

The right to security, food, shelter,
education and healthcare

for every child in New Zealand.

**Paul Dalziel, Professor of Economics
AERU, Lincoln University**

**Presentation to the CPAG Post Election Breakfast,
Christchurch, 18 May 2018**

Mihi

E ngā tāne, e ngā wāhine, e tau nei, tēnā koutou katoa.

Ka tino nui tāku mihi o aroha ki a koutou i tēnei ra.

Kei te mihi ahau ki ngā taonga o Ngāi Tahu,
tangata whenua o tēnei rohe.

Ka iti tāku mōhio ki te reo Māori,

ēngari kei te mihi ahau ki tēnei taonga o ēnei motu.

Tēnā koutou. Tēnā koutou. Kia ora tātou katoa.



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university



**Lincoln
University**
Te Whare Wānaka o Aoraki
CHRISTCHURCH • NEW ZEALAND

Introduction

- I want to begin by acknowledging the people of the Child Poverty Action Group.
- CPAG was formed in 1994 out of deep concern for the rising level of poverty in New Zealand and its effects on children.
- I honour the commitment and work of so many people over so many years.



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university



**Lincoln
University**

Te Whare Wānaka o Aoraki

CHRISTCHURCH • NEW ZEALAND

Handing over the torch...

The change of government has seen a conscious shift from a policy focus on promoting economic growth to a policy focus on promoting wellbeing.



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university



**Lincoln
University**
Te Whare Wānaka o Aoraki
CHRISTCHURCH • NEW ZEALAND

“The driving goal of the new Government will be to grow the New Zealand economy in order to deliver greater prosperity, security and opportunities to all New Zealanders. It will be going for growth because it believes in the power of economic growth to deliver higher incomes, better living conditions and, ultimately, a stronger society for New Zealanders.”

- *Speech from the Throne* (9 December, 2008)



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university



Lincoln
University
Te Whare Wānaka o Aoraki
CHRISTCHURCH • NEW ZEALAND

“This government ... will encourage the economy to flourish, but not at the expense of damaging our natural resources or people’s well-being.

New Zealand needs to move beyond narrow measures and views of value and broaden the definition of progress. The economic strategy will focus on how we improve the wellbeing and living standards of all New Zealanders.”

- *Speech from the Throne* (8 November, 2017)



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university



Lincoln
University
Te Whare Wānaka o Aoraki
CHRISTCHURCH • NEW ZEALAND



Child Poverty Unit

About

Reducing child poverty is a Government priority, with new legislation proposed as a basis for action in this area. The Child Poverty Unit has been established to support this work.



The 100 Day Plan

The Families Package

\$5.5b

Operating

The Families Package will deliver more money to middle and low-income families and is projected to significantly reduce the number of children in poverty. The package includes increased Working for Families support, a new Best Start payment to help families with children in their early years, a Winter Energy Payment to help superannuitants heat their homes through the coldest months and accommodation supplement increases to support those under housing stress. When fully rolled out, 384,000 families with children will be better off by an average of \$75 per week.



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university



**Lincoln
University**
Te Whare Wānaka o Aoraki
CHRISTCHURCH • NEW ZEALAND

How is this reflected in the Budget?

Budget 2018 overview

Our priorities

Budget 2018 makes significant investment in the Coalition Government's key priorities, building on the 100-Day Plan.



Rebuilding critical public services



Enhancing and protecting our natural resources



Promoting economic development and supporting the regions



Enriching New Zealand's culture and identity



Taking action on child poverty, housing and homelessness



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university.



Lincoln
University
Te Whare Wānaka o Aoraki
CHRISTCHURCH • NEW ZEALAND



Taking action on child poverty, housing and homelessness

Child poverty and housing are at the heart of the Government's priorities. Budget 2018 builds on the \$5.5 billion investment made through the Families Package as part of the 100-Day Plan.

The *child poverty, housing and homelessness* package provides \$813 million of new operating funding and \$369 million of capital funding. This includes funding in the following key areas:

Child poverty, housing and homelessness

\$634m

Operating

\$369m

Capital

Every New Zealander deserves a healthy and safe home. Budget 2018 makes a significant investment to increase public housing by more than 6,000 homes over the next four years to address the severe shortage of public housing. We are targeting chronic homelessness by strengthening the Housing First initiative and expanding it beyond the main centres by 550 places, with the same tailored wrap-around support. Funding is also provided to implement the Healthy Homes Guarantee Act and insulation grants for eligible owner occupiers.

\$179m

Operating

We are extending free GP visits to under-14s, extending the provision of clothing support to children on the Orphan's Benefit and Unsupported Child's Benefit, setting up a new Child Poverty Unit and continuing funding to the KidsCan and KickStart programmes.



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university.



**Lincoln
University**
Te Whare Wānaka o Aoraki
CHRISTCHURCH • NEW ZEALAND

In summary...

- I don't think there is any doubt that there has been a major change in the approach of the government to tackling serious wellbeing issues, including child poverty.
- I don't want to understate the importance of the changes that have been made, and the difference they will make to struggling families.



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university.



**Lincoln
University**
Te Whare Wānaka o Aoraki
CHRISTCHURCH • NEW ZEALAND

The Big Challenge

- It is early days, of course, but the big challenge is whether *economic policy* can play its part in supporting the growth of decent jobs that pay at least the living wage to workers.
- This is a big issue internationally, with economic growth dominated in many countries by the rise of the gig economy, zero-hour contracts, and minimum wage jobs.



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university



**Lincoln
University**
Te Whare Wānaka o Aoraki
CHRISTCHURCH • NEW ZEALAND

The government is acutely aware of this issue.



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university



**Lincoln
University**
Te Whare Wānaka o Aoraki
CHRISTCHURCH • NEW ZEALAND

Budget 2019: Focus on wellbeing

The Government is committed to putting people's wellbeing and the environment at the heart of its policies, including reporting against a wider set of wellbeing indicators in future Budgets.

The Budget provides an annual opportunity to review New Zealand's performance across some high-level indicators, place the Government's programme within the context of the economic and fiscal outlook, set out the Government's strategy for the future and draw links to specific actions that have been, or will be, taken.

Budget 2019: The Wellbeing Budget, will broaden the Budget's focus beyond economic and fiscal policy by using the Treasury's Living Standards Framework to inform the Government's investment priorities and funding decisions. The Government will measure and report against a broader set of indicators to show a more rounded measure of success, as a country and as a Government. This will be supported by Budget processes that facilitate evidence-based decisions and deliver the Government's objectives in a cost-effective way. The Wellbeing Budget represents an important step towards embedding wellbeing in New Zealand's public policy.

Details of the Wellbeing Budget will be announced later in the year, and detailed in the Government's *Budget Policy Statement* for 2019.



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university



**Lincoln
University**
Te Whare Wānaka o Aoraki
CHRISTCHURCH • NEW ZEALAND

The Wellbeing Budget

- This approach reflects an international trend...
- ... but so far countries have had more success in creating sets of indicators that measure changes in wellbeing broadly defined that they have had success in creating economic policies that impact on those indicators directly.
- This challenge remains before us.



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university



**Lincoln
University**
Te Whare Wānaka o Aoraki
CHRISTCHURCH • NEW ZEALAND

Kua mutu tāku korero mo tēnei rā.

That finishes my talk for today.

Tēnā koutou. Tēnā koutou. Kia ora tātou katoa.

That is you. That is you.

May you and I, all of us together, enjoy well-being.



Agribusiness
and Economics
Research Unit

A Lincoln University Research Centre.
New Zealand's specialist land-based university



**Lincoln
University**
Te Whare Wānaka o Aoraki
CHRISTCHURCH • NEW ZEALAND