

Tapu Misa: It's time to think of the children

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Let's say you've struck up a relationship with three children who regularly come to your door asking to play with your kids.

The girls, aged about 8 to 12, look well cared for, clean and neatly dressed, if a little ravenous and rough-mannered at times. They're always grateful, though, when you give them food to take home.

It used to be a bit of baking, now it's bags of canned food and meat from the freezer. Several times this year their mother has sent them over to ask for food.

Their mum is on the DPB. You've picked her up a few times as she was walking home from the supermarket where she worked part-time. It's a long walk, probably close to an hour.

She had a car once but couldn't afford to keep it, and the buses don't always run at the right time for her. Sometimes you'd see her in the early morning after she'd worked through the night; you didn't want to ask who was looking after the girls because they were probably home alone.

Which must be why she gave up her job eventually; she said her eldest was playing up.

You have no idea what led her here or why she can't make ends meet. You just know that she can't, and that the pressure of being poor in the midst of plenty sometimes gets to her.

What should you do? If you were the Government (present and past) you'd harden your heart and insist those children go without so their mother can feel "incentivised" to go to work.

Feeding her children just encourages her to stay on the DPB, which isn't good for them; indeed, current policy makes sure of that by denying them a \$60 a week tax credit which working families can get to help them raise their children. (Even if those families happen to earn, say, \$120,000 a year, in which case, if they have five children, the Government's largesse extends to \$142 a fortnight).

The Child Poverty Action Group thought the policy was discriminatory, and sought a declaration from the Human Rights Tribunal that the "in-work tax credit" component of the Working for Families package discriminates against our poorest children on the basis of their parents' employment status.

The Government said the tax credit was about providing incentives for beneficiaries to move off benefits by making "work pay", and to do that you had to have a gap between benefit incomes and working incomes.

Which is fine in principle, but somehow ignored the very real consequences for the children - some 200,000 recent figures show.

The tribunal's decision, released last week, found that the "in-work tax credit" not only discriminates against the children of beneficiaries but causes "real and substantive" disadvantage.

But it decided the discrimination was justified, because a Government had to be allowed to target its policies, and the benefits to society significantly outweighed the harm done to children. Which is an interesting conclusion given that its assessment didn't include an analysis of the costs to society of leaving so many children in poverty.

The decision is illuminating.

It shows, for example, that changes to Working for Families in the lead-up to the 2005 general election, which extended the tax credits to high-income families, were tax cuts rather than poverty relief - Labour's response to National's promised tax cuts, and more "politics than policy".

It shows that the 1991 benefit cuts, which both sides agreed increased "the incidence and severity of poverty", hadn't, as one Government witness observed, resulted in any lasting improvement in work incentives.

It shows that although the Labour Cabinet was told that child poverty "hampers long-term economic performance, as well as resulting in poor social outcomes", and of "the negative effects low living standards have on the development of children, particularly over time", no one really looked too deeply at the consequences of the policy for the large number of children that the Government expected to stay in poverty.

It shows, most startlingly, how little gain was expected for all this pain.

Just 2 per cent of single-parent families, and few if any couple families, were expected to move into work as a result of the generous incentives, according to a Cabinet paper.

This didn't prevent the Crown telling the tribunal being on the benefit was a choice.

The tribunal was "very troubled" by the Crown's generalisation, which represented "exactly the kind of stereotyping, prejudice and disadvantage that the anti-discrimination standard is intended to protect against".

I wouldn't blame the new Government for seeing the tribunal's decision as a convenient out. But if I were them, I'd see this as a golden opportunity to steal a march on the old lot.

Never mind the incentivising; it's time to think of the children.