

Press release for 4th November 2002

Field Code Changed

**CHILDREN AND THEIR PARENTS
ARE THE LARGEST GROUP OF THE POOR.**

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What has long been known to those who work with families, researchers, and social commentators, is now accepted by the Ministry of Social Development. *Children and their parents are the largest group of the poor.* The exact numbers may remain in dispute, but the orders of magnitude are not. A high proportion of New Zealand's children and their parents are below any reasonable poverty line.

Nor is it disputed that far too many families are under stress because of their financial circumstances, that their health is being compromised directly or because of their unsatisfactory housing circumstances brought on because they cannot afford decent housing. Their opportunities at school and in the long run are being compromised too.

While the government addressed some children's issues in its first term – especially in the health area – there was no significant change to assist children and their parents in poor families, despite prices having risen 10 percent since the last significant change to family assistance in 1996. Even then the level of assistance was insufficient.

In its second term the government must tackle the poverty of children and their parents. And it must do so soon. There are a variety of proposals of how it should do this. What is required at this stage is a commitment focused on the following principles.

1. The immediate establishment of an officials' group to make proposals for a substantial improvement in the incomes of families with children to be announced in the May 2003 budget.

2. Direction to the group as follows:

- While consideration of a universal component is desirable in an overall review, in the short run it may be necessary to target the additional assistance in order to give significant relief to the poorest families, rather than provide a lower level universal benefit.
- While the magnitude of the likely package means it may have to be phased in over the 2003/4 to 2005/6 period, the need for immediate relief is paramount.
- Family assistance should not discriminate by the source of the other family income. (This means that the Child Tax Credit be either extended to benefit families or it be abolished and the revenue savings be used to fund the comprehensive package);
- Given the urgency of announcing an adequate family assistance package in the May 2003

budget, related issues such as benefit and abatement levels, and housing support must not be denied attention even if they have to be part of later budgets.

3. That the Ministries of Education and Health be directed to review their policies to ensure that they give the maximum of support to children in difficult financial circumstances, and that opportunities to add to the financial relief of their families or to improve their health and educational opportunities be sought and reported to their ministers.

4. That the Ministry of Social Development be directed to ensure there be the fullest possible uptake of entitlements to Special Assistance as soon as is practical. That the Revenue Department also review its procedures to ensure that entitlements to Family Assistance are delivered as effectively as possible.

5. That the proposed Commission for the Family include the economic circumstances of families with children in its terms of reference.

To be implemented in sufficient time to have an effective impact on the May 2003 budgeting process this set of directions should be given by no later than December 2002.

*Child Poverty Action Group
Wellington branch*