

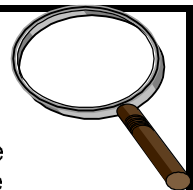
Welcome to the September Issue of the CPAG Newsletter - Kia ora koutou.

The issues arising from child poverty in Aotearoa-New Zealand seem to be reaching more prominence on the public agenda at last. Witness the heading in the New Zealand Herald, September 8: *Child poverty top of Maharey's list*. It's not exactly a heading to make us happy, but at least we applaud the fact that the phrase, child poverty, is gaining recognition. While there is disregard, dismissal or denial we cannot expect any progress towards tackling the problems of poverty and their effects on our young. Acknowledgement at Government level might, we hope, lead to the start of some positive action.

Since the election, CPAG has been busy, formulating policy priorities, meeting with like-minded people from Wellington and elsewhere, preparing for talks with politicians—both long-standing and newly arrived.

Post Election Action

On August 12, CPAG issued this statement:



Child poverty is now a serious and alarming phenomenon in New Zealand. The government has identified that 3 out of every 10 children live in unacceptably low income and housing conditions and has pledged to eliminate such impoverishment. However, commitment to this end requires more than words. It will need action on many fronts, including a willingness to devote adequate resources if the high social costs that flow from the neglect of children's needs over a long period are to be averted. CPAG outlines a minimum programme as follows:

Immediate action

- Extend the Child Tax Credit of fifteen dollars per child per week to all low-income families. (Cost: around \$250m)
- Adjust Family Support and the income thresholds from which Family Support starts to reduce for the cost of living over the past decade. (Cost: around \$250m)
- Place an obligation on the IRD to ensure families access their tax credits.
- Give all children under 18 access to free health and dental care including after hours services and prescriptions.
- Index all family-related payments, including health subsidies.
- Adopt the 60%, after-housing costs, equivalised household disposable income as an official measure of poverty. Monitor poverty on a regular basis to ensure progress is being made to eliminating child poverty.
- Raise the threshold that can be earned by each beneficiary before losing their benefit almost dollar for dollar, from \$80 to \$130 dollars to compensate for inflation.

Medium term action.

- Make part of Family Support a universal payment to recognise targeting inevitably leads to low levels of assistance and high clawback rates.
- Begin a major increase in state house acquisition to at least 1000 houses per year.
- Institute a programme of state backed lending to low-income families, including state house tenants to enable them to own their own homes and reduce state house waiting lists.
- Provide lending or loan guarantees to third sector housing providers such as housing trusts, housing co-operatives and iwi based housing agencies to enable them to offer further housing alternatives to low income families.
- Evaluate all monetary and fiscal policies in terms of the impact on families and young people, not just their impact on inflation, debt, and annual growth of GDP.

Good Intentions Are Not Enough

This column by CPAG economist Susan St. John led the Scoop news website on 13 August, 2002

United Future's family policies deserve thorough and critical scrutiny. It is not enough to have good intentions. We need a proper cost benefit analysis of the new Commission for the Family and a wide discussion of the purpose or the need for it before it proceeds.

There are already academic centres in various universities for the child and family, to say nothing of the research projects already undertaken at great expense in the Ministry of Social Development. How much costly duplication is going to be involved? How much is the structure itself going to cost to run and staff? Will it mean the income improvements for families, that must occur if the costs of child poverty are to be averted, will be delayed yet again while the commission is being established?

And what of United Future's policy on family incomes? Income splitting sounds like a nice way to encourage the nuclear family. Mum can stay home with tax advantages that rise with the level of her husband's income.

But is Peter Dunne to be congratulated on a bold and innovative thought? Possibly this is the most liberal reform contemplated in New Zealand since the advent of non-fault divorce. Like other social reforms such as the DPB it has the power to transform the power balance between men and women in ways possibly not anticipated.

While politicians have the hazy idea of some extra income to support the traditional role of women at home, the advocates of this approach, such as Parents as Partners, are not looking for a tax rebate 'he' takes at the end of the year.

They want full and actual splitting, so that she receives one half of his income as a wage, on which she pays tax in her own right and ACC levies as a worker. She is then employed, just as he is, with all of the rights and force of the Employment Relations Act.

This notion of income splitting certainly does not fit well with the traditional domestic model of which Dunne's fellow MPs approve. It does however raise all kinds of issues.

Who is employing whom? Just what is she being paid for? Unfortunately there is no job description, and no guidelines as to what happens when they separate leaving her with the kids. If income splitting is voluntary, what are the rights of a non-remunerated care-giver to be?

This is not to suggest that the idea is completely without merit. But it would give the most to the better-off single income family, and not help at all many of the poorest. In light of the urgency to deal with child poverty it seems like a red herring. Generous and indexed child -related tax credits are a much fairer and more certain way to help the families who are struggling the most.

The Child Poverty Action Group seeks immediate action from the government as follows . (see the post election calls for immediate action on page one).

For CPAG

<http://www.cpag.org.nz/>
<http://www.geocities.com/nzwomen/SusanStJohn>

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IN BRIEF

Good news: CPAG has been given an anonymous donation of \$70,000, with no strings attached. The money has come from a New Zealander who has lived and worked overseas for many years and who wants to return “something to the country which gave me wonderful opportunities in early life”. Our benefactor wanted it to go to a non-governmental, non political organisation working for children — and chose us! Particular interests include rural education and Maori children.



We would like to use the donation to proceed with plans that have required more funds than CPAG has had at our disposal previously. We are also open to members' suggestions for relevant projects!



Monograph Update: Work is underway on updating the CPAG monograph, published in January 2001. A separate monograph on Housing is being completed by Alan Johnson and Susan St John. These will be circulated for comments.

CPAG in Wellington: Kevin Hackwell, the Director of the Downtown Community Ministry, has met with CPAG Auckland members, to discuss setting up a sibling branch in Wellington. The Wellington group aim to get details sorted out to establish a CPAG branch very soon. Obviously CPAG Wellington will be particularly helpful in lobbying politicians.



United Future invitation: CPAG has been invited to meet with Peter Dunne and his new MPs. We have sent a package of background monographs and the CPAG video presentation and at this stage, with no Auckland people planning trips to Wellington, members of the about-to-be-formed Wellington branch have agreed to meet the representatives from United Future.

Making it happen: In June 2002, the Government released *New Zealand's Agenda for Children*. It includes a vision, a set of principles to guide decision making, a new way of developing child policies and services, and a tentative programme of action for Government.



While *New Zealand's Agenda for Children* has been widely welcomed for its vision and principles, many non-governmental organisations have expressed disappointment about the limited actions it proposes and that Government has not yet committed funding to ensure its effective implementation.

CPAG has endorsed “Making it Happen”, a paper written as the result of consultation with a number of individuals and organisations working in the growing children's movement in New Zealand. It asks “What is needed to fully implement the Agenda for Children and make life better for our children?”

“Making it Happen” will be launched at the end of September. Look out for it on our website -

End Child Poverty Summit: Ideas for an End Child Poverty summit are being discussed. It is suggested it should be held early next year.

Membership of CPAG

At the Annual General Meeting (held in June 2002) it was decided to change the way in which subscriptions and donations to CPAG are collected.

There will no longer be a “subscription” required to join CPAG - rather we will be asking for donations in order to become a member. All donations over \$5 are tax deductible. See over the page for membership form.

**From Dame Silvia Cartwright's *Speech from the Throne*,
at the opening of Parliament in August 2002**

The *Speech from the Throne* signals the Government's intentions for the forthcoming term. In 2002, it contained the following quotes of interest to CPAG:

The state housing stock will continue to be increased, reversing the decline of the 1990s. The existing stock will be modernised and upgraded. The Special Housing Action Zones initiative will be enhanced. Work will be undertaken to develop partnerships with local government in housing provision and to encourage retention of local authority owned housing stock.

Government's approach to the wider areas of social assistance will focus on better supporting families and children, simplifying the system, and improving opportunities to move into paid employment. It is intended to move towards annual reviews of Family Support and Family Tax Credit rates and thresholds.

Priority will also be given to increasing the maximum number of subsidised childcare hours to support parents moving into employment and the introduction of an "abatement free zone" for people receiving income support and accommodation supplement, encouraging and rewarding movement into employment.

These moves will be backed by improved case management for sole parents, improved programmes to help people moving into work, including better case management and employment programmes to assist people to gain skills.

Comment

It is hoped that there will be some really positive action, not just a review. CPAG would like to see the Child Tax Credit specifically addressed. This is not yet being discussed in official government pronouncements and publications. The Family Tax Credit mentioned in the *Speech from the Throne* is another totally different, but minor provision. When in Opposition in 1996, Labour said that if they were elected they would immediately add the Child Tax Credit onto Family Support for all children. There has been a veil of silence over this declared intention ever since. CPAG intends to present a case to the Human Rights Commission next month, against this discriminatory provision.

Joining CPAG

CPAG needs support to continue its work and to provide mailouts of the backgrounders. If you would like to remain/become a member of CPAG and support our work, please complete the details below and return to :-

CPAG
POBox 56 150
Mt. Eden, Auckland

Name: _____
Postal Address: _____
Email: _____ Telephone: _____

I would like to remain/become a member of CPAG for 2002-2003 and enclose a cheque for \$ _____ (minimum suggested \$10) as a donation to CPAG.

Yes No

I would like to be on the mailing list - Yes No