

Private Member Bill a practical and just way to address child poverty

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Child Poverty Action Group is calling on all parliamentary parties to support the Greens' Private Member's Bill, which would boost the incomes of New Zealand's poorest families and reduce child poverty. Green MP Catherine Delahunty's Income Tax (Universalisation of In-work Tax Credit) Amendment Bill was drawn from the ballot on Wednesday.

CPAG spokesperson Associate Professor Susan St John says, "We are delighted this Bill has been drawn from ballot. This shows parliamentary parties are willing to take practical steps to reduce child poverty. Childhood poverty has lifelong consequences on health, education, and social and economic participation. This Bill provides a practical and just way to make an immediate difference to New Zealand's disgraceful child poverty problem. We urge parliament to act in the interests of poor children and pass the Bill into law."

The controversial IWTC payment is worth at least \$60 a week, specifically for children, and is one of the means government uses to reduce child poverty. However, only some low income families receive it, while 230,000 children are excluded. The IWTC is a payment to help with the costs of children but is withheld from parents who receive benefit income, or are unable to work a minimum number of hours per week (even when work is not available).

Parents who cannot meet the work requirements because of child-caring responsibilities, disability or sickness do not receive the IWTC. Families lose the IWTC even when they lose work because of events beyond their control like recession, illness or an earthquake.

Susan St John says, "The policy does not treat sole parents in full time study as if they are in work and denies them the very help that might allow them to keep studying when they have children. On the other hand it helps women with partners well up the income scale to stay at home by giving them extra income even though they are not in paid work."

CPAG argues this discrimination cannot be justified on moral or ethical grounds or on the grounds that it provides a work incentive. St John says the IWTC has been spectacularly unsuccessful in moving sole parents into work "The policy makes no economic sense. There are many ways to make work pay that don't involve punishing the poorest children."

Since 2004, CPAG has challenged the Government over its discriminatory policy regarding the In Work Tax Credit (IWTC), a child-related family assistance payment. In July 2012 the Court of Appeal granted CPAG leave to appeal against the decision of the High Court in relation to its claim of discrimination against the 230,000 children of beneficiaries.