

# Susan St John:

## The outlook for poor children in Aotearoa

- 3 publications:
  - OECD, 2009, *Doing Better for Children*, which shows NZ's poor performance, including having the highest youth suicide rate in the OECD.
  - Wilkinson & Pickett, 2009, *The Spirit Level*, shows that rather than economic growth, it is countries that have less inequality that have better outcomes for children.
  - MSD, 2010, *Living Standards Report 2008* will provide most recent data on what is happening for children and families in New Zealand.
- How government policy entrenches policy
  - Welfare system designed for post-war system: "deserving" vs "undeserving" poor, stigmatising beneficiaries; couples system; benefits linked to prices; harsh abatement regime
  - Tax system favours well-off; pretence that flat tax is possible, and increasing GST will solve problems
  - Not a progressive tax system; no capital gains tax
  - Pressure to decrease top tax rate to 30% and increase GST to 15% (regressive)
  - Child benefits badly designed: too complex and discriminate against the poorest children
  - In-Work-Tax-Credit punitive: children doubly punished during recession and job loss
  - The Charitable model: unlimited rebate on donations implies the rich will solve the problem of the poor

- Major issues for Aotearoa in the next 5 years
  - Difficult. The global crisis is not over, and no good systems are in place.
  - Climate change
  - Ageing populations
  - Budgetary constraints
  - Loss of perspective eg Couple on NZS (wage indexed) get \$478 pw.  
Couple on Sickness Benefit (income-tested) get \$317 pw
  
- Suggestion
  - Ensure "impact for children and families" in all policy and legislation
  - Address the patchwork nature of entitlements
  - Targeted and universal child benefit as in UK and Australia
  - Universal basic income