

## CPAG Press Release

March 30th, 2007

### **PRESS RELEASE: Income boost for the poorest very welcome, say child advocates**

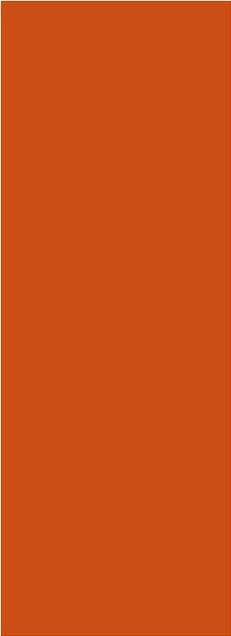
Child Poverty Action Group (CPAG) has welcomed this weekend's increase in family support payments, up by \$10 per week per child. The group says that adequate, secure income protection for families with children – which doesn't suddenly dry up when parents can't work – is proven to be the best way for all of us to help keep children free of poverty and its many consequences.

However CPAG is concerned that this increase is about all some families get out of the 1.5 billion-dollar Working for Families package. CPAG economics spokesperson Donna Wynd says "many on below poverty-level benefits have received negligible increases overall from the package, until now."

As well as not qualifying for work-related tax credits, children in these families have had cuts to their core benefits and hardship entitlements such as the Special Benefit. "These cuts have almost completely undermined other, nominal WFF increases and made life harder for the worst-off families," she says. "Let's face it, ten dollars extra per child per week, from today, is not going to allow these families to catch up, no matter how good they are at budgeting.

"The way in which the current system is designed leaves far too many children in hardship and its entitlements are complex and confusing. So despite costly advertising campaigns those who qualify often have no idea what they are entitled to," says Wynd.

"The government is to be applauded for making the extra \$10 per child available to all low and middle income families," CPAG Director Janfrie Wakim observes. "Unfortunately the new measure will have very limited impact on the growing income disparity between wealthy and poor families. Current family incomes policy simply prioritises getting more parents out to work, for more hours, in one of the hardest-working countries in the developed world. In many cases this will do their children more harm than good."



A regular adjustment to family support is also being introduced this weekend, to ensure family tax credit rates and abatement thresholds keep up with inflation. Wynd welcomes this, saying it will prevent a reoccurrence of the devastating erosion of Family Support payments that occurred in the 1990s, which put many families in poverty in the first place.

- NB - As of 16 March of this year, Family Support has had an official name change to Family Tax Credit. The payment formerly known as the Family Tax Credit is now officially the Minimum Family Tax Credit. Confused about when a rose is a rose is a rose by any other name? We were too. Check out our recent release “What's in a name?” at [www.cpag.org.nz](http://www.cpag.org.nz)



<http://www.cpag.org.nz>