

Child poverty worsens

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After years of neglect the 2004 Working for Families budget promising over an extra billion dollars a year by 2007 sounded like very good news for low income families. And so it was, except that the poorest children were largely left out. More was to come in the pre-election spend-up that sees a further \$500m for low-income families, but shockingly the cupboard is once more bare for the poorest children in beneficiary families.

Thus (today) a low income family on \$38,000 with four children will gain extra \$x of Family Assistance a week. About 230,000 of the worst off children are left out because their parents are on benefits or student allowances or maybe they are looked after by a grandparent on NZ superannuation. Deb, a sole parent on the DPB struggling to feed four growing boys, in unhealthy rented accommodation, with debts to WINZ can expect no increase at all. Deb whose marriage broke up due to violence and abuse says with tears:

“On Dpb I have been kept in survival mode a lot of the time with the boys constantly saying they are hungry. I have gone to university to better my chances of earning enough to support them financially only part-time because I am conscious that their emotional well being is dependent on my presence in the home.. The government, by giving me less, is saying I am of less value than the paid workers...but worse, it is saying my children are of less value than the children of paid workers.’

The family on \$38,000 also gained from last year's increase to their Family Support of \$70 a week. This was for all families on the same basis and the government has been quick to say that beneficiary families were included.

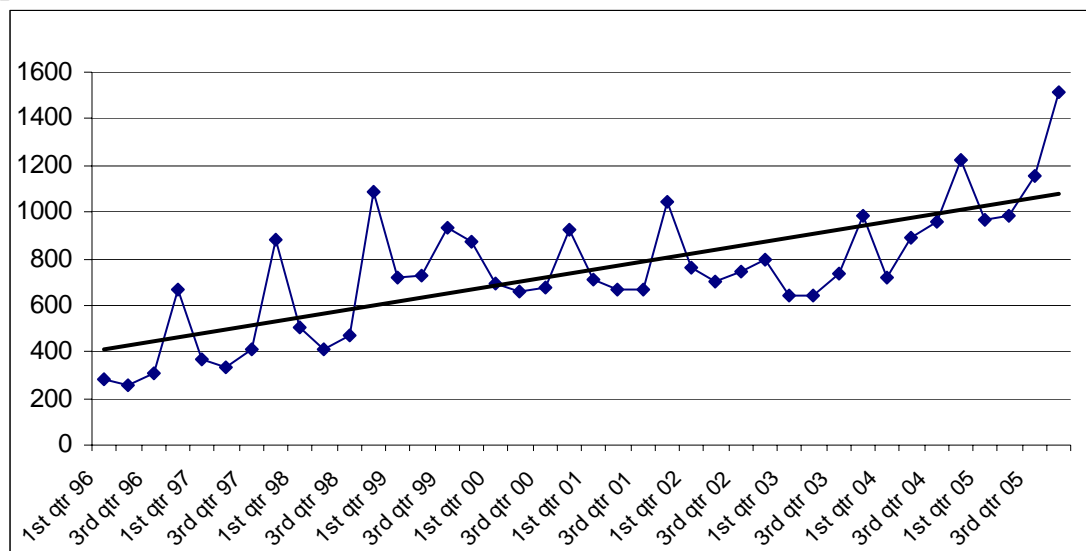
But Deb had a core benefit reduction of \$21.40 dollars and lost around another \$28 in Special Benefit because Family Support became included in the formula. Worse still, the Special Benefit is being changed into the Temporary Assistance Payment this year. With projected overall savings by 2007/08 of \$91m, the plight of those who struggle with children on benefits is about to get much tougher. Those on incomes related rents also find that their rents go up when Family support increases, and increases

in Accommodation supplement for those renting in the private sector are swallowed up in reductions in Special Benefit.

Overall the family on \$38,000 with four children will have an extra \$y a week more than they had pre- working for families. This means more choice. Ironically for a mantra that says work is the prime virtue, the mother in this family can stay home without any penalty. Of course if Deb could land a fulltime well paid job, her children too could have the same Family Support, but they would not have a parent at home. So what are we seeing as a result of the marginalisation of the poorest children? To the shame of Auckland the 3rd world diseases seen in the hospitals continue, reflecting the poor living standards of these children. The demand for food parcels at the biggest Foodbank in the region- the Auckland City Mission is almost out of control, with a trebling since 1996 and with the last quarter of 2005 a record. These parcels are usually requested by families with children; families such as Debs. Lets be clear about what is happening here. Families with children getting their food from foodbanks in a land of plenty with all the stigma and sense of failure that entails.

So while CPAG applauds the fact that many low income families are at last getting a serious boost to their incomes today thus reducing the incidence of child poverty among these families it can only be a muted applause.

The shrill dogma that work is the only way out of poverty will have its consequences in more overworked foodbanks, more stressed and sick children, worsening educational achievement. The failure to invest in these children because of a narrow ideology is a national disgrace and portends an enormous economic cost for the future .



Quarterly Auckland City Mission figures showing number of food parcels given out, January 1996 - June 2005

