



CHiLD POVERTY ACTION GROUP

Child Poverty Action Group Inc.
PO Box 5611,
Wellesley St,
Auckland 1141.
<http://www.cpag.org.nz>

Information for the 87th Pre-Sessional Working Group of the Committee on the Rights of the Child: List of Issues Prior to Reporting - New Zealand – March 2020.

Thematic report: Child Poverty in Aotearoa / New Zealand

A good childhood supported by adequate household incomes

All New Zealand children have the right to grow up well-nourished, secure and healthy. They should have warm clothes, safe spaces to play, opportunities to grow and develop physically, mentally, spiritually and socially (Article 27.1). Poverty strips children of these rights. Tens of thousands of New Zealand children are growing up in poverty and material hardship today.

Although child poverty in New Zealand has its roots in colonisation, a sudden, large and sustained increase began in the early 1990s when social welfare benefits were severely cut. Because these were never restored, the number of children experiencing income poverty doubled (to 28%) by 2016, where it has remained.¹

There are approximately 168,000 children living in the lowest income group.² These families live on less than 40% of the national median income (after housing costs). But poverty is not a line. In 2018, 15% of families with more income (50-70% after housing costs) had to borrow money just to afford the basics.³ 95,000 children lived in households where families put up with feeling cold “a lot” to save money.⁴ In 2019, the Child Poverty Monitor reported that 145,000 (13% of all New Zealand children) live in households that can’t afford to pay their power bills or visit the doctor on time, and 6% live in severe material hardship, meaning they go without nine or more essentials.⁵ Despite a paid-work focus in our social welfare system, 40% of children in poverty are from working families.⁶

¹ ACYA/CPAG, [Report to the UNCESCR: Fourth periodic report of Aotearoa NZ](#), p. 9.

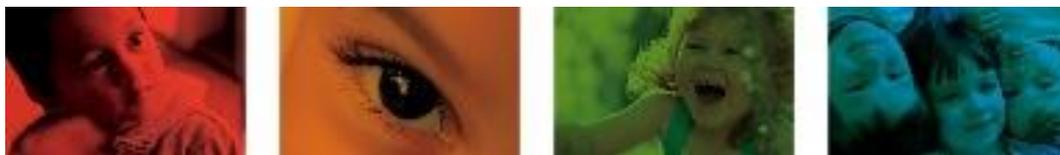
² Stats NZ, [Latest child poverty statistics released](#), February 2020.

³ Bryan Perry, [Household incomes in New Zealand: Trends in indicators of inequality and hardship 1982 to 2018](#), MSD, Wellington, November 2019.

⁴ Stats NZ, [Household Income and Housing Statistics year ending June 2018](#).

⁵ [Child Poverty Monitor](#) 2019.

⁶ Bryan Perry, [Household incomes in New Zealand: Trends in indicators of inequality and hardship 1982 to 2018](#), MSD, Wellington, November 2019, pp. 169-72



Just over half of low-income families (below 50% AHC) are sole-parent families.⁷ Māori and Pasifika children are disproportionately represented in statistics relating to child poverty. Alarming, one in four Māori children are living with material hardship (about 23 percent) and the rate is even higher for Pasifika children (about 29 percent). This compares with one in ten European children.⁸

Children with disabilities too, are disproportionately in poverty. We understand a separate thematic report on children with disabilities is being prepared, so have not covered the issues in depth in this report. But it is important to reiterate that poverty among households with disabled children is high and our current amounts of financial support for those with disabilities are clearly inadequate.⁹

What is helping?

In the last few years, the government has taken some positive steps toward reducing child poverty. In 2017 Family Tax Credit rates were increased and the threshold for earnings was lifted. At the same time however, the abatement rate increased to 25%, so that working families now lose 25 cents of every extra dollar they earn.¹⁰ From April 2020 benefits will be indexed to wages but Working for Families tax credits still will not be. As incomes and prices rise, these will become worth less over time. Furthermore, a complex overlapping of financial supports creates an Effective Marginal Tax Rate (EMTR) of up to 95%, preventing any substantial increase in a (in-paid) working family's income, even as they do more paid work.¹¹

In 2018 the Families Package introduced a suite of booster payments for new-borns, winter power/energy bills, help with housing costs and family tax credits. However, the latest child poverty statistics indicate it has not been enough to lift the worst-off children out of poverty, and has only marginally improved incomes for families close to the 50 and 60% median income lines.¹²

The Child Poverty Reduction Act passed in 2018, requiring this and future governments to measure child poverty, publicly report against targets and include a child poverty reduction statement in the annual Budget Policy.¹³

The Welfare Expert Advisory Group (WEAG) was formed in 2018 to review the social security system. However, there has been little action taken in response to their welcome report of February 2019,¹⁴ which urges the government to move faster on their overhaul of the welfare system in line with their vision of all people living with adequate income and dignity.

Following an amendment to the Children's Act, the Child and Youth Wellbeing [Strategy](#) was launched in 2019 to focus policy on improving children's wellbeing, particularly "child poverty and those with greater needs". However, while it promises an "overhaul" of the welfare system, there has been little indication of the expected timeframe for this, or what resources will be allocated. The work programme designed to help families with the cost of essentials has a limited scope (free

⁷ Bryan Perry, [Household incomes in New Zealand: Trends in indicators of inequality and hardship 1982 to 2018](#), MSD, Wellington, November 2019. p. 156

⁸ Stats NZ, [Latest child poverty statistics released](#), February 2020.

⁹ Welfare Expert Advisory Group, [Whakamana Tangata](#).

¹⁰ ACYA/CPAG, [Report to the UNCESCR: Fourth periodic report of Aotearoa NZ](#).

¹¹ CPAG, [Submission on the Budget Policy Statement 2019](#).

¹² CPAG, [The latest child poverty statistics are a wake-up call](#), 25 February 2020.

¹³ <https://dpmc.govt.nz/our-programmes/reducing-child-poverty/child-poverty-reduction-and-wellbeing-legislation>

¹⁴ CPAG, [CPAG welcomes WEAG recommendations...](#) May 2019.



school lunches, reduced school fees, and lower-cost primary healthcare).¹⁵ Plans to increase income include increasing the minimum wage to \$20 by 2021. But there is much more to be done.

Under the Child and Youth Wellbeing Strategy, the policy action to address poverty and material hardship is based on supporting people with disabilities and health conditions “to find and stay in meaningful employment”.¹⁶ A focus on supporting people into paid work needs to take into account the time commitments of parents, particularly in sole-parent families. There is an indication of “support for disabled people” but no detail or commitment to providing adequate financial support.

What needs to happen?

We need a child-centred rights-based approach, underpinned by the UNCRC.¹⁷ Our current social welfare system, with its focus on paid-work incentives, doesn’t account for the hours of care that all children need. Low-income families, under-resourced and under stress with high costs burdens, need financial support to create the conditions for children to develop and thrive. We need an immediate and substantial overhaul of the welfare system, to make sure that children are at the heart of it (Article 3.1).

Suggested questions:

1. What is the government doing to ensure paid work, core benefits, tax credits, thresholds and abatements enable all children to have an adequate standard of living?
2. What resources have been allocated to the Child and Youth Wellbeing Strategy and when, to ensure the goals will be met? And how will it take into account the needs of parents as caregivers to support their children?

Having a healthy home

Children have the right to warm, dry, safe, affordable housing (Article 27.3). But many New Zealand families spend more than half of their income on housing that can be damp, mouldy or overcrowded.

New Zealand’s housing costs have a huge impact on family spending. Over 60% of parents receiving the Accommodation Supplement spend over 40% of their incomes on housing. For many, it’s more than that. More than half of income-poor families live in private rentals, vulnerable to rising prices and the effects of substandard housing.¹⁸ Another 17% live in state housing, where the waiting list is at a record high.¹⁹ The high cost of housing is pushing families into poverty. The International Monetary Fund’s house price-to-rent ratio shows we have one of the widest gaps between prices and incomes, and rents are rising faster than incomes in our main cities. With more and more of their incomes spent on housing costs, families have even less resources to support their children’s wellbeing.

There are other costs. Living in rental properties means moving more often. This is often an expensive, stressful experience with negative consequences for schooling and social interaction.²⁰ Some families share homes to pay high rents, resulting in overcrowding and an

¹⁵ Child Youth Wellbeing, [Current Programme of Action](#).

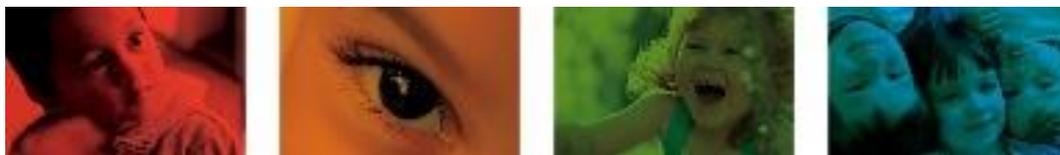
¹⁶ Child Youth Wellbeing, [Current Programme of Action](#), p. 40.

¹⁷ ACYA/CPAG, [Report to the UNCESCR: Fourth periodic report of Aotearoa NZ](#)

¹⁸ Save the Children, ACYA, CPAG and IHC, [Children’s Rights Report](#), UPR3, Aotearoa/NZ.

¹⁹ Ministry of Housing and Urban Development, [Public Housing Monthly Update](#), November 2019.

²⁰ Stats NZ. 2016. Changes in home-ownership patterns 1986–2013: Focus on Māori and Pacific people. Wellington.



increased risk of infectious diseases.²¹ Others live in poor quality, damp housing, that aggravates respiratory conditions.²² Children are particularly vulnerable to prolonged exposure to poor housing, putting them at risk of life-long poor mental and physical health.

The housing crisis also plays a crucial role in the growth of inequality in New Zealand. Because the Accommodation Supplement is asset-tested, families with savings can't access financial support to help them pay their rent until they've depleted their savings. Low-income families are denied the chance of acquiring an asset base,²³ locking them into an unregulated housing market. The divide between children who thrive and those who don't is now strikingly along housing lines.²⁴

What is helping?

The current Government are investing to build 6,400 state houses and strengthening the Housing First programme. Future governments are required to report annually on housing affordability and quality under the Child Poverty Reduction Act, with affordability measured by the proportion of children and young people living in households spending more than 30% of their disposable income on housing and quality measured by the percentage of young people living in households with dampness or mould.²⁵

The 2019 Healthy Homes Standards introduced legal obligations on landlords to meet heating, insulation, drainage and ventilation standards, but the onus is on tenants to ask their landlords to comply. The Accommodation Supplement (AS) was increased in 2018, but its eligibility threshold continues to prevent families from saving a deposit for their own home.

What needs to happen?

We need to make sure that quality affordable housing is available to all children. In their concluding Observations in 2018, the Committee on Social, Economic, Social and Cultural Rights (CESCR) recommended a rights-based national housing strategy, "paying particular attention to low-income, Māori and Pasifika families as well as persons with disabilities". Further, the Government must ensure incomes are enough to cover housing costs, increase its financial commitment to build social housing units, and support hapū and iwi-led housing initiatives.

Suggested questions:

1. What is the government doing to regulate the private housing market to ensure that housing rental units are affordable and safe for living?
2. How will the government help low-income families and those on the state housing waiting list into homes for life?

Having good food

Children need quality, healthful nutrition (Article 27.3). In the last 10 years, food insecurity has significantly increased.²⁶ Today, many families in New Zealand cannot consistently afford enough healthy food. Almost one in five New Zealand children live in households with severe-to-moderate

²¹ Save the Children, ACYA, CPAG and IHC, [Children's Rights Report](#), UPR3, Aotearoa/NZ; and ACYA/CPAG, [Report to the UNCESCR: Fourth periodic report of Aotearoa NZ](#)

²² Save the Children, ACYA, CPAG and IHC, [Children's Rights Report](#), UPR3, Aotearoa/NZ; and ACYA/CPAG, [Report to the UNCESCR: Fourth periodic report of Aotearoa NZ](#)

²³ [Child Poverty Monitor](#) 2019.

²⁴ CPAG, [Submission on the Budget Policy Statement 2019](#).

²⁵ Parliamentary [notification](#).

²⁶ Auckland City Mission, [Shining the light on food insecurity in Aotearoa](#), 2019



food insecurity. This puts children at risk of poor nutrition, high rates of overweight or obesity, asthma, and behavioural or developmental difficulties. For their parents and caregivers, it means higher rates of poor parental health, and psychological and parenting stress.²⁷

More than half of children whose families receive income-replacement financial assistance live in households experiencing severe-to-moderate food insecurity.²⁸ Over 20% of families in the lowest income group (less than 40% AHC) have to cut back or go without fresh food & veggies “a lot”.²⁹ Māori and Pasifika people are over-represented in those living with food insecurity. And it’s not getting better. In the March 2019 quarter 212,871 food grants were provided, more than double the number provided in March 2014.³⁰ Food grants are the main reason people request hardship assistance,³¹ but they are only available under [specified income thresholds](#) and only when there is “no other way to pay for food.”³²

What is helping?

As part of the Child, Youth and Wellbeing Strategy, 30 schools are currently being funded for “free and healthy lunches in schools” with a promised rollout of up to 120 schools. This is a welcome initiative, but it is a highly targeted approach that excludes the thousands of infants, breastfeeding mothers and children experiencing food insecurity right now.

Under the Child Poverty Reduction Act, the government is required to report annually on food insecurity, measured by the percentage of children who live in households where food runs out “often or sometimes”. However, this measurement does not account for the families in poverty who choose to fill the cupboards cheaply with low-quality food, or the caregivers who go without so their children don’t have to.³³ It does not mention the socio-cultural aspects of food security, for example being able to practice manaakitanga by sharing food and valuing food as rongoa (medicine) and spiritual nourishment.³⁴

What needs to happen?

We need to make sure that all New Zealand children have enough healthy, nutritious, socio-culturally appropriate food.

Suggested questions:

1. Does the government have a strategy to ensure all people in New Zealand have enough appropriate food? Will it develop a national food strategy that gives vision, direction, cohesion and coordination to meet this goal?
2. Other than the lunches in schools programme, what is being done to address food insecurity for families?

Being free from discrimination

Children have the right to be protected from all forms of discrimination based on the actions or opinions of their parents/whānau (Article 2.2). But children in our welfare system are excluded from

²⁷ Ministry of Health, [Household Food Insecurity Among Children: New Zealand Health Survey](#), June 2019.

²⁸ [Child Poverty Monitor](#) 2019.

²⁹ 2019 Household Income Report

³⁰ Auckland City Mission, [Shining the light on food insecurity in Aotearoa](#), 2019f

³¹ Auckland City Mission, [Shining the light on food insecurity in Aotearoa](#), 2019

³² WINZ, [Food guidelines](#).

³³ Ministry of Health, [Household Food Insecurity Among Children: New Zealand Health Survey](#), June 2019.

³⁴ The Family Centre Social Policy Research Unit, [Socio-cultural factors associated with food security...](#)



work-based entitlements through no fault of their own, contravening their right to benefit from financial assistance (Article 26.1). In 2018, 28% of all benefit sanctions were issued to families with children with potentially devastating consequences for these families already struggling to get by.³⁵

Children of beneficiaries (including those receiving a student allowance) are discriminated against, as they are denied the In-Work Tax Credit (IWTC) portion of Working for Families. The IWTC is only available to those families who are “off-benefit”, excluding study or childcare as categories of ‘work’.³⁶ There is a minimum eligibility criteria of 20 hours per week for sole parents (or a combined 30 hours per week for couples). If a family’s paid work hours drop below the requirement on a given week, they miss out on their hourly pay as well as the \$72.50 IWTC (at minimum), through no fault of their own. In June 2013 the Court of Appeal found that the IWTC was discriminatory against children of beneficiaries. The issue of discrimination within Working for Families has not yet been addressed.³⁷

Our current social welfare system perpetuates outdated family and relationship models. Sole parents entering new relationships have to forfeit their entitlements almost immediately (within 6 weeks), based on their new partner’s income, or risk committing “fraud”. The couples rate for income support is lower than for two individuals, so that a family with two parents receiving income support effectively pays a “couple penalty”.³⁸

But any claimed breach of these relationship rules comes at a heavy cost for children, and the principles are not in accordance with the principles of natural justice.³⁹ The investigation itself is highly stressful. Benefit sanctions reduce or suspend financial support through a harsh system of repayments. For the children whose parents are prosecuted for benefit fraud, the resulting poverty from parental imprisonment entrenches them in an already high level of poverty.⁴⁰

What needs to happen

Discriminatory policies need to be removed from our social welfare system, so that all children can get what they need.

Suggested questions:

1. What progress has the government made in addressing the recommendations put forward by the Children’s Rights Committee on the issue of non-discrimination (which recommended New Zealand assess the effectiveness of the sanctions regime, bearing in mind the core content of the right to social security and the best interests of the child).
2. How does the government plan to bring the current welfare system into line with Article 26.1, by allowing all children in low-income families reach adequate income by increased core benefits and the same level of support within Working For Families, as recommended by the Welfare Expert Advisory Group?

³⁵ CPAG, [Will children get the help they need](#), May 2018.

³⁶ CPAG, [Progressive universalisation of Working for Families](#), March 2018; and ACYA/CPAG report

³⁷ <https://www.cpag.org.nz/assets/180412%20CPAG%20IWTC%20backgrounder%20FINAL.pdf>; ACYA/CPAG report

³⁸ <https://www.cpag.org.nz/news/new-report-reflects-outdated-and-damaging/>

³⁹ Welfare Expert Advisory Group, *Whakamana Tangata*, p. 22

⁴⁰ CPAG, [What it will take to have a welfare system fit for families in the 21st Century](#).



Having good health

Children have the right to enjoy the highest possible standard of health and access to high quality healthcare (Article 24.1)

There are significant inequities in availability, accessibility, acceptability and quality of health, especially for children already marginalised by poverty, indigeneity, ethnicity and disability. A child living in poverty is nearly three times more likely to end up hospitalised than a child from a more affluent household and is significantly more likely to end up hospitalised for conditions such as asthma, pneumonia, bronchiolitis, bronchiectasis, gastroenteritis, skin infections, road traffic crashes, drownings, falls, neglect and violence.⁴¹ Highly prevalent yet preventable diseases such as serious skin infections and pneumonia (as well as less common but highly preventable damaging diseases such as rheumatic fever and bronchiectasis) are directly related to unhealthy housing, and are virtually unknown in other OECD countries such as Sweden, the UK and the USA.⁴²

Ethnic disparities are evident in health statistics. The Child Poverty Monitor 2019 records that 'since 2000, all-cause hospitalisation rates have widened overall, particularly when comparing hospitalisation rates for Māori and Pacific children with those of European/Other ethnicity'.⁴³

What is helping?

CPAG, in its submission in 2019 on the Health and Disability System Review, reflecting on the strengths of the current health and disability system in NZ stated:

In terms of mitigating the effects of child poverty, current strengths of the system include:

- An overall principle of universal care for all children;
- Care is “free” at the point of delivery for many children (zero fees for under-14s in primary care);
- Access to emergency services, out-patient and inpatient hospital services for children is not limited by direct cost;
- An appropriate focus on the importance of delivery of services in Primary and Community Care; and
- There is a high level of skill and expertise from a committed workforce.⁴⁴

What needs to happen?

We need to make sure that intentional policies, funding, implementation and evaluation are taken to ensure all New Zealand children have equity health and disability outcomes. The recommendations of both The Waitangi Tribunal's Health Kaupapa Inquiry (WAI 2575) and CPAG's 2019 submission on the Health and Disability System Review be implemented.

In that submission, we stated the changes that would make the biggest difference to New Zealanders were:

1. Address socioeconomic determinants of health and disability, and provide adequate financial and other support;

⁴¹[Child Poverty Monitor](#) 2019.

⁴² Save the Children, ACYA, CPAG and IHC, [Children's Rights Report](#), UPR3, Aotearoa/NZ.

⁴³ [Child Poverty Monitor](#) 2019.

⁴⁴ Child Poverty Action Group, [Submission on the New Zealand Health and Disability System Review](#), 31 May 2019.



2. Take a proportionate universalism approach with antenatal identification for all, followed by baseline universal services and targeted extra support and services for identified higher need;
3. Increase preventive public health strategies;
4. Strong focus on primary care delivery;
5. Improve Māori health outcomes by:
 - a. Addressing the Crown's Te Tiriti o Waitangi / Treaty of Waitangi obligations for health;
 - b. Increasing health funding that strives to achieve equitable child health outcomes for Māori;
 - c. Providing culturally appropriate effective antenatal care/maternity services for Māori;
 - d. Establishing whānau-centred health services in kohanga reo, Māori ECE, and kura kaupapa, with sustained government funding;
 - e. Providing greater access to whānau-centred services and programmes for Māori tamariki in emergency departments, and facilitating the transition of care for Māori tamariki to primary care and Māori health community providers; and
 - f. Ensuring the Health and Disability System meets the needs of disabled Māori and their whānau.
6. Improve outcomes for Pacific people by:
 - a. Appointing Pacific people to leadership positions in the health and disability system;
 - b. Increasing health funding that strives to achieve equitable child health outcomes for Pacific children and families;
 - c. Providing culturally appropriate, effective antenatal care/maternity services for Pacific women;
 - d. Improving income levels, quality housing availability and suitable primary health care; and
 - e. Investigate and address access issues for disabled Pacific children and young people with Disability Support Services.
7. Improve outcomes for disabled children by increasing financial and other support;
8. Provide ACC-equivalent support for parents of children with health conditions or disabilities not due to an accident.⁴⁵

Suggested questions for the government:

1. What steps is the government taking to reduce hospital admissions for bronchiolitis and bronchiectasis in children?
2. What steps is the government taking to ensure that equity, by ethnicity and household income, is reached for health and disability outcomes for all New Zealand children?

⁴⁵ Child Poverty Action Group, [Submission on the New Zealand Health and Disability System Review](#), 31 May 2019.