

CPAG v Attorney General - Court of Appeal Decision Released

30 August 2013

Court decision finds government discriminates against low-income children, but that it is justified.

The Court of Appeal Decision was released on Aug 30 2012 - [click here to read the full decision](#).

Child Poverty Action Group sought a declaration from the Court of Appeal that the In Work Tax Credit, worth at least \$60 a week for low income families, unjustifiably discriminates by leaving out families on benefits. While agreeing that there is discrimination, the Court found the harm was justified.

"It is pleasing that the Court has agreed that the In Work Tax Credit is discriminatory and that it has a harmful effect. What has been lost sight of is that this harm is not trivial. It is inflicted on 230,000 of the poorest children in our society," says spokesperson Associate Professor Susan St John.

These children are among the group that suffer the most ill-health including third world diseases from poverty related causes. They may experience, poor nutrition, overcrowding, poor education and miss out on the basic experiences that could enrich their childhood.

"This is quite disgraceful in a country like New Zealand and we had hoped that the Court would understand the extent and impact of this harm. Parenting is challenging work even for the well resourced so it is hard to imagine a justification for departing from the principle of treating all children in low income families equally for all child-related payments."

Too many families have been unfairly penalised by the Working for Families eligibility criteria. Many families have even missed out due to redundancies and disasters such as the Christchurch earthquake," Says Assoc. Prof St John.

"When people lose work, they lose those tax credits and why should children be unfairly penalised? It's unjust and unlike what happens with our counterparts in Australia."

It would cost \$450m a year to provide this payment to all low income families and that would start the long journey back to a country without child poverty.

Assoc. Prof St John thanked all those who had supported CPAG's legal challenge, an on going collaborative effort that began in 2002. She was particularly grateful to the legal team of Frances Joychild QC and Jenny Ryan for their exemplary work.

"I want to thank everyone who has supported CPAG for persevering to this point. The generosity and encouragement shown to us allowed CPAG to take this challenge all the way to the Court of Appeal.

She says despite the ruling there is an indication that a sea change is taking place in the understandings of what the case is about. For example the recent NZ Herald digi-poll that showed

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strong support for the In Work Tax Credits being extended to non-working parents. “CPAG will to continue to fight this iniquitous policy in many different forums,” says Assoc. Prof St John.

CPAG is considering its next moves in consultation with its lawyers.