

Good moves for families heralded but the poorest kids left out

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Yesterday's Speech from the Throne confirmed that from next year the government will extend its Working for Families package, including subsidies for childcare. This is welcomed by Child Poverty Action Group (CPAG) as the move recognises the greater costs faced by parents compared with other taxpayers.

But CPAG says it is misleading for the Governor General to claim that the change "will mean tax relief for every low and middle income family with children in New Zealand." In fact the second phase of the Working for Families tax package offers nothing to the 250,000 poorest children in New Zealand.

These children won't get any benefit from the government's generous new In Work Payment, nor do they benefit from raising the threshold for family support and reducing the rate at which it abates.

"If this generous package is really about supporting children, why exclude the most vulnerable? And if it's really about poverty elimination, as the government wants to claim, why exclude the poorest?" says CPAG's finance spokesperson Dr Susan St John. "In fact, this is about rewarding participation in our tight labour market. But why use children to do it? And why do it at the expense of helping those whose needs are greatest?"

"The latest changes only shunt the poorest kids further to the back of an already long queue, when they urgently need to be first in line," says Dr St John. "Working for Families will give generous tax cuts to families whose budgets are stretched – but in the process completely neglect those struggling on incomes which everybody knows are grossly inadequate."

The April launch of this latest policy will mark 10 years of this kind of discrimination. The In Work Payment is only a beefed-up version of the Child Tax Credit introduced by the National government initiative in 1996.

CPAG says this is unconscionable, especially given the now-abundant evidence of high levels of severe, entrenched child poverty in this country dating back to 1991 and before. Government's own figures show that at least one in five kiwi kids were living in poverty in 2004.

Poverty for even a short time can cripple a child's potential for a lifetime through lower health status and levels of educational achievement. It is time for the government to remedy this with inclusive policies for all children.