

Child Poverty Action Group
PO Box 56 150
Dominion Rd
Auckland
www.cpag.org.nz



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CHILD ADVOCATES' BUDGET EXPECTATIONS

Child Poverty Action Group is welcoming the Government's indications that changes to child-related assistance in this year's Budget will be significant, but says that any changes will need to be seen as the first steps to recovering families' economic health, rather than the last steps.

"This is the first time in eight years that low income families will receive an increase in their financial support from the Government," says CPAG economics spokesperson Dr Susan St John. "Whatever the Government offers is likely to be only a catch-up for past neglect. An extensive and long-term programme is needed to help families get out of poverty, not just one Budget."

CPAG is also concerned that much-needed money might be kept from families already receiving government benefits, if the government uses more child-related payments as work incentives, as it already does with the child tax credit.

"We understand why the government may want to give work incentives, but depriving children who have no control over how their parents get their income is not the way to go about it," says Dr St John. CPAG income support spokesperson Professor Mike O'Brien is also adamant: "the budget needs to deliver real assistance and encouragement to struggling families. It must improve their current living standards, give them hope and encouragement for the future and not punish children because their parents are getting state support."

CPAG acknowledges that some lost ground is starting to be regained in the health sector and believes the government's new funding strategy has resulted in reductions in primary health care costs for families in many areas. However, "to have a real impact on children's health, the primary health care strategy needs more funding and rapid implementation consistently across the whole country," says CPAG health spokesperson Dr Nikki Turner.

CPAG believes the 2004 budget at minimum needs to contain:

1. A commitment to halving child poverty by 2010 and to a clear goal of eliminating child poverty by 2015-2020 – much like the UK government's promises and action of the last five years.
2. Extension of the Child Tax Credit to all low income families (not just those independent of the state). Removal of all discrimination in child-related payments based on source of parental income.
3. Full adjustment of family support and thresholds to compensate for the inflation of the past decade. Abolition of the first threshold of \$20,000 and an increase in the second threshold to \$38,000.
4. Indexation to inflation of all family payments, including income levels from which family support is reduced.
5. Commitment to universalise a part of family support along the lines of the Australian family tax credit.
6. A clear expenditure programme for lifting low income families out of housing-related poverty over the next 5 years.
7. Improvement to basic benefits, abatement rules and procedures that impact on movement into work.
8. Adequate funding and an immediate implementation of policy to make all health care free for those aged under 18, fully covering medical, dental and disability needs.

* For more information, see the attached invitation to hear a range of speakers at our post-Budget breakfast on Friday 28th at Old Government House, Auckland City. To arrange interviews with CPAG commentators on health, including issues in Maori health, as well as economics or housing, contact:
Rachel Somerfield admin@cpag.org.nz, or (021)106-7380.