

## **CHILD POVERTY IN THE NEWS: Tuesday 14 December 2005**

- From Nine to Noon on National Radio: <http://www.radionz.co.nz/nr/programmes/ninetoonoon> 09:09 [School Poverty](#) (duration: 20'30")

A snapshot of what poverty really looks like in South Auckland.

(Includes comment from principals and Auckland City Missioner Diane Robertson)

### **Contents of this file:**

- **Tapu Misa: Inequality is the real evil at the heart of hardship**  
NZ Herald [www.nzherald.co.nz](http://www.nzherald.co.nz)  
14.12.05
  - Sue Bradford (Green Party): Kids' sad lives show need to tackle causes of child poverty
  - Sue Bradford: Speech on Taxation (Annual Rates & Urgent Measures) Bill 2005 Third Reading. 13 December 2005 *Working for Families – Child Poverty – Student Loans*.
- 

#### **Tapu Misa: Inequality is the real evil at the heart of hardship**

NZ Herald

14.12.05

There is a fatigue that creeps up on people who work with those at the bottom of the social and economic heap, a sense of futility that comes from feeling that no matter how hard they try they can never keep up with the human wreckage that arrives on their doorstep.

I've noticed it with some social workers and some teachers at low-income schools. Faced with a tidal wave of social problems, and no easy solutions, they start blaming poor people for their predicament. Perhaps, some suggest, the problem is not material poverty, but a poverty of the spirit. Perhaps it's the fault of bleeding-heart liberals for giving poor people excuses to fail.

Maybe. But it's clear we have a perceptual problem with poverty.

If some of the poor can afford luxuries that were unheard of in the old days - the widescreen TVs, PlayStation consoles, and late-model cars - how can anyone claim there's poverty in this country? Some readers insist the problem would be solved if the poor had fewer children, made their own clothes, grew their own vegetables and had more gumption.

No wonder there's little support in the wider community when the Child Poverty Action Group takes the Government to court for discriminating against the children of beneficiaries in its Working for Families package.

Similarly, moves to raise the minimum wage to \$12 an hour have drawn sighs of exasperation from the business sector and predictions of higher unemployment and economic doom, in contrast to the sector's outright approval for the bloated salaries of the, naturally, more deserving management at the top of the ladder.

If mum, dad and the eldest siblings are all working to make their mortgage payments - I met one Year 12 student who was working 20 hours a week after school - they should be grateful. Who cares that the family is stressed to breaking point when they have food?

But here's the thing. If we're doing so well - if, as our champions of the free market are wont to claim, the pain of the last two decades was truly worth it - why are we paying increasing amounts of money to fix up

the mess?

Why do we have such wide health disparities between poor and rich? Why does CYF report ever-growing numbers of children needing its help and intervention? Why do we need more social workers in our schools? Why do we need more prisons? Why do our educational gaps show no signs of narrowing? Why do so many fall through the educational gaps that an institute like Te Wananga o Aotearoa, which managed to plug them back into the system, is overcome by adults who missed out on their first-chance education?

The right and the rich believe that the poor are victims of their own shortcomings. They're too dumb, too lazy, too lacking in moral fibre.

I prefer the analysis drawn by Richard Wilkinson, a British professor of social epidemiology, in his 2005 book *Unhealthy Societies: The Afflictions of Inequality*.

Wilkinson is the latest in a growing number of public-health specialists who has come to the irrefutable conclusion, based on a mountain of international data, that inequality is the real evil. The more unequal a society is, the more unhealthy and dysfunctional that society is.

Wilkinson says that once wealthy societies have gone beyond the threshold at which modern medical care and higher living standards make a difference to life expectancy, the critical factor becomes not so much material poverty, as relative poverty.

In the developed world, it's not the richest countries which have the best health, but the most egalitarian.

The United States, despite being the richest country in the developed world, is also the most unequal country with the lowest life expectancy. Greece, with half the GDP per head but a more equal distribution of income, has a higher life expectancy. People in Harlem have a shorter life expectancy than people in Bangladesh. Heart disease is two-thirds of the reason, once violence and drugs are accounted for - and that's due to stress, says Wilkinson; the stress of living at the bottom of a very steep social heap.

What counts is one's place on the social ladder, and how sharply that ladder tilts. Tests have shown, for example, that stressful social hierarchies have the same negative health effects on low-status baboons - who developed high levels of the stress hormone, cortisol, which leads to arteriosclerosis - as on low-ranking Whitehall civil servants, who were three times more likely to die in a year than their seniors. Change the pecking order, as researchers did with the baboons, and you change the health outcomes.

What about individual behavioural risk factors, such as smoking, exercise and diet? Wilkinson says these don't explain the big health differences between societies.

That's why spending millions of pounds on stop-smoking programmes for the homeless, as Britain did this year, is an exercise in futility. The stress of being homeless will kill long before the cigarettes do.

Wilkinson says the stress arising from this lack of social status and respect is far more damaging to human beings than exposure to other toxic environmental materials.

It is social cohesion, he says, that makes egalitarian countries healthier than less egalitarian ones. The most egalitarian countries have the highest levels of trust and social capital.

"They have a strong community life. The individualism and the values of the market are restrained by a social morality. People are more likely to be involved in social and voluntary activities outside the home. These societies have more of what is called 'social capital' which lubricates the workings of the whole society and economy. There are fewer signs of anti-social aggressiveness, and society appears more caring. In short, the social fabric is in better condition."

How's our social fabric looking? Not too flash. Until we understand the relationship between inequality and social cohesion, we're doomed to spend ever-increasing amounts stitching it up.

#### Author

- [More by Tapu Misa](#)
- [Email Tapu Misa](#)

PRESS RELEASE:

## **Bradford: Kids' sad lives show need to tackle causes of child poverty**

A survey that revealed the shockingly limited lives of poor children in South Auckland shows the urgent need for governmental action on child poverty, Green Party Social Development Spokesperson Sue Bradford says.

Anecdotal evidence collected from South Auckland primary schools by the Auckland City Mission included children who have never travelled on the motorway they live next to, or who had never been over the Harbour Bridge, or who didn't know when their birthdays were, and 'Breakfast Clubs' to feed children at school.

"These shocking stories heard by the City Mission are a window into lives that no New Zealander should ever have to experience," Ms Bradford says.

"It is tragic that the horizons of some of our children are so limited. We hear statistics on child poverty all the time, but these real, on-the-ground, human perspectives put the crisis into sharp relief. Many New Zealanders don't seem to understand how truly disenfranchised low-income people in our society really are.

"Last night the Government passed into law an extension of its Working for Families package that will help families on incomes of up to \$100,000 a year, continuing to entrench structural inequity that discriminates against beneficiary families.

"I call on this Labour-led Government to find the political will to transform and lift up the communities that these children live in.

"It has to start with incomes - the benefit system has to be enough to live on. The Government must not abolish the Special Benefit, as it is planning to do next year, until there is something sufficient to replace it.

"To the same end, the minimum wage should be lifted to \$12-an-hour for all workers immediately.

"The other critical factor is housing. South Auckland continues to suffer a critical shortage of adequate housing for low-income families. The Government should accelerate its state housing program and do more to support community sector housing initiatives that provide an alternative to families in need.

"As Tapu Misa argues in today's *Herald*, inequity kills. Kiwis deserve better," Ms Bradford says

**Sue Bradford: Speech on Taxation (Annual Rates & Urgent Measures) Bill 2005 Third Reading. 13 December 2005 *Working for Families – Child Poverty – Student Loans*.**

*[Excerpt relevant to CPAG immediately below, followed by complete text of speech –RS]*

“Thirdly and finally I’d like to turn to the part of this legislation which amends the Income Tax Act to provide tax relief to families through the Working for Families package.

While we support the extension of the abatement cut-off point from \$27,500 to \$35,000 and the reduction in the rate of abatement from 30% to 20%, the Green Party remains deeply concerned by the underpinning inequity of Working for Families which denies beneficiary families the same assistance that so-called working families get.

Any Government, but particularly a Labour Government, should be aware of basic principles of social justice and commonsense, in that a family, including a family’s children, need the same amount to live on regardless of the source of parent’s income.

It is simply unacceptable that Labour persists with its blind adherence to the 90s ideology which says that unless at least one parent is in substantial paid employment, both adults and children within the family should therefore suffer an existence of harassed penury and perpetual indebtedness.

At least a fifth of our country’s children still live in poverty today. A large proportion of these children come from sole parent and other beneficiary families. Many of these are Maori. What this Bill we are passing today does is give more money to the slightly better off while continuing to deny support to those who need it most. .

This bill maintains the gap between the working and the beneficiary poor, with the discriminatory Child Tax Credit which will become the In Work payment from 1 July next year.

This is not good enough. It is high time that Labour recognised the valuable contribution to society we make in raising children even while we are on a benefit. Bringing up children, even when dependent on the state for support, should be seen as one of the most difficult but honourable jobs going, and not be subject to the blatant discrimination upheld here tonight and intrinsic to the whole concept that paid work is all that matters.

The archaic doctrine of the deserving and the undeserving poor should have been left in the 19<sup>th</sup> century where it belonged, not transported wholesale into the 21<sup>st</sup> century by a Labour Government.”

---

**From:** Julian Ashby [mailto:Julian.Ashby@parliament.govt.nz] **On Behalf Of** Sue Bradford

**Sent:** Wednesday, 14 December 2005 10:42 a.m.

**Subject:** Taxation (Annual Rates & Urgent Measures) Bill 2005

Kia ora tatou,

Please find below a copy of a speech I gave yesterday in the House.

With Best wishes,

Sue Bradford

**Taxation (Annual Rates & Urgent Measures) Bill 2005**  
**Third Reading**

## **Sue Bradford – Green Party – Tuesday 13**

**December 2005**

### ***Working for Families – Child Poverty – Student Loans***

Madam Speaker,

I'd like to take this opportunity to make just a few key points on behalf of the Green Party in this final third reading of the Taxation (Annual Rates & Urgent Measures) Bill being discussed in Parliament tonight.

First of all, we were dismayed by the attitude the Government showed in pushing this Bill through the Select Committee process with such urgency that there was no opportunity at all for any outside group to make submissions.

After the first reading debate, representatives of a number of organisations approached me expressing their keenness to submit on aspects of the Bill. It is distressing that the Select Committee couldn't even see its way clear to allowing even a few key interest groups to be heard. The Green Party thinks it is a real pity that the normal processes of parliamentary democracy were not adhered to in this instance.

Secondly, I need to make it clear why we are supporting this Bill, despite the severe problems we have with aspects of Working for Families and with the way in which the legislation is being rushed through the House.

The reason the Green Party can't do anything but vote for this Bill tonight is that it amends the Student Loan Scheme Act so that borrowers can get a full interest write off when they are living in New Zealand.

Our policy has always been to get rid of the student loan scheme altogether, and failing that, to reduce its negative impacts as quickly and efficaciously as possible.

We know that students and graduates all over the country and elsewhere have been celebrating ever since Labour's intention to amend the loan scheme was announced before the recent election, and even though this bill doesn't go far enough, there is no way we could stand in the path of such beneficent progress.

Getting rid of the student loan interest for resident borrowers will wipe years off their repayment schedules. The money saved will make it much easier for new graduates to contemplate all those things we from older generations of students took for granted once we started on our career paths, like being able to start a family or save to buy a home.

The Green Party is delighted that life is going to be made a whole lot easier for students and ex students because of the bill we're passing tonight, but we won't stop working for the day when the whole student loan scheme is canned, fees are reduced to much lower levels, and every fulltime tertiary student is entitled to a living allowance each week, regardless of their age or the income status of their parents.

The urgent need for a universal student allowance has only been made more pressing by the news today that the latest statistics from Studylink show that the number of people eligible for allowances continues to fall. In the July – September period this year there were over 4,000 fewer students getting an allowance than at the same time last year, a decrease of 7%.

At the same time, fees are going up, and it is harder than ever for students to make ends meet. It is time Labour took the next step, and made sure students actually get at least the bare minimum required to survive, so their debt burden doesn't continue to spiral.

Thirdly and finally I'd like to turn to the part of this legislation which amends the Income Tax Act to provide tax relief to families through the Working for Families package.

While we support the extension of the abatement cutoff point from \$27,500 to \$35,000 and the reduction in the rate of abatement from 30% to 20%, the Green Party remains deeply concerned by the underpinning inequity of Working for Families which denies beneficiary families the same assistance that so-called working families get.

Any Government, but particularly a Labour Government, should be aware of basic principles of social justice and commonsense, in that a family, including a family's children, need the same amount to live on regardless of the source of parent's income.

It is simply unacceptable that Labour persists with its blind adherence to the 90s ideology which says that unless at least one parent is in substantial paid employment, both adults and children within the family should therefore suffer an existence of harassed penury and perpetual indebtedness.

At least a fifth of our country's children still live in poverty today. A large proportion of these children come from sole parent and other beneficiary families. Many of these are Maori. What this Bill we are passing today does is give more money to the slightly better off while continuing to deny support to those who need it most.

This bill maintains the gap between the working and the beneficiary poor, with the discriminatory Child Tax Credit which will become the In Work payment from 1 July next year.

This is not good enough. It is high time that Labour recognised the valuable contribution to society we make in raising children even while we are on a benefit. Bringing up children, even when dependent on the state for support, should be seen as one of the most difficult but honourable jobs going, and not be subject to the blatant discrimination upheld here tonight and intrinsic to the whole concept that paid work is all that matters.

The archaic doctrine of the deserving and the undeserving poor should have been left in the 19<sup>th</sup> century where it belonged, not transported wholesale into the 21<sup>st</sup> century by a Labour Government.