

PRESS RELEASE: Child Poverty Action Group (NZ)  
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## **Secure electricity access is essential for children, say advocates**

The Child Poverty Action Group (CPAG) strongly supports proposals to improve regulation of electricity provision for vulnerable families with young children, and congratulates Prime Minister Helen Clark for taking a strong stance with power companies.

Access to the basics of life needs to be much more secure for families, the group says. "How can children do their homework, get fed a hot nutritious meal, use the computer, or wash themselves adequately to prevent infections when the power is cut off? For families unable to pay the power bill, being disconnected brings a double penalty as they must also pay a reconnection fee once they clear their debt", says CPAG health spokesperson Professor Innes Asher.

"We would like to see the current proposals broadened to cover all essential services including water which is also absolutely essential for health," adds Prof Asher. "With water bills set to rise it is only a matter of time before a family suffers severely as a result of water being disconnected. Poor families in large households are especially vulnerable, as water bills can sometimes be in the order of \$400 per quarter. The purely market-based approach is failing to provide secure access to essential services for too many families."

CPAG also says the recent case of a family whose electricity was cut for the sake of a \$168 bill highlights the parlous existence of many low income families. "Particularly for families on benefits, incomes have not improved sufficiently to cover rising costs. Electricity, water, and transport price rises are all well above the rate of inflation. There is also anecdotal evidence that many families eligible for assistance under the Working for Families package are not receiving it," says CPAG economist Donna Wynd.

If total gross family income is under \$35,000 the presence of one child should result in an extra tax-free \$142 a week, with more on top of that for any additional children. This would be a great help to families trying to pay vital bills such as power, water or telephone, agrees Prof Asher.

However some families are not aware that assistance is available, while others find the working tax credits very complicated, says Wynd. "Eligible people must provide an accurate estimate of the year's total joint income and a declaration of meeting the required hours of work on a weekly basis. This is difficult to do for people in jobs with variable hours.

"Nor is eligibility secure. If the parents' hours fall below 30 a week because of sickness, the first child entitlement drops to \$82. Families often fear having to repay these tax credits when their income and situation changes and may prefer not to get them in the first place," Wynd says.

CPAG urges the government to redesign family tax credits to make them much simpler and fairer to all children as a further step toward improving the conditions for low-income families.

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