

## Fixing Child Poverty up to Government

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Child Poverty Action Group says that we may be celebrating this week that we are the best in the world at rugby, but we should be ashamed that 230,000 of our children are living in poverty.

The ALL BLACKS waited 24 years for their win – let's hope children in poverty don't need to wait that long. The High Court in CPAG's appeal found that the In Work Tax Credit does discriminate against some beneficiary families, but it is not unlawful as there is a legitimate objective to incentivise beneficiaries into work .

The appeal may not have produced the declaration of inconsistency with Human Rights legislation that was sought, but nevertheless "there is a strong message from the High Court that the government is not doing enough on child poverty" says CPAG's spokesperson Susan St John

The High Court said that CPAG's complaint that the government was not doing enough to alleviate child poverty can be justified statistically, and that complaint was strengthened by the Government's action in 2005 extending the IWTC upwards to the better off families. At that time there was further funding available that could have enabled a redesign of the Working for Families package to achieve the objective of alleviating child poverty. The High Court's judgment said that for a so called developed country, New Zealand has a poor record on child poverty. It went on to say that child poverty is a social ill with significant adverse social and economic consequences. These are damning statements which government needs to act on.

"The failure of the appeal in no way diminishes the utter disgust that New Zealanders should feel that the very children that need assistance most are excluded from a large part of the WFF tax credits simply because their parents can't fulfil the hours of paid work required" says St John.

Children in families whose parents are on any kind of benefit get at least \$60 a week less assistance by being denied the IWTC. Persons are on government benefits for many reasons including that there is no work available as a result of the ongoing recession and earthquakes, sickness of themselves or their children or having sole caring responsibilities for children.

CPAG had argued that as only 2 percent of beneficiary parents were expected to be able to move into work as a result of the IWTC (which was also a child poverty measure) it discriminates against all parents and their children who are living on benefits. Further that it is not justifiable to use it as a work incentive as it is irrational and has disproportionate effects on those children who miss out.

CPAG says that latest figures also show the IWTC has been a total failure at incentivising work– there are now around 13,000 more sole parents on the DPB than just before the introduction of the IWTC.

“Our foodbanks, social agencies and budgeting services are experiencing huge increases in demands for emergency assistance. And our hospitals continue to see the third world childhood diseases caused by poverty that ruin the lives of so many.”

The rugby win took 24 years of hard slog. CPAG has fought the IWTC since 2002. It will not give up. It is time for the government to take radical action urgently to stop the slide into a blighted life for a large number of our children.