

# CHiLD POVERTY ACTION GROUP

[www.cpag.org.nz](http://www.cpag.org.nz)

**Media Release 30 October 2008**

## **Time for fairer benefit policy, say children's advocates**

Child Poverty Action Group has welcomed Labour and National's new-found commitment to ensuring adequate support for the unemployed.

John Key has stated National's rescue package would give the newly unemployed a bridge to re-arrange their lifestyles, while Helen Clark has announced a job search allowance that will not be means tested.

CPAG researcher Donna Wynd is pleased that both parties have admitted that benefit levels are too low. "Clearly, families wouldn't need this extra assistance if benefits were at a level that enables families to meet their basic needs, including their housing and food costs," she said. "Of course, it begs the question of how both parties will deal with existing beneficiary parents, or what assistance they will give to parents who are unable to work at all. This seems like a perfect opportunity to revisit the miserable levels of income we expect beneficiaries to live on."

The group emphasised that protecting children must be the first priority of whichever party wins the election. "One of the main problems is that under Working for Families, low income families stand to lose a significant part of their family income support when they lose their jobs, or if they have reduced work hours," notes economist Dr Susan St John.

"With benefits set at disastrously low levels Working for Families has left the social safety net with a glaring hole for children. When parents lose their jobs they also lose at least \$3000 In Work Tax Credit a year tax-free for their children. This seems designed to ensure more child poverty, and it cannot possibly be justified in work incentive terms," she said.

"Rather than ad hoc election sweeteners, it would be a great deal more equitable and efficient to utilise an existing programme and make the In-Work Tax Credit available

to all low-income families with children, including those who are currently on benefits as well as those who lose their jobs. This would remedy an unforgivable discrimination and should be the first anti-recessionary, anti poverty option the government takes.”

Child Poverty Action Group has taken the government to the Human Rights Review Tribunal alleging the In-Work Tax Credit discriminates on the basis of employment status. The outcome of the case has not been determined yet.

ENDS

For more information about the CPAG human rights case, visit [http://www.cpag.org.nz/campaigns/Child\\_Tax\\_Credit\\_IWP.html](http://www.cpag.org.nz/campaigns/Child_Tax_Credit_IWP.html)

For more information about how to promote CPAG’s messages to decision-makers, visit [http://www.cpag.org.nz/campaigns/How\\_can\\_I\\_help.html](http://www.cpag.org.nz/campaigns/How_can_I_help.html)

For other CPAG press releases, see <http://www.cpag.org.nz/news/>