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The Agenda for Children

**CHILD
POVERTY
ACTION
GROUP
INC.**

www.cpag.org.nz

Child Poverty Action Group is a non aligned independent body seeking better policies for children.

The **Agenda for Children** released today by the government is a welcome acknowledgement that child poverty is a serious issue and it is pleasing to see the commitment to its elimination. The figures in the document on child poverty speak for themselves. Nearly one in three New Zealand children have an unacceptably low standard of living.

Unfortunately there are few concrete proposals and no timeframe for the elimination of poverty. The report does not acknowledge that one clear contributor to child poverty has been the failure to adjust family tax credits for inflation. The iniquitous child tax credit that few really low-income children get is not mentioned. Over the past decade, billions of dollars have been saved by refusing to adjust these tax credits for inflation, and since 1996 of refusing to extend the child tax credit to all low income families. The price has been families who cannot adequately feed their children and growing demands on food banks and hospital services and schools for extra assistance..

This report has taken two years to produce and yet all it signals is that more research is still needed ' to provide evidence based advice' before there can be action. In the meantime, food prices continue to rise. Every year the tax credits remain unadjusted, families have a cut in their real incomes.

There is far more than enough research to justify an immediate extension of the child tax credit of \$15 per week per child to the 300,000 poorest children who miss out. Real money is needed as

this policy alone will cost \$250m per annum. Proper inflation -adjustment to the family support tax credit will take another \$250m. Automatic indexation so there is no fight over regular annual adjustments must be put in place. We can do it for New Zealand superannuation why not for children's benefits? If society is not prepared to take income supplements for children seriously it will soon be paying far more in dealing with the economic and social costs of neglect. The \$200m for the meningococcal vaccine is a good example.

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