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GROUP

# A New Zealand where children can flourish

## Priorities for 'social investment'

**There are about 40,000 hospital admissions of children in New Zealand every year, with preventable illnesses that have links to poverty and unhealthy housing. The number of such admissions has increased since 2000.**

**If 'social investment' was working well it would have reduced the numbers of children admitted to hospital with illnesses associated with poverty. It hasn't.**

### 'Social investment' focuses on 'vulnerable' children

'Social investment' has been a major driver in the provision of programmes and services for children over the last few years. The approach has focused on those children identified as being 'vulnerable' or in some way as 'at risk', particularly at risk of abuse and/or neglect. This approach divides children between those who get assistance and those who don't. Those who don't get assistance may have the same needs as those who are supported, but they miss out because they don't meet the criteria and fall outside the rules for who will be supported.

The current approach to social investment, relying heavily on statistical links between what happens in children's lives and their later experiences as adults, is not a good basis for providing services for children.

### Too narrow definition of 'vulnerable children'

The Treasury's four primary characteristics determining a child as 'vulnerable' are: the child has a substantiated

finding of abuse or neglect or has ever been placed in the care of Child, Youth and Family; the child has been supported by benefits more than three-quarters of their lifetime, or if aged 0 they were supported by benefit at birth; either parent has received a community and custodial sentence; and mother has no formal qualifications.

However, Treasury also make it very clear that:

- Many children who have the poor experiences as a child don't have poor outcomes as adults.
- Some children who have poor outcomes as an adult don't have poor experiences as a child.
- Some children who need services will not receive them, while others who will not need assistance will be provided with assistance.

### Strong link between vulnerability and poverty

Many of those children who are 'vulnerable' and 'at risk' are living in poverty. The current 'social investment' approach ignores the effects of poverty and the ways that poverty affects children and their families. Māori

and Pasifika children are over-represented among those who are 'vulnerable' and 'at risk'. They are also over-represented among children living in poverty. The available information shows a strong overlap between the geographical areas where children are 'at risk' and measures of deprivation.

If social investment is limited to a narrowly identified minority, then that group will be stigmatised. They are also likely to have their lives very carefully monitored and supervised. Many children who need assistance will not get it.

## Effective 'social investment' for all children

'Social investment' could provide a powerful basis for services and programmes for all children. A comprehensive approach to social investment would mean that all children have the opportunities, resources and supports to have a full, healthy life that would enable them to develop all their skills and talents. It would mean that they would in turn be fully contributing adults.

If social investment is to be used effectively for all children, it will need to include the following:

- All children will have access to affordable, quality health care.
- All children will live in households with sufficient income to ensure that they have a chance to thrive and develop.
- All children will have access to adequate and affordable food.
- All children will have access to adequately funded culturally-appropriate and skilful support services when required.
- All children will have housing which is affordable, warm and safe.
- All children with a disability will have the supports and resources that they need to live alongside and among their peers.
- All children will have access to education appropriate to their needs; their educational opportunities will not be limited by what they can afford and by the income and wealth of their school community.
- All children will be able to participate in chosen cultural and supporting activities with their peers.

This is a broad charter. If we are serious about social investment in our children then this needs to be the aim.

## CPAG recommends the following steps to investing in the wellbeing of all children

The following are important first steps in building towards a plan for investing in the wellbeing of all children:

1. Remove the work hours requirement for the Working for Families (WFF) In-Work Tax Credit (IWTC) and add the \$72.50 to the first child Family Tax Credit (FTC).
2. Adjust the WFF tax credits annually in line with wage movement.
3. Restore the abatement rate for WFF tax credits to 20% so that the tax credits are returned to their original real value.
4. Restore the real value of Working for Families threshold to the 2005 level of \$45,000.
5. Increase welfare benefits to reflect standards of living in Aotearoa New Zealand and adjust those benefits annually.
6. Provide properly funded social services based around the needs of children and their families/whānau, not on whether they meet statistical criteria.

A clear measure of the success of 'social investment' is the reduction in the numbers of children admitted to hospital with illnesses associated with poverty.

Note: further analysis of the 'Social Investment' impact on children is available in: Proceedings: Social Security Summit – Investing in Children, 2016, Child Poverty Action Group.