or mental skills which help children to learn, plan, and manage everyday life, including the three main areas of executive function: working memory, flexible thinking, and self-control.	Executive functions and the capacity for self-regulation are the building blocks for a range of important skills which enable positive behaviour and healthy decision-making throughout life. Eighty percent of a child's brain development occurs in the first 1,000 days. ³ Supporting the development of child executive function was one of the top themes we heard through engagement when talking about what is important in the first 2,000 days.	Kahu Taurima, including B4 School Checks. ENGAGE (scaled up). Early childhood regulations review and funding review. Funding and support for Fetal Alcohol Spectrum Disorders (FASD).
	Support maternal mental health This area is focused on supporting positive mental health in mothers both during pregnancy and post-birth.	Poor mental health and toxic stress during pregnancy and post-birth adversely affect child brain development and cognitive function. It is estimated that 12-18 percent of pregnant women are clinically depressed, with many more (up to 30 percent) suffering less severe depression during and post-pregnancy. ⁴	Work under mental health portfolio targets, including strengthened focus on prevention and early intervention.
Material Hardship	Mitigate additional household costs, including disability costs	Additional household costs are a significant contributor to material hardship as they impact on households' ability to afford basic essential items.	Review of disability supports. Tax thresholds and Working for Families changes.
		Costs are not the same for all households, with some households facing higher costs of essential items, such as rural families, or facing additional costs that are essential, such as disability related modifications or health costs.	
	Address drivers of long-term disadvantage and hardship This is a longer-term focus areas and seeks to address the deeper drivers of material hardship experienced by families.	The drivers of long-term disadvantage and future or intergenerational experiences of hardship are complex and multiple, and take time and sustained effort to address. You have indicated that you are interested in ensuring that the right actions and investments are in place to impact on the next set of ten-year child poverty targets, to 2038. This could include interventions in the housing, health, education and employment sectors.	Going for Housing Growth, including supply side initiatives. Better Social Housing system investment. Work under Government Target 6, including Attendance Action Plan and delivery of Ka Ora Ka Ako Healthy School Lunches and Ikura Period Products. Work under Government Target 7, including Structure Literacy, Maths Action Plan and Refresh of the New Zealand Curriculum.
Preventing child harm	Address underlying stressors and risk factors, including material hardship This area focuses on addressing the stressors and risk factors that contribute to the likelihood of family stress and incidence of harm directed at children.	There is strong evidence of the relationship between risk factors and family stressors and negative child and family outcomes. Stressors and risk factors, including material hardship and poor mental health, create toxic stress that negatively impacts on children and adult family members. Addressing these risk factors and stressors is a form of primary prevention and reduces the likelihood of child harm.	Funding and support for Fetal Alcohol Spectrum Disorders (FASD). FamilyBoost payments. Increase in supply of social housing places.
	Strengthen protective factors, including supporting nurturing positive parenting practices This area focuses on strengthening protective factors which support positive parental and family relationships, to prevent or minimise harm.	Evidence shows that there are protective factors that minimise the likelihood of experiencing child harm. These include building up parental-child attachment, developing nurturing parent practices and supporting positive parent and family interactions. Strengthening these protective factors is a form of primary prevention and reduces the risk of incidents of child harm.	S 9(2)(f)(iv) Kahu Taurima, ACC prevention investments,
	Support effective and responsive early intervention This area focuses on delivering effective early intervention as secondary prevention, to prevent further harm occurring.	There is a need to provide responsive and accessible early intervention to support children and families when harm occurs. Effective secondary prevention that is strengths-based, responsive and localised to need, helps supports secondary prevention and reduce further instances of harm.	S 9(2)(f)(iv) Te Aorerekura Action Plan. S 9(2)(b)(ii) MSD family violence and sexual violence initiatives.

³ Itasca Project, First 1,000 Days Report: When it Matters Most, 2021, https://itascaproject.org/wp-content/uploads/Itasca-Project First 1000 Days Full Report.pdf

⁴ Intergenerational disadvantage: Why maternal mental health matters, Koi Tū, 2021, https://www.nzdoctor.co.nz/sites/default/files/2021-05/Koi Tu Intergenerational Disadvantage.pdf



We will provide you with further advice on the application of a social investment approach to material hardship once the Strategy refresh is finalised.

We would like to discuss how you want to engage with your Cabinet colleagues on the focus areas in the October Cabinet paper

47 The Cabinet paper is a key opportunity to share both 'what' you expect the Strategy to focus on and 'how' we will make progress on these areas, to support change. We would like to discuss with you to what extent you wish to signal indicative focus areas for the priorities in the October Cabinet paper.



- There are also some challenges around the focus areas sitting across Ministerial portfolios and agencies, and managing expectations around future investment or re-prioritisation decisions, and not anticipating future Budget or wider social investment processes without Ministerial agreement. While we have socialised the indicative focus areas with agencies, these have not had Ministerial engagement. We want to confirm your preference for engaging with Ministers on these considerations.
- 50 We would also like to discuss with you the extent you wish to signal the focus areas in the Strategy.
- 51 The positioning of the focus areas in the Cabinet paper and the Strategy will need to be considered alongside the positioning of the investment framework.

Next steps

- We welcome the opportunity to discuss this briefing with you at your next meeting with Child Poverty Reduction officials scheduled for 26 August.
- 53 Officials will incorporate decisions on the priorities, including on the focus areas, into a draft Cabinet paper for you to socialise with your colleagues before taking to the Social Outcomes Committee in October 2024.

Appendices

Appendix 1- Summary of evidence of importance of three priorities

Attachments

Attachment A: Child and Youth Strategy as a communications tool and investment framework

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Responsible manager: Hannah Kerr, Director, Child Wellbeing and Poverty

Reduction Group

Appendix 1- Summary of evidence of importance of three priorities

Supporting children and their families in the first 2,000 days

The first 2,000 days is a key development stage in a child's life and is defined as the period from conception through to around age five (sometimes also called the early years). It is a critical period in a child's development and experiences during this time shape long-term outcomes across multiple domains including health and wellbeing, cognitive and educational outcomes, and socio-economic outcomes.

Internationally, the first 1,000 / 2,000 days is increasingly recognised as a key area for policy intervention to support long-term positive outcomes. Many other OECD member countries have placed an emphasis on investment in the early years. In May 2024, Australia published its Early Years Strategy 2024-2034 setting the direction for supporting young children to thrive.

In New Zealand, while many children and their families have positive experiences in the first 2,000 days, there are others who do not. For example, only 78 percent of two-year-olds are fully immunised (65 percent for Māori), and up to 30 percent of women suffer from depression during and post-pregnancy. There are opportunities to improve experiences in the first 2,000 days and to set children up to succeed long-term.

Evidence demonstrates that appropriate early investment and intervention during the first 2,000 days can influence longer-term trajectories, improve outcomes across a wide range of determinants, break intergenerational cycles, and provide long-term fiscal benefit to government. This means there is the potential for strong alignment with the social investment approach and its associated priorities. \$ 9(2)(f)(iv)

Interventions and investments in the first 2,000 days will help address the wider determinants that underlie the issues behind many of the Government Targets. For example, school readiness by age five can support improved school attendance and educational attainment (Targets 6 and 7), while positive parenting and stable families in the first 2,000 days can reduce the risk of future child and youth offending and violent crime (Targets 3 and 4).

Reducing material hardship

Material hardship is a non-income measure of poverty and is one of the three current primary measures of child poverty under the Child Poverty Reduction Act 2018. The measure used is the percentage of children living in households reporting that they can't afford six or more out of seventeen basic essential items on the Deprivation-17 material hardship index. The index includes items like not having two pairs of shoes or being able to pay bills on time.

Material hardship directly impacts on children's outcomes in the short term through reduced access to necessities, which leads to poorer health and toxic stress in the household, which in turn negatively impacts children's socio-emotional and cognitive development. In the long term, child poverty affects future educational and socio-economic outcomes, and these impacts accrue well into adulthood.

A focus on material hardship as a priority under the Strategy is consistent with the proposed changes to the Child Poverty Reduction Act 2018 [REP/24/8/766 refers]. You have identified that material hardship is the child poverty measure which you are focused on as the best measure of how children and families are experiencing poverty now. It is also the measure that is generally most easily understood by members of the public.

Child poverty data also shows that some groups of children and families are more likely to experience material hardship, including Māori children and children in households where there is a disability.

Preventing child harm

Experiences of physical harm, abuse and neglect within the context of family can negatively impact the physical, mental and emotional health and development of children and young people in the short term, with implications across the life-course and the long term outcomes for children. Abuse and neglect are underpinned by common and connected underlying drivers and risk factors, including low income, housing instability, community disadvantage, and parental alcohol abuse, substance abuse, mental illness, or incarceration. Children and young people at greatest risk of experiencing abuse, neglect and violence, are also more likely to be at greater risk of other forms of harm. They often experience concurrent and compounding harms in different settings, with cumulative impacts on their long-term outcomes.

The current Strategy refers to "the right to be safe and protected from all forms of physical or mental violence, injury or abuse, neglect or negligent treatment, maltreatment or exploitation". Addressing 'racism, discrimination and stigma' was one of the four priority areas identified as the focus for Strategy implementation following the 2022 Strategy review, with work being progressed as part of the development of the National Action Plan against Racism² (led by the Ministry of Justice).

¹ For example, the recent Canadian report *The Social Return on Investment in Improving the Health and Wellbeing of Children and Adolescents* highlighted the long-term economic benefits of investment in early intervention (a return of CAN\$3.30 on every dollar spent). https://childrenfirstcanada.org/wp-content/uploads/2023/05/Pedianomics-Raising-Canada-2023-Children-First-Canada.pdf

Australian research from 2019 estimated that every dollar invested in early childhood education returns AUD\$2 over a child's lifetime. https://www.thefrontproject.org.au/impact-foundry/research/economic-analysis

Research in the United States has shown that every dollar invested in quality early years programmes can yield returns of between USD\$4 and \$16 over a child's life. https://heckmanequation.org/

A 2021 UNICEF paper on investment in early childhood development estimated a return of €8.6 on every euro spent

https://www.unicef.org/montenegro/media/21951/file/The Potential of Additional Investment in Early Childhood Development in Montenegro.pdf

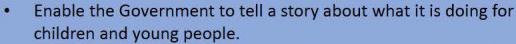
The Ministry of Justice has advised that they are currently finalising the actions in the National Action Plan Against Racism, for sign-off by the Chief Executives of relevant agencies.

REFRESHED CHILD AND YOUTH STRATEGY

COMMUNICATIONS TOOL

What is its purpose?

INVESTMENT FRAMEWORK



- Provide a child and youth lens over Government priorities and targets
- Provide transparency and accountability through measuring and reporting on progress / against targets.

What does it need to do?

- Provide a framework for cross-government decision-making
- Focus on investment:
 - o early in the life course
 - o to build protective factors
 - o to address early risk.
- Guide Ministerial decision-making about re-prioritisation and new investment
- Support Government to partner with other funders around common investment priorities.

- · Plain English.
- Public-facing easily understood by the public, who are the primary audience.
- Small number of key priority areas and actions.
- Streamlined measurement framework.
- Clear line of sight to Government Targets and sector-specific targets.

What does this mean for what is included?

- · Ministerial/agency-facing
- Provide guidance on:
 - What to invest in key priority areas, areas of focus within priorities, system investment.
 - Who to invest in demographics, persistent disadvantage, multiple risk factors, age cohorts, regions/localities.
 - o When to invest key development stages, emergence of early risk.
 - How to invest whānau-centred approaches, powering up communities, social sector commissioning, agile implementation (test, monitor, adjust), role of Government investment/role of other investment.