

CHiLD POVERTY ACTION GROUP

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PRESS RELEASE: Children need to share a poverty prevention success story

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Child Poverty Action Group says that New Zealand Super (NZS) is a great success story in preventing hardship among the older population. Why can't we make the same commitment to the young?

Pensioners' incomes have risen 8.5% in real terms since 1999. A couple on NZS now has another \$34 a week to spend, which more than makes up for the effect of inflation on their budgets.

CPAG spokesperson Donna Wynd said "Between 2000 and 2004, the percentage of New Zealand children in severe or significant hardship rose from 18% to 26%. During the same period, the percentage of those over 65 in these categories of hardship remained steady at about 4%."

Low-income families' incomes have been allowed to erode in purchasing power. CPAG calls on the government to pay as much attention to the needs of its youngest citizens as to the old. Many poor children were left out of the bulk of the Working for Families package by being denied the In-Work Tax Credit and have fallen further behind.

Unlike pensions which are inflation adjusted every year, the Family Tax Credit, which goes to all low-income children, will only be adjusted when cumulative inflation reaches 5% from 1 April 2007.

Donna Wynd said "It is time to link such payments to the net average wage, so that families as well as the elderly can keep up with the growth in average living standards."