

Submission to Finance and Expenditure Committee on the Budget Policy Statement 2026

Introducing Mana Mokopuna – Children's Commissioner

Mana Mokopuna – Children's Commissioner (Mana Mokopuna) is the independent Crown entity with the statutory responsibility to advocate for the rights, interests, participation and wellbeing of mokopuna¹ (all children and young people) under 18 years old in Aotearoa New Zealand, and young people under 25 years of age if they are, or have been, in care or custody. The Children's Commissioner is Dr Claire Achmad.

We independently advocate for and with mokopuna within the context of their families, whānau, hapū, iwi and communities, based on evidence, data and research, including the perspectives of mokopuna.

Our work is grounded in the United Nations Convention on the Rights of the Child (the Children's Convention), Te Tiriti o Waitangi and other international human rights instruments. We are a National Preventative Mechanism under the Optional Protocol to the Convention Against Torture, meaning we monitor places where mokopuna are deprived of their liberty, including in the care and protection, youth justice, youth mental health and intellectual disability spaces.

We have a statutory mandate to promote the Children's Convention and monitor the Government's implementation of its duties under the Convention, and to work in ways that uphold the rights of mokopuna Māori including under Te Tiriti o Waitangi. We place a focus on advocating for and with mokopuna who are experiencing disadvantage, and we recognise and celebrate the diversity of mokopuna in all its forms.

Our moemoeā (vision) is *Kia kuru pounamu te rongo* – All mokopuna live their best lives, which we see as a collective vision and challenge for Aotearoa New Zealand.

When it comes to the rights of mokopuna, our advocacy for their rights is a focus across our four strategic advocacy areas:

- A strong start in life (first 2000 days)
- Growing up safe and well (free of all forms of child maltreatment in all circumstances; thriving mental health and wellbeing)
- Thriving families and whānau (living free of poverty, with resources needed to support mokopuna to thrive), and
- Participating in what matters to me (mokopuna have told us, for example, about the importance of participating in their education, culture and identity, sport and recreation, and caring for the natural environment).

¹ At Mana Mokopuna we have adopted the term 'mokopuna' to describe all children and young people in Aotearoa New Zealand. 'Mokopuna' brings together 'moko' (imprint or tattoo) and 'puna' (spring of water). Mokopuna describes that we are descendants, and or grandchildren, and how we need to think across generations for a better present and future. We acknowledge the special status held by mokopuna in their families, whānau, hapū and iwi and reflect that in all we do. Referring to children and young people we advocate for as mokopuna draws them closer to us and reminds us that who they are, and where they come from, matters for their identity, belonging and well-being at every stage of their lives.



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Summary of position

1. Every year, the Budget affects children and young people's lives and their rights and outcomes.
2. The decisions that governments make each year through the Budget process about how public money is spent have a direct and significant impact on our country's approximately 1.2 million mokopuna, and on their families and whānau. In shaping the economy, Budget initiatives and Government expenditures ultimately have a direct impact on mokopuna experiencing their right to basic things such as an adequate standard of living, and their opportunities to grow up healthy and well, living childhoods where they can learn, play and positively grow and develop with their whānau and friends.
3. Aotearoa New Zealand is a States Party to the UN Convention on the Rights of the Child (the Children's Convention) and, as such, has obligations to progressively implement the rights articulated in it for mokopuna. It is therefore important that children are explicitly considered in the Budget process, including in relation to each of the overarching goals set by the Government. In particular, we highlight the following points that relate to the Government's overarching goals (in bold italics below) for its term in office, as outlined in the *Budget Policy Statement 2026* (BPS):
 - a. ***A strong, more productive economy*** – this is something that can improve incomes and opportunities, and which can help to ensure an adequate standard of living for all mokopuna. An adequate standard of living is a right guaranteed under the Children's Convention, and central to children's everyday experiences and their outcomes across their life-course. However, a strong economy alone will not meet the Government's obligation under Article 4 of the Children's Convention, to support children's development – as individuals, cohorts and as a population – to the maximum extent of available resources.

Meeting this obligation requires the Government to systematically assess the impact of Budget decisions on children, both to mitigate negative impacts and to maximise the positive, long-term returns of public investment in children. Requiring the use of a Child Impact Assessment tool² for all Budget proposals would support informed, transparent choices that explicitly consider children's rights and wellbeing.
 - b. ***Public services need to be efficient, effective, and responsive*** – this includes responsiveness, effectiveness and efficiency for mokopuna as users of public services, and for their families and whānau. At the same time, the Government is responsible as a duty bearer under the Children's Convention, and under domestic law, for upholding the holistic rights of mokopuna and meeting their needs. This is crucial,

² The government has a tool of this kind available already, but it is not currently required to be used by government agencies. Available at: [MSD, Child Impact Assessment Tool](#).

for example, if things like health outcomes and educational achievement of mokopuna are to be improved, and youth offending reduced on a sustained basis.

- c. In **restoring discipline to public spending**, care must be taken to ensure mokopuna do not bear negative consequences from restraint in public spending, particularly reductions in resources and services that support them and their families and whānau. In particular, there must be adequate investment to ensure the most basic of rights for all mokopuna, such as the right to an adequate standard of living, the right to be free from all forms of violence and harm, and the right to the highest attainable standard of health. These things require investment in sustained and responsive services for child protection and harm prevention; in policies and initiatives that reduce poverty affecting children; and concentrated investment in children's early years.

Practical investment that supports positive childhood outcomes should be a priority in public finance decision-making given the age and stage of children, strong long-term return-on-investment, and to support fulfilment of New Zealand's Children's Convention duties and obligations.

4. The Government states in the BPS that these overarching goals guide its decisions and serve as its wellbeing objectives, describing them as "the most important contribution the Government can make to the long-term social, economic, environmental and cultural wellbeing of New Zealanders." While recognising this focus and commitment, Mana Mokopuna advocates for the rights, interests, and wellbeing of mokopuna to be more explicitly considered and prioritised in the annual Budget process and decision-making, including the current process for Budget 2026. With approximately 1.2 million mokopuna in our country, it is essential that the Budget invests in what they need now and into the future. This is good for children, their families, communities and for us all as a country.
5. Consistent with the right of all mokopuna under Article 12 of the Children's Convention, we strongly recommend that the Government provides opportunities for mokopuna to have a say in the Budget process and help shape Budget decisions that reflect their experiences, views and their rights. Public services for mokopuna that are shaped by them and view them as active participants in those decisions, policies and services rather than as passive recipients, will be most effective. This is because they are more likely to be directly connected to the specific needs and realities of mokopuna and their families and whānau. Additionally, being involved in the Budget process would provide mokopuna with an excellent opportunity for civic education, including to grow their understanding of public finance, the economy and national financial decision-making, and in turn support mokopuna to become active citizens who are empowered and who feel valued.³ This is even more important because children do not have the right to vote in New Zealand's general or local elections.

³ Lundy, L. et al, 2020 [Children's rights budgeting and social accountability: Children's views on its purposes, processes and their participation](#).

6. In this submission, we also highlight the following useful guidance.
- a. Authoritative guidance and recommendations of the UN Committee on the Rights of the Child (CRC Committee) in relation to public budgeting for the realisation of children's rights. This guidance can help New Zealand better fulfil its duties and obligations under the Children's Convention. A key point is that the Children's Convention serves as a vital tool for shaping public budgeting decisions that affect mokopuna, ensuring their rights are fully upheld.
 - b. *The UN Pact for the Future* and *Declaration on Future Generations*, which emphasises the responsibility of current leaders to prioritise the needs of future generations in their policy and decision-making and safeguard their futures.

Recommendations

7. Mana Mokopuna – Children's Commissioner makes the four following recommendations in relation to *Budget Policy Statement 2026*.
- a. **Make children a budget priority.** The decisions that the Government makes each year through the Budget process about how public money is spent have a direct and significant impact on mokopuna, and on their families and whānau. In line with its obligations under the Children's Convention, the Government should:
 - i. Create clear and transparent processes to assess the direct and indirect impacts of Government spending decisions on mokopuna, their families, whānau, hapū, iwi, and the communities in which they live and grow. Investment decisions should generate revenue and manage expenditures in ways that prioritise the rights, wellbeing, and long-term outcomes of all mokopuna.
 - ii. Pay particular attention to those mokopuna and their families and whānau who are disproportionately impacted by poverty and structural disadvantage **by including measures in Budget 2026 to achieve sustained reduction in children experiencing material hardship and meet the original ten-year target of halving child poverty by 2028.**
 - b. **Develop mechanisms for mokopuna participation** in the budget process to give effect to their right to express their views on matters that affect them and for their views to be given due weight (as provided under Article 12 of the Children's Convention), providing them with the opportunity to influence Budget decisions based on their experiences, views and rights.
 - c. **Proactively and transparently consider the impacts of public spending on future generations.** In line with its commitment to the *Pact for the Future* and the *Declaration on Future Generations*, the Government should consider the intergenerational impact of budget policy and decision-making and prioritise and safeguard the rights and wellbeing of future generations.

Budgeting for and with mokopuna



New Zealand youth are the future and deserve to have a say in what the future will look like. Most people over the age of 16 pay taxes to the government, and I think they deserve a say in where that money goes."

17 year old NZ European mokopuna, Kawatiri Westport⁴

Guidance on Public Budget Processes

7. The CRC Committee has issued authoritative guidance on public budgeting for realising children rights. This is published in its General Comment No 19.⁵ General Comment No.19 is directly relevant to the New Zealand Government as a States Party to the Children's Convention, in relation to its annual Budget process and Budget decision-making. This guidance:
 - a. provides States with detailed guidance on **how to implement its obligation under Article 4 of the Children's Convention** to take all possible measures "to the maximum extent of their available resources" to mobilise, allocate and spend sufficient financial resources to realise all children's rights
 - b. emphasises that when States are making decisions about public budgets, **they must give effect to the four general principles of the Children's Convention**, which include protecting children from discrimination, acting in their best interests, ensuring their survival, life and development, and listening to their views on budget decisions that affect them
 - c. calls on States to **apply the budget principles of effectiveness, efficiency, equity, transparency and sustainability** to their budget processes, and
 - d. provides detailed guidance and recommendations on **how to take children's rights into consideration throughout all key stages of the public budget process**, including the planning stage.
8. As emphasised by the CRC Committee, a key component of budgeting effectively for mokopuna, and for implementing children's rights in general, is their participation in the process. This is consistent with the right of all children to participation, protected under Article 12 of the Children's Convention. General Comment No.19 was developed in consultation with children and young people from around the world who provided the following advice to government officials around the world who are responsible for setting public budgets:
 - a. "Plan well. There should be enough money in the budget to provide for all rights of children."

⁴ Mana Mokopuna 2024 ["You need to get in early, as soon as you see people struggling" Understanding the life-course journey.](#)

⁵ UN Committee on the Rights of the Child 2016 [General comment No. 19 on public budgeting for the realization of children's rights.](#)



- b. "It is impossible for you to invest in us if you do not ask us what to invest in! We know; you should ask."
 - c. "Do not forget to include children with special needs in your budgets."
 - d. "Spend money fairly and wisely. Don't spend our money on something that is useless — be efficient, save money."
 - e. "Investing in children is a long-term investment, and it generates a lot, so remember to think of it."
 - f. "Investment in our families is also an important way of securing our rights."
 - g. "Make sure there is no corruption."
 - h. "Recognize the rights of all citizens, both young and old, by listening to people's opinions on matters of governance."
 - i. "I would like the Government to be more accountable and transparent."
 - j. "Publish records of how the money is spent."
 - k. "Provide budget information to all children in ways that are easily understood and in media that are popular with children, like social media."⁶
9. We urge the Government and the Finance and Expenditure Committee to seek the views of children as part of the budgeting process for Budget 2026, and to ensure their needs and priorities are reflected.

UN Pact for the Future



We, too, are concerned about what goes on in our world, especially our country. What happens now WILL affect our future..."

17 year old Samoan mokopuna, Tāmaki Makaurau Auckland⁷

10. We note that UN Member States, including New Zealand, recently adopted the *Pact for the Future*,⁸ a forward-looking outcome document of the 2024 Summit of the Future that seeks to collectively deliver a better present and safeguard the future.
11. *The Pact for the Future* outlines 56 commitments in the areas of sustainable development and financing for development, international peace and security, science, technology and innovation, digital cooperation, youth and future generations, and transforming global governance.

⁶ UN Committee on the Rights of the Child 2016 [General comment No. 19 on public budgeting for the realization of children's rights](#).

⁷ Mana Mokopuna 2024 ["You need to get in early, as soon as you see people struggling" Understanding the life-course journey](#).

⁸ United Nations General Assembly 2024 [Pact for the Future - United Nations Summit of the Future](#); Ministry of Foreign Affairs and Trade [Strengthening of the United Nations system - Item 123: Summit of the Future](#).



12. In relation to youth and future generations, through adopting the *Pact for the Future*, **New Zealand has made the following commitments:**
- a. **invest in the social and economic development of children and young people** so that they can reach their full potential (Action 34)⁹
 - b. **promote, protect, and respect the human rights** of all young people and foster social inclusion and integration (Action 35),¹⁰ and
 - c. **strengthen meaningful youth participation** at the national and international levels (Actions 36 and 37).¹¹
13. The *Declaration on Future Generations* is part of the *Pact for the Future*.¹² The *Declaration on Future Generations* emphasises the responsibility of current leaders to prioritise the needs of future generations in their decision-making and specifies further guiding principles, commitments, and actions for building a stronger, more effective, and resilient multilateral system, underpinned by transparency, confidence, and trust, for the benefit of present and future generations. New Zealand children and young people were directly involved in helping to shape the *Declaration on Future Generations*.
14. We urge the Government to adopt policies and make decisions in relation to Budget 2026 that are consistent with and give effect to the key commitments it has made through the *Pact for the Future* and the *Declaration on Future Generations*, to actively exercise its responsibility to prioritise the needs and rights of future generations in its budget policy and decision-making.

Upholding children's rights in Budget 2026



What helps is... "More funding into schools – proper and better education"

Mokopuna whaikaha (disabled child), age 15-18¹³

15. Budget-setting has a direct and significant impact on the rights of mokopuna – such as their rights to have a strong start in life in their early years, to always be safe, to education, to have an adequate standard of living, to be well, and have access to healthcare and a healthy environment. It is crucial that the Budget 2026 planning process and decision-making upholds children's rights and prioritises investments that are vital to support mokopuna thrive and reach their full potential.
16. As tangata whenua, mokopuna Māori have specific rights under Te Tiriti o Waitangi. These include tino rangatiratanga (participation and authority in decision-making) and ngā tikanga katoa rite tahi (equity). Currently, neither of these Articles of the Te Tiriti o Waitangi are being adequately fulfilled. The Crown must better uphold its Te Tiriti o Waitangi obligations in

⁹ United Nations General Assembly 2024 [Pact for the Future - United Nations Summit of the Future](#) at page 23.

¹⁰ Ibid at 24.

¹¹ Ibid at pages 24-25.

¹² Ibid Annex II at page 52.

¹³ Mana Mokopuna 2024 ["You need to get in early, as soon as you see people struggling" Understanding the life-course journey.](#)



relation to mokopuna Māori when exercising kawanatanga (i.e. making budget decisions), particularly in relation to reducing the disproportionate impact of child poverty on mokopuna Māori and their whānau.

17. We welcome the Government's commitment in Budget 2026, as stated in the BPS, to focus on supporting the delivery of core public services, such as health care and education, which are priority investment areas for mokopuna.
18. In relation to health care and Budget 2026, we call on the Government to ensure that all mokopuna have a strong start in life by following through on its commitment to support children and their families and whānau in the first 2,000 days, including increased resourcing to ensure early and accessible perinatal mental health support.¹⁴ We also call on the Government to increase their targeted investment through Budget 2026 to address the urgent mental health needs of rangatahi aged between 12-24 years, who report the highest level of unmet need for mental health care of any age group in Aotearoa New Zealand.¹⁵
19. In relation to education and Budget 2026, we again call on the Government to ensure that all mokopuna have a strong start in life by following through on its commitment to support children's access to quality early childhood education in the first 2,000 days.¹⁶ In relation to children's right to education generally, we call on the Government to invest in a holistic approach to high quality, accessible, and inclusive education, which fosters children's intellectual, social, cultural, and emotional development and prioritises their rights, interests and wellbeing. Taking a holistic approach to education will ensure all mokopuna can grow and develop to their full potential in accordance with their own strengths and capabilities, while also achieving the Government's aim to build a skilled workforce and strengthen productivity.
20. We acknowledge that the Government, as stated in the BPS, will also prioritise law and order in Budget 2026. We call on the Government to ensure any investments and related policy changes respect and uphold the rights of mokopuna, including when they come into contact with the law or the courts. The wider evidence shows that positive prevention and early intervention – grounded in work led by iwi and community organisations, and which takes a therapeutic, trauma-informed approach and which provides support to both young people and their whānau – are what work and are already working. Examples include judicially-led approaches, such as Te Kooti Rangatahi and the Pasifika Courts, partnership models, such as Mahuru – an iwi-based and delivered youth remand service, Whakapai Hauora (Best Care Charitable Trust), and holistic place-based initiatives like Te Runanga o Toa Rangatira in Porirua and Kotahi Te Whakaaro in South Auckland. These involve government, community, iwi and NGOs, and engage the whole whānau, looking to address underlying drivers and causes of offending.¹⁷

¹⁴ As prioritised in the Government's [Child and Youth Strategy 2024-2027](#) under priority area 1.

¹⁵ Auditor General 2024 [Meeting the mental health needs of young New Zealanders](#).

¹⁶ [Government Child and Youth Strategy 2024-2027](#), priority 1.

¹⁷ Mana Mokopuna 2025 [Submission on the Oranga Tamariki \(Responding to Serious Youth Offending\) Amendment Bill](#).

Child poverty reduction, including reducing child material hardship should be a priority focus for Budget 2026

“ [We believe a solution is:] Financial support for parents that are really struggling with money, stress and relationship problems”

Rangatahi Māori rōpu, aged 15-20¹⁸

21. We are concerned that reducing child material hardship is not specifically listed in the BPS as a priority area for Budget 2026. In fact, the BPS makes no mention of child material hardship, child poverty, or family and whānau poverty. This is despite the fact that 156,600 children were reported last year to be experiencing material hardship.¹⁹ The Government committed under its *Child and Youth Strategy 2024-2027* to make “Reducing child material hardship” one of the three priorities under the Strategy, and that this priority will inform its investment decisions. Furthermore, material hardship has been set as the Portfolio Target indicator.²⁰
22. The reality is that material hardship and wider forms of child poverty are significant issues for many mokopuna in Aotearoa New Zealand, and poverty seriously impacts the realisation of their rights, particularly to an adequate standard of living, health and education. Children living in poverty are likely to experience a wide range of negative outcomes that have the potential to significantly impact their lives in the short and long term. As recognised in the *Child and Youth Strategy 2024-2027*, costs are not the same for all households, with some facing higher or additional essential costs, such as costs associated with disability. These additional costs further impact on the ability of households to afford basic items for children. Children experiencing material hardship are missing out on seven or more of the 18 essential items that they should have as children.²¹ The omission of reducing child material hardship as a priority area for Budget 2026 is also particularly concerning considering:
 - a. child poverty is likely to have worsened in the past year due to the cost-of-living crisis, increasing unemployment and under-employment, and policy changes relating to the social safety net such as emergency accommodation, sanctions on key benefits, and moving main benefit indexing from wage growth to inflation²²
 - b. the disproportionate impact of child poverty on mokopuna Māori, Pacific mokopuna, mokopuna whaikaha and mokopuna who live in sole parent households and households with a disability (this is consistently shown in the official child poverty data published annually by Stats NZ²³ and the MSD Child Poverty Reports²⁴)

¹⁸ Mana Mokopuna 2024 ["You need to get in early, as soon as you see people struggling" Understanding the life-course journey.](#)

¹⁹ Government media release, February 2025 [Child Poverty statistics show challenges remain.](#)

²⁰ MSD 2024 [The Child and Youth Strategy 2024-2027](#) at page 9.

²¹ We note the material hardship measure has recently changed. Please see [Stats NZ updates material hardship measure for child poverty statistics.](#)

²² MSD 2024 [SAR Indexing Main Benefits to Inflation](#) officials advised 7,000 to 13,000 more children would be in poverty by 2028 due to this policy change.

²³ Stats NZ 2025 [Child poverty statistics: Year ended June 2024.](#)

²⁴ MSD [Child Poverty in New Zealand reports.](#)

- c. officials' advice that the Government would need to invest \$3 billion annually over the next two to three years to meet the Government's child poverty reduction targets,²⁵ and
 - d. reducing child material hardship would tangibly improve mokopuna lives, protect their rights, and create greater downstream economic benefits and ultimate savings for New Zealand (see below).
23. We acknowledge that the Government is required to present a report on child poverty reduction to the Parliament each Budget Day that reports on progress made in the past year and how measures in, or related to, the Budget for the coming year will affect child poverty.
24. In line with the CRC Committee's guidance in General Comment No. 19 relating to transparency of public budgeting and taking children's rights into consideration at all stages of the public budget process, we recommend that in addition to the Child Poverty Budget report, pre-budget statements such as the BPS should also explicitly include reference to reducing child poverty as a cross-government commitment under the Child Poverty Reduction Act 2018. This would enable submitters including the Children's Commissioner to provide independent advice on the general direction to inform final Budget decisions. The Child Impact Assessment Tool²⁶ should also be used to assess how Budget decisions relating to child poverty may affect children's rights and well-being and if certain groups of children may be disproportionately impacted.
25. We note that the Government's strategy for reducing child poverty is to get more people into work and strengthen the economy. Whilst a strong economy and secure work are important components in reducing child material hardship and child poverty, they will not lift all children out of poverty or protect all children from negative consequences of poverty. This is because around half of children living in material hardship are in working households.²⁷
26. Budget 2026, and future budgets must therefore include significant and targeted measures, to lift the incomes of all families with children who live in poverty, ensuring they can have basic needs met and achieve financial security. This is a crucial component required in making ending child poverty an enduring project of national significance across successive governments. Evidence and research highlights that strengthened income support for low-income working families can reduce child poverty²⁸ and alleviate material hardship.²⁹

Reducing child poverty, including material hardship, brings economic benefits

27. As outlined in the BPS, we note that the Government is looking to significantly tighten government spending over the next three years and address New Zealand's longer-term productivity challenges through Budget 2026.

²⁵ DPMC 2024 [Briefing statutory review of the current ten year child poverty reduction targets](#).

²⁶ MSD [Child Impact Assessment Tool](#).

²⁷ MSD 2024 [Child Poverty in New Zealand](#) at page 26.

²⁸ Scottish Government 2025 [International review of approaches to tackling child poverty: Comparative summary report](#).

²⁹ Grant, M and Prickett, K. 2023 [Research evidence on policy supports and the effect on material hardship](#).

28. Given the significant unmet needs of children who are living in material hardship, we are concerned to see that the operating allowances for Budgets 2026, 2027 and 2028 will be \$2.4 billion, and that existing pre-commitments mean there is only \$1 billion per year, on average, left to be allocated from the operating allowance for Budget 2026. We are concerned that this approach reduces the opportunities for the Government to significantly increase its investment in child poverty reduction as recommended by officials, to ensure child poverty reduction targets are met.
29. We wish to emphasise that increasing government spending on child poverty reduction – starting with child material hardship – can have a significant and positive impact on government debt and GDP in the longer term.
30. As a small, relatively wealthy nation, New Zealand's current high rates of child poverty impose a significant and ongoing economic cost, driven by long-term impacts such as reduced lifetime earnings, poorer health outcomes, increased demand on public services, and lost tax revenue. While there is no official government estimate of the economic cost of child poverty in New Zealand, a 2011 study estimated it to be about \$8 billion, which was 4.5% of GDP (in 2011).³⁰ More recent analysis estimated the cost at around \$18 billion each year, (~4% of 2024 GDP).³¹ International evidence reinforces this. A 2022 OECD report estimated the average cost of child poverty was 3.4% of GDP across 24 European member countries;³² in the United Kingdom, the cost is estimated to be around 1-2% of GDP; and in the United States, a 2018 study estimated child poverty costs just over \$1 trillion per year, or 5.4% of GDP.³³ It is clear that child poverty has a significant negative impact on GDP.
31. If child poverty were eradicated in New Zealand, the social and economic benefits for mokopuna, whānau, and for communities and our society-at-large would be significant. It is estimated around a third of the benefit would go directly to the individual in terms of higher employment income (in adulthood). However, two-thirds of the economic benefit would accrue to the broader community through increased tax revenue (from the increased employment income), reduced government spending on welfare, health and justice, and avoided costs associated with poverty, such as treating poverty-related health conditions.³⁴ This shows the importance of prioritising investment in reducing child material hardship through Budget 2026 and successive government budgets.

Fiscally responsible spending can result from increasing revenue

32. The goal to manage government debt and 'balance the books' can be achieved in different ways – to be clear we acknowledge that ultimately this is a political decision. Fiscal spending restraint that fails to meet needs results in higher costs down the track. However, increasing Government revenue now can ensure the fiscal envelope is adequate to reinstate essential social services and transfers that protect families and their mokopuna from poverty and help

³⁰ Pearce, J. 2011 'An estimate of the national costs of child poverty in New Zealand'.

³¹ Macfie et al (2025). *Pakukore: Poverty, by Design* at 118-119.

³² [The economic costs of childhood socio-economic disadvantage \(EN\)](#)

³³ McLaughlin, M. & Rank, M (2018) [Estimating the Economic Cost of Childhood Poverty in the United States](#)

³⁴ Timmins, J. 2022 NZ Productivity Commission Research Note [The benefits of reducing persistent disadvantage](#)

mokopuna to survive and thrive. Given the significant unmet needs of mokopuna living in child material hardship in New Zealand, we urge that careful consideration be given to increasing government revenue with a tight focus on investment that meets this goal and the Government's child poverty reduction targets. Combined with fiscal restraint within a larger spending envelope, this strategy can achieve one goal of the BPS of decreasing debt to GDP ratio while also reducing poverty rates and improving standards of living.

33. Public revenue can be increased through a range of mechanisms designed to better align economic activity with social and environmental outcomes. These include Pigouvian³⁵ taxes and levies, which place charges on activities that generate negative outcomes or 'externalities'. Examples include taxes on sugar, alcohol and tobacco; emissions trading schemes; levies on resource extraction; and penalties for corporate non-compliance. Such approaches can both discourage harmful activities and generate additional revenue for public benefit. Adjustments to tax settings at higher income levels and the taxation of wealth are also options for raising revenue to support essential public services and promote greater equity.
34. Other options to better invest in our children and our futures within a limited total fiscal envelope is by reprioritising existing expenditure across different portfolio areas to increase the operating allowance in the social sector.

Protect and promote children's rights when setting fiscal strategy

35. As outlined in the BPS, the Government is proposing to reduce government spending and tighten operating allowances for the next three years. If new funding is required for priority initiatives beyond what is available in the operating allowance, it is proposed for Ministries to find this from savings and reprioritisation.
36. When making decisions on how to spend Budget 2026's limited operating allowance and where to make savings and reprioritisations, we urge the Government to create clear and transparent processes for assessing how spending decisions affect mokopuna - both directly and indirectly, as well as their families, whānau, hapū, iwi, and the communities they live and grow in. Consideration must also be given to how best to guard against disproportionate impacts on certain groups of children, such as mokopuna Māori, Pacific mokopuna and mokopuna whaikaha (disabled children). Using the government-endorsed Children's Impact Assessment Tool in Budget 2026 planning and decision-making is recommended. This would enable decision-makers to ensure informed, transparent choices in Budget 2026 planning and decision-making so that children's rights and wellbeing is explicitly considered, including when it comes to reducing child material hardship, and achieving child poverty reduction targets.

³⁵ Pigouvian taxes are named after the English economist Arthur Cecil Pigou (1877–1959), who developed the concept of economic externalities.

Conclusion

37. Mana Mokopuna calls for the rights, interests, and wellbeing of mokopuna to be more explicitly considered and prioritised in the Budget 2026 planning process, policy settings and decision-making. With approximately 1.2 million mokopuna in Aotearoa New Zealand, it is essential that Budget 2026 invests in what they need now and into the future, to meet their needs and uphold their rights.
38. When the Government makes decisions on how to spend public funds, it has a direct and significant impact on mokopuna and their families and whānau. It is therefore essential that the Government creates clear and transparent processes to assess how its spending decisions impact mokopuna over time. This is in line with the Government's obligations as a duty-bearer under the Children's Convention to take all possible measures "to the maximum extent of their available resources" to mobilise, allocate and spend sufficient financial resources to realise all children's rights. It is also aligned with the Government's commitments under the *Pact for the Future* to prioritise the needs of future generations in their policy and decision-making and safeguard their futures. It would better support the Government to achieve its own Portfolio Target of reducing child material hardship. Children should have the opportunity to express their views during the Budget process and shape Budget decisions to better reflect their experiences, views and priorities, consistent with the guidance of the CRC Committee.
39. We call on the Government to include reducing child poverty, including child material hardship, as a key priority focus. Child poverty is a significant issue for thousands of children in Aotearoa New Zealand, negatively impacting the realisation of their rights, particularly to an adequate standard of living, health and education. Significant investment must be made through Budget 2026 to reduce child material hardship and to make tangible progress towards meeting the ten-year target of halving child poverty by 2028. Reducing child poverty is a key strategy for strengthening Aotearoa New Zealand's economy in the long-term, adding to the strong reasons why ending child poverty should be an enduring project of national significance led out by the Government and maintained by successive governments into the future.