



Annual Report

2013-2014

The guiding principle of CPAG is the right of every child to security, food, shelter, education and healthcare

Child Poverty Action Group Incorporated
Charities Registration Number: CC25387
www.cpag.org.nz

CHiLD
POVERTY
ACTION
GROUP



Our vision

A New Zealand where no child has to live in poverty.

Our Mission

CPAG strives to achieve the elimination of child poverty in Aotearoa New Zealand. Government policy is the fundamental means by which this can be attained. We work to provide evidence about the causes and effects of poverty on children and their families, and inform the public, policy makers, media and politicians of policy choices to reduce child poverty.

Our activities and decisions honour Te Tiriti O Waitangi, and other cultural perspectives.

CPAG is an independent, registered charity. We are funded entirely by grants from charitable trusts and donations from the public and do not apply for nor accept funding from the proceeds of the gambling industry.

What we do

Provide a strong, independent voice for New Zealand Children

We are an independent organisation, working on behalf of all New Zealand children to advance policies to improve and enhance their wellbeing.

Harness expertise

We draw on world-class expertise from health, welfare, education, social services and economics to develop policies and propose strategies that will improve opportunities for New Zealand families and communities.

Conduct original research

We conduct and commission rigorous research to understand better the underlying challenges related to child poverty, and use the findings to make recommendations and promote initiatives in the public domain.

Provide a spotlight on child poverty

Child poverty is a national issue that is often overlooked and dismissed. We partner with other organisations to raise the profile of issues related to child poverty in New Zealand. CPAG's work has been widely taken up by other groups working on the issues.

Co-Convenors' Message

2013 marked the anniversaries of two pieces of cornerstone legislation that have shaped the support and protection of children in Aotearoa- New Zealand. In August, CPAG commemorated the 75th anniversary of New Zealand's acclaimed Social Security Act. Championed by Michael Joseph Savage, the 1938 Social Security Act was based on the principle that every New Zealand citizen had a right to a reasonable standard of living.

2013 was also the 20th year since New Zealand ratified the United Nation's Convention on the Rights of the Child (UNCROC). UNCROC is the most widely ratified UN convention and places an obligation on the government not just to protect children's rights but to actively promote them.

It is perhaps timely then that 2013 was also a year in which social issues claimed prominence within and outside of parliament. The debate on inequality grew in intensity, assisted by Max Rashbrooke and his excellent book, while the Glenn Inquiry turned the spotlight on domestic violence. Child poverty became almost a mainstream issue, as TV3's "The Vote" devoted a whole programme to the issue and John Campbell continued to press for solutions to feed hungry children in school.

There has been a noticeable shift in public mood about child poverty, from denial and even ridicule a decade ago, to widespread acceptance and concern about its consequences. A recent Roy Morgan poll showed that the combined issues of inequality and poverty have surged past traditional concerns about the state of the economy and unemployment to become the number one election issue for New Zealanders in 2014.

The Children's Commissioner's Expert Advisory Group promoted its solutions to child poverty and, in partnership with Otago University with funding from the JR McKenzie Trust, took the initiative to launch the Child Poverty Monitor. The Monitor will report annually on income poverty, material hardship, severity of poverty and persistent poverty.

CPAG welcomed and built on these developments, consolidating its position as the prime, authoritative, independent voice on matters relating to child poverty.

Unfortunately solutions to child poverty were noticeably absent in 2013 Budget, which was dominated by the determination of the government to return to surplus. Policies for children and families continue to prioritise the needs of the labour market over and above children's rights and best interests, following a work-first ideology which undermines both basic income protection for vulnerable families and the role of parents. To reinforce those policy positions, financial sanctions were introduced to enforce new social obligations on beneficiary families. Data on sanctions, their application and their effects on children are difficult to obtain or unknown, although CPAG is undertaking monitoring where possible. In the meantime Working for Families continues to be undermined by the lack of proper indexation and the projected progressive reduction in the thresholds at which support is paid. These changes will have a profound impact over time on low income working families.

CPAG's decade-long legal battle over the discriminatory IWTC (In Work Tax Credit) reached its zenith in the Court of Appeal, attracting high levels of media and public interest. The judges agreed that discrimination was proven but, in spite of the harm done, it was justified on the grounds that the intent was to incentivise work for sole parents. The evidence shows that a few sole parents may have been motivated by this modest payment, but is far from conclusive or persuasive. CPAG says that,

disappointingly, the courts are not equipped to weigh up the costs and benefits to determine that the harm done to 230,000 children is justified. Accordingly, CPAG decided not to take the case to the Supreme Court.

The case kept child poverty on the public and political agenda and is viewed as a landmark in the field of human rights. Leading counsel Frances Joychild QC notes that 'beneficiaries are now perceived as the most discriminated against group in New Zealand society, more so than any racial group. A strong argument can be made that the culture of disdain and blame towards beneficiaries that currently exists throughout New Zealand society has been fostered by the executive itself, the branch of government created to determine entitlements and rights'.

In February Statistics New Zealand and Treasury revealed that due to processing errors, they had failed to record an extra 35,000 children living below the very low 50% (after housing costs) poverty line from 2010-12. Sadly, this means there has been no compensating government protection for the very poorest children from the recession and subsequent patchy recovery. Almost all of these children miss out on the full Working for Families package.

Despite these bleak reflections, in the past year there has been a sustained focus by policy makers on solutions, preferably swift and fiscally neutral ones. However, as Professor Jonathon Boston of Victoria University and Children's Commissioner Dr Russell Wills have argued, addressing child poverty will require immediate attention to family incomes, especially for those on benefits. Professor Boston says a large, almost daunting injection of state spending is required and notes many children have been left behind because they are in families on benefits.

Tackling child poverty is an immense and complex task. Housing is of crucial importance but there is evidence that affordable housing in Auckland and Christchurch is getting ever tougher for low income families to access. One in four of New Zealand children live in poverty, double the number in the 1980's and three times the number of elderly aged 65 and over.

As a country, we could protect our children from poverty, as we have the elderly. There are immediate and long term solutions that could be implemented if we choose to. There are sound, comprehensive policies that would significantly reduce the scandalous number of children suffering the effects of poverty.

It will take cross party agreement to make the changes necessary. Policies must prioritise the most vulnerable children and enable support to be provided without discrimination and properly adjusted for both prices and wages. It will take significant public support to achieve this.

Could it be that a tipping point is imminent, the magic moment when an idea, trend, or social behaviour crosses a threshold and change happens? Can Savage's heritage, a fair go for all, be rekindled? The election in September 2014 will be significant. They are our children. Our choices now determine their future.



Janfrie Wakim
CPAG Co-Convenor



Alan Johnson
CPAG Co-Convenor

Our Accomplishments

Child Poverty Action Group in the Court of Appeal

CPAG's challenge to the In Work Tax Credit under the Human Rights Act headed to the Court of Appeal in May 2013. The point of this long-running case was to reassert the fundamental New Zealand ethos of equality of treatment. CPAG sought a declaration from the Court of Appeal that the In Work Tax Credit discriminates against the poorest children on grounds of their parents' employment status. For the caregiver to be paid the In Work Tax Credit to help with the costs of children and alleviate child poverty, a sole parent must be in paid work at least 20 hours a week and a two parent family at least 30 hours to qualify. Families receiving any benefit or part benefit are not eligible.

In June 2013 Child Poverty Action Group (CPAG) decided not to appeal the decision of the Court of Appeal, ending nine years of litigation. Despite ultimately losing, CPAG made its legal mark for the good of human rights, and the proceedings kept the full range of issues of child poverty on the public and political agenda.

"Just over half of voters support extending Working for Families in-work tax credits of at least \$60 a week to beneficiaries. In a Herald-DigiPoll survey of 750 voters taken last month, 51 per cent said they agreed with the Child Poverty Action Group's wish for the tax credits for parents to be extended to parents on welfare. Forty-one per cent disagreed with it." New Zealand Herald, July 30, 2013.

We are grateful to OHRP for providing representation to High Court level, to our donors for funding it to the Court of Appeal and for the supreme efforts by our counsel Frances Joychild QC and Jenny Ryan who represented us.

High quality independent research

An important aspect of CPAG's work is to provide evidence about the causes and effects of child poverty and to develop policy recommendations to reduce the burden of child poverty on families and our society. During the 2013-14 year, CPAG undertook a significant research programme, looking at issues across a range of policy areas including the implementation of free after-hours health care for children under 6, myths and facts about sole parents, and the relationship between problem debt and child poverty.

Benefit Sanctions – creating an invisible underclass of children.

CPAG's research on benefit sanctions showed monitoring systems were lacking and creating confusion over the numbers sanctioned, particularly for parents. CPAG's research had to rely on the Official Information Act and questions asked in Parliament due to the scant information available. This was contrary to the Welfare Working Group's (WWG) recommendations for transparent public reporting of the number of sanctions imposed. CPAG spokesperson Associate Professor Mike O'Brien said it was disappointing that government had introduced wholesale changes affecting

children without robust systems of accountability or public scrutiny in place.

Child Abuse: What role does poverty play?

CPAG Child Poverty Action Group launched a two-part series on 'Child Abuse and Poverty: what are the links?' at its AGM in Auckland in July. The first instalment of the series Child Abuse: What role does poverty play? (2013) reviewed the past 25 years of child abuse research and found higher than average rates of child maltreatment and neglect associated with poverty. In the second part, CPAG analysed data from Child Youth and Family to answer the question 'Child Abuse: what role does poverty play?'

CPAG said central and local government could do much more to prevent child abuse and protect children with policies that improve their access to adequate income, housing, education and health. Reducing child maltreatment and neglect requires the government to adopt wide ranging child-focused policies that directly address poverty and other causal factors.

Children and the Canterbury Earthquakes

In March 2014 CPAG launched a new paper on the impact of the Canterbury earthquakes on children, supported by the Canterbury & West Coast branch of the Public Health Association (PHA).

The paper showed children's health and well-being had been affected significantly by the earthquakes and long-term issues are now emerging. In the first three months of 2013, the Child, Adolescent and Family Mental Health Service had twice the number of emergency incidents they would usually receive. Health problems were also becoming more serious, including family violence and adult mental health issues in young people.

The impacts of the earthquake were impacting disproportionately on children from low-income families. International research shows vulnerable groups in a community are the most affected by natural disasters and Christchurch had been no exception.

The paper revealed major changes to the school environment in Christchurch over this period had also contributed to family stress. Additionally, the condition and availability of rental housing in Christchurch had impacted heavily on low-income families, causing great stress for children.

2013-14 Research and Publications

Policy Monitoring reports	<ul style="list-style-type: none"> - Benefit Sanctions: creating an invisible underclass of children? (Oct 2013) - Implementation of free after-hours services for children under six in New Zealand (Aug 2013)
Monographs	<ul style="list-style-type: none"> - Child Abuse: What role does poverty play? (June 2013) - Child Abuse: An analysis of Child, Youth & Family data (August 2013)
Background Papers	<ul style="list-style-type: none"> - Myths and Facts: Sole Parents and the DPB (May 2013) - New Zealand must invest in all new-borns (January 2014) - New Zealand's debt society and child poverty (February 2014) - Children and the Canterbury Earthquakes (February 2014)
Budget Review	<ul style="list-style-type: none"> - CPAG's Budget Review 2013: An analysis of the New Zealand Government's 2013 Budget (May 2013)

Presenting the Findings

CPAG is committed to communicating its research and analysis to policy makers, media, politicians and the wider public.

In the 2013-14 year, CPAG gave over 55 presentations at a range of forums across the country, to audiences which included school children, students, church congregations and early child hood teachers, health workers and Rotarians.

Highlights included:

- A keynote address by Nikki Turner at the **National Respiratory Conference, on Child Poverty and its relationships to Respiratory Conditions.**
- A keynote address by Susan St John on **Putting children at the centre of policy for the Children in Crisis Conference**, University of Waikato.
- A presentation by Claire Dale on **Safe, fair, affordable loans – a socially just alternative**, for the Fabian Society
- Addresses by Innes Asher and Susan St John to the **Institute of Judicial Studies Trends in New Zealand Society** in Auckland
- Michael O'Brien and Alan Johnson's guest presentations to the **Ripples of Justice Conference**, for the Justice and Peace Commission

Events

CPAG connected with many supporters and allies at successful events across the country during the year, including report launches, forums and fundraisers. Highlights included a special screening of Bryan Bruce's documentary on inequality, 'Mind the Gap', in Wellington and the launch of CPAG's series on the links between poverty and child abuse at our AGM in Auckland.

Nationwide post-budget breakfasts and budget analysis

CPAG's flagship event - our annual post-budget breakfast – continues to grow and develop and is now a nation-wide event. We hosted capacity audiences in Auckland, Wellington and Christchurch in 2013. We are grateful to the Public Health Association for their help with hosting the Wellington and Christchurch events.

Last year we were delighted to extend our child-focused budget analysis a step further, preparing (overnight) a detailed, line by line examination of the 2013 budget for presentation at the post-budget briefings.

The value of CPAG's independent critique of wider budget issues was recognised by coverage on Campbell Live on Budget day, featuring interviews with spokespeople from each of our major policy areas.

75 years on - marking the birth of our welfare state

In September 2013 Child Poverty Action Group and Holy Trinity Cathedral in Auckland held a joint

celebration to draw attention to the significance of the Social Security Act introduced by Michael Joseph Savage 75 years ago.

The audience reflected the make-up of the communities of New Zealand. Teenagers, social commentators, academics, politicians, urban Maori, the Pacific community, worried citizens and members of the parish all came together to reflect on the heritage of the Michael Joseph Savage's vision.

The Social Security Act 1938 followed the miseries of the Great Depression and gave birth to New Zealand's modern welfare state. Taxpayer-funded healthcare, pensions, sickness and unemployment benefits provided protection on a wide basis for the first time. The need for stigmatising charity for mere survival was virtually eliminated. The following years saw the welfare state expanded to be widely inclusive, including generous universal pensions and family benefits for all children.

Economist Professor Paul Dalziel spoke of how the Savage Labour Government realised "there is no way of dealing with poverty except by getting to the people who are poorly paid". He contrasted that approach with the trickle-down theories of recent governments that have lost sight of the importance for decent work to raise people's well-being.

Senior Lecturer Mamari Stephens explored the ambivalence of both Maori and the Crown towards seeking Maori welfare outcomes, in the context of a system that was never designed to cater for Maori socio-economic needs. She highlighted Maori approaches such as the Whanau Ora model that presents Maori solutions to issues unique to Maori.

Associate Professor Susan St John contrasted the inclusiveness of the previous Family Benefit and the success it had in addressing poverty with the current exclusionary design of the current Working for Families tax credits.

Nga Tangata Microfinance Trust scoops top prize

CPAG was delighted when Nga Tangata Microfinance Trust won two major awards at the NZI Sustainable Business Awards, the Community Involvement award and the Supreme Award for greatest contribution to a sustainable New Zealand. Nga Tangata provides low-interest loans to help people break the cycle of problem debt leading to poverty. The Trust is a partnership between CPAG, the NZ Federation of Budgeting Services and The NZ Council of Christian Social Services, using capital kindly provided by KiwiBank.

Being chosen for the Supreme Award from over 230 nominations was an honour for everyone involved in this ground-breaking initiative, including Nga Tangata's chief architect Dr M Claire Dale, a long standing CPAG management committee member and contributor.

Growing Support

The past year has seen strong growth in the interest in child poverty issues and, correspondingly, in support for CPAG. The number of supporters on our database has risen from 1700 to 2400, an

increase of 41% for the year. Donations also rose 40%, from \$35,777 to \$50,253. The website continues to be an invaluable resource for our supporters and the wider public, averaging over a thousand visitors each week.

CPAG has been a strong voice for children on **social media** over the past year, with over 3700 supporters on Facebook and 1000 Twitter followers at the end of March 2014. Our posts are read and shared by thousands of people, raising awareness of child poverty issues and providing a forum for discussion and sharing.

Organisation and Management

CPAG is a small, but highly effective organisation which operates on a modest budget. The Management Committee consists of 11 elected members, supported by co-opted members who represent regional networks or have specific expertise. CPAG's work is enhanced by hugely energetic people in our regional networks who sustain and develop their local groups through a range of events and activities.

As CPAG has grown and developed, so too has the complexity of maintaining an efficient and smoothly operating nationwide organisation. It is demanding enough in a structure where all are paid for their contributions, but even more challenging when there is a mix of volunteers and paid employees and contractors, up and down the country. CPAG is most fortunate that goodwill, gratitude and forgiveness abound within the relationships in the CPAG community but special mention must be made of staff who hold it all together.

Marianna Munting as the Executive Officer has invested her position with a vitality and flair. Always alert to ways of improving perceptions of CPAG as well as its performance and outreach, she has enhanced the effectiveness of the organisation yet again in the past year. The Management Committee is indebted to Marianna for her loyal commitment to this pivotal role.

In 2013 CPAG appointed a part-time Communications Officer, to develop its strategic goals to raise awareness of child poverty and communicate with a wider audience. Kim Meredith Melhuish worked in the role until January 2014 when she left for a fulltime position and Gillian Roach, who has served on the Management Committee was contracted in her place. Gillian had previously been managing the CPAG Facebook page and other social media. She has made stunning progress with the media release penetration in a short time and has strengthened the 'comms' aspect of CPAG markedly. Regular blogs are in her sights.

Donna Wynd CPAG, part-time researcher and analyst contributes her remarkable range of skills and expertise to produce a range of publications and occasional opinion pieces. The clarity with which she records the research and its implications is much admired and appreciated and we thank Donna in particular for the publications in 2013 *Child Abuse & Poverty: What are the links?* *Benefit Sanctions: creating an invisible underclass of children?*

Dr Claire Dale was contracted to coordinate the writing and publication of CPAG's policy paper series, *Our Children, Our Choice: Priorities for Policy*. It provides a current overview of the situation and CPAG policy recommendations for the 2014 general election. Her work drawing together numerous writers, each with tight timeframes, is tricky and much appreciated.

CPAG is indebted to Terry Levenberg and Apropos for their outstanding support with our website and branding. The philanthropic trusts who have donated over the past year and funded research are acknowledged here with deep gratitude; J R McKenzie Trust, Hostel of the Holy Name Trust, Caritas Aotearoa, Alexander Harold Watson Trust and the Auckland City Mission for continuing to provide office space. Grateful thanks to all the members and donors who have boosted numbers and funds this past year.

To list the extraordinary people who volunteer their precious time to CPAG nationwide is impossible. Sincere and profound thanks from the Management Committee go to every person, in all parts of Aotearoa-New Zealand who has contributed to, supported and encouraged the work of CPAG in 2013-2014. It seems we will all have to work a bit harder to make ourselves redundant!

Our personal thanks go to the elected Management Committee and co-opted members for contributing their remarkable collective talent and expertise, and their sustained commitment to the goals of CPAG and to children.

“People, when organized, have enormous power, more than any government. Our history runs deep with the stories of people who stand up, speak out, dig in, organize, connect, form networks of resistance and alter the course of history.” Howard Zinn, A Power Governments Cannot Suppress

Let's do it to eliminate child poverty!

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