

There are three current primary measures under the Child Poverty Reduction Act 2018 for which three-year and ten-year targets have been set

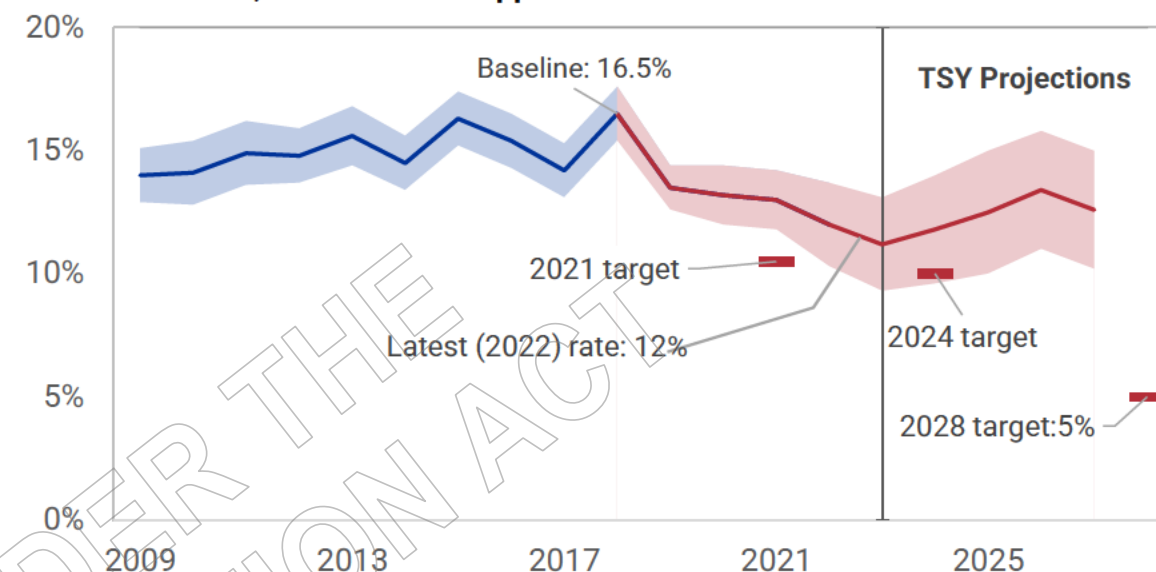
Investment so far has translated to progress on these three primary measures ...

- ~46,000 (4.5 ppt) fewer children on the Before Housing Costs (BHC50) primary measure.
- ~77,000 (7.4 ppt) fewer children on the After Housing Costs (AHC50) primary measure.
- ~29,000 (3 ppt) fewer children on the Material Hardship primary measure.

...but more is needed to achieve the current 10-year targets in 2028

There is flexibility under the Act to change the targets at any time

BHC50: ~80,000 children / 7 ppt further reduction needed

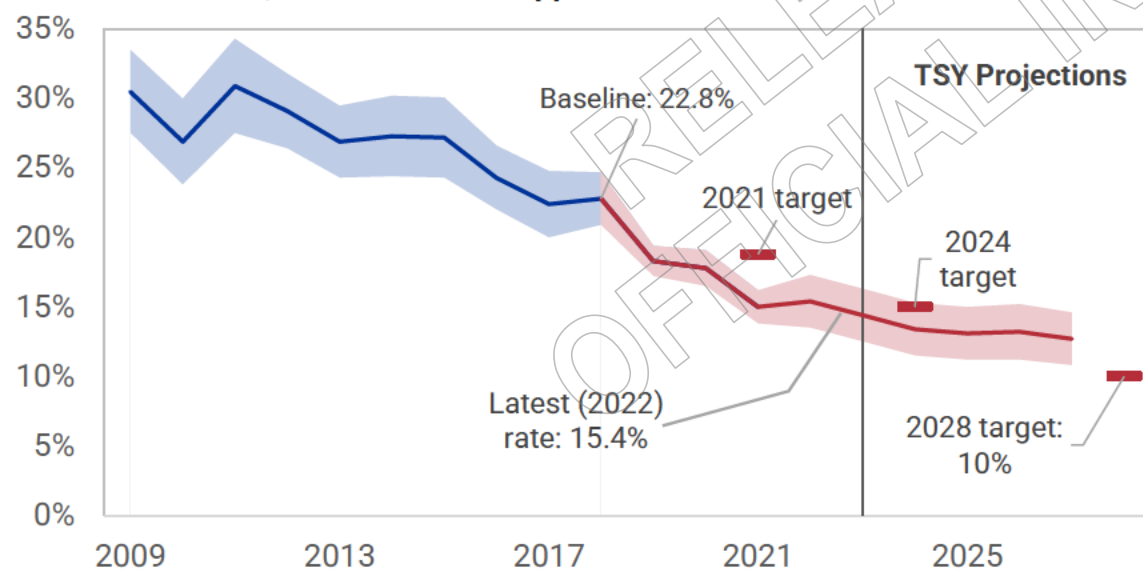


Definition: proportion of children in households receiving less than 50% of the median equivalised disposable income in a given year

Progress requires: incomes of households with children at the bottom of the distribution to rise faster than the median household income

Outlook: rates forecast to increase from 2023 as middle income growth outpaces income growth at the bottom. Uncertain if 2024 target will be met, substantially more investment needed to achieve the current 2028 target

AHC50: ~60,000 children / 5.4 ppt further reduction needed

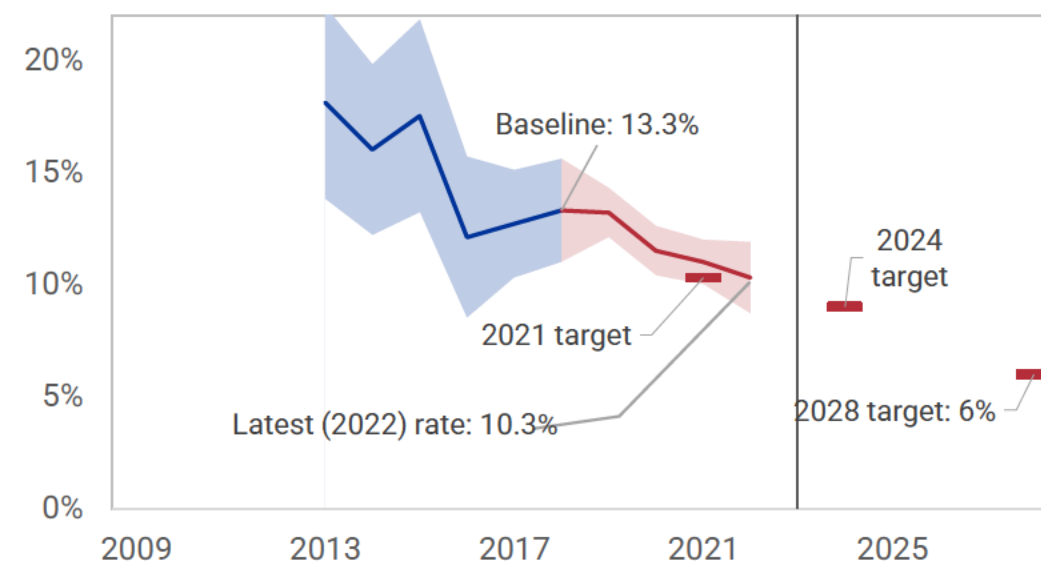


Definition: proportion of children living in households with incomes less than 50% of the median household income in 2018, after deducting housing costs and adjusting for inflation

Progress requires: keeping down housing costs and ensuring family incomes grow faster than increases to the cost of living

Outlook: rates forecast to track down steadily as income growth at the bottom outpaces inflation. The 2024 target will be met, but more needed to achieve the current 2028 target

Material hardship: ~50,000 children / 4 ppt further reduction needed



Definition: proportion of children living in households that lack six or more out of 17 items on the material hardship index (eg, having two pairs of shoes in good condition)

Progress requires: increasing incomes, reducing housing costs and wider costs of living, decreasing and preventing debt, improving supports to families experiencing disadvantage

Outlook: can't be modelled by Treasury, uncertain if 2024 target will be met. Rates very sensitive to downturn in wider economic conditions