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Working for children?

Does the '*Working for Families*' budget work for children? The latest major publication from Child Poverty Action Group, *Cut price kids*, poses the question and gives the Budget package the thumbs down.

The authors, economist Dr Susan St John and sociologist, Dr David Craig, subject the package to a detailed analysis and show convincingly that the package suffers from serious design flaws. As a consequence it fails the 175,000 poorest children in New Zealand.

"The biggest flaw in the package was to shift the focus from specifically addressing the needs of children in poverty to rewarding parents in paid work," said Peter Gerrie, chairperson of the Wellington Branch of Child Poverty Action Group. "As a consequence *Working for Families* has failed the most vulnerable children in New Zealand."

Two statistics in particular put the scandal of child poverty in this country in stark relief. First, the Government itself acknowledges that approximately one in three dependent children are below the poverty line used by government officials. Second, 150,000 dependent children (or 17 percent of all children) live in households with a gross income of \$20,000 or less.

"It is important to acknowledge the Government's stated intention of reducing child poverty. That is an important development. For many years there has been either outright denial of the existence of child poverty in this country or simply a disregard for it. The Government has acknowledged its existence and has taken an important step in attempting to reduce it. Regrettably its

initiative has been subordinated to the attempt to shift adults back into the paid workforce,” continued Peter Gerrie.

“No one is disputing that paid work is the most effective means of getting out of poverty. Nor do we challenge the use of incentives to encourage people back into paid work. But the priorities are all wrong if that means leaving 150,000 dependent children to languish in the worst manifestations of poverty in contemporary New Zealand,” Peter Gerrie said.

Not only does *Cut price kids* subject the *Working for Families* package to a detailed analysis, it also draws lessons from Australia and the United Kingdom. Finally it makes a number of very important recommendations about what needs to be done now.

“The *Working for Families* package does redistribute income and many low and middle income families will benefit. Now let’s acknowledge unfinished business and develop a comprehensive plan for the elimination of child poverty by an agreed date. It will take time to develop such a plan; it will take even longer to eliminate child poverty. In the meantime the immediate need is relief for the poorest children irrespective of whether their parents are working or not”, concluded Peter Gerrie.

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