



Newsletter

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Kia ora and welcome to the first Auckland CPAG newsletter of 2004! We've had a busy summer, and were fortunate enough to host a talk by Adrian Sinfield at the end of it, on "*Fighting child poverty in the UK*". Adrian is Professor Emeritus of Social Policy, University of Edinburgh and Vice-Chair of the UK Child Poverty Action Group so he knows what he's talking about. Brief notes and references from his speech are included in this newsletter, and are also available on our website, as are all our reports, press releases and Wellington's CPAG activities. Looking ahead, don't forget our post-budget breakfasts on May 28 in Auckland and Wellington. The government is promising big things in family assistance in this year's budget, so we should have a lot to talk about! And we have started moving into an office kindly provided by the Auckland City Mission at their Hobson St premises, which will be a great boon as a base and archive-holder. While we're getting installed, **CPAG needs volunteer help for a few months from a person or people with some experience in administration and office procedures combined with a commitment to social justice**. If you know someone like this in Auckland who could assist for 8-12 hours a week contact: Janfrie Wakim 09 520 0201 or jwakim@xtra.co.nz. Thank you for your interest and support – it is most appreciated. Special thanks to the Kapiti Society of Friends who, because of their members' profound concern about the numbers of children living in poverty in New Zealand today, have chosen to support CPAG in 2004.

NCEA Fees Study

David Hawk, who wrote the December 2002 CPAG-commissioned study *The Irony of the NCEA: How compulsory exam fees prevent the achievement of students from poor families*, wrote a follow-up study this summer, entitled *The Irony Persists*. Through interviewing administrators in several low-decile high schools, he found that the NCEA fees processes worked more smoothly in 2003 than in 2002. For one, the financial assistance system was simpler and easier to understand, as it was tied to the community services card system. Also, schools' internal processes were more organized the second time around and NZQA communication and flexibility had vastly improved.

However, some students were still pulling out of NCEA courses because their families couldn't afford the fees of up to \$150. This non-participation was even more concerning than in 2002, as it could no longer be explained away by teething problems. The main recommendation of the report was that NCEA exam fees be abolished. While academically deserving students are unable to obtain a national qualification because their families miss out on financial assistance but are still too poor to afford fees, secondary education in New Zealand is not free education.

In late March 2004, a month after *The Irony Persists* was released, the NZQA sent a memo to schools saying fees are to be reduced this year. Families qualifying for beneficiary or income-based assistance will only pay \$20 for one child or a

maximum of \$30 per family. This is still not free, and some people who don't qualify for assistance are still going to struggle to pay the full fee, but it's a big step in the right direction. Electronic copies of *The Irony Persists* are available on CPAG's website.

Update on CPAG's complaint about the Child Tax Credit to the Human Rights Commission

In November on CPAG's behalf, the Human Rights Commission invited the chief executives of the Treasury, the Ministry of Social Development and Inland Revenue to mediation about the child tax credit. (To jog your memory, the Child Tax Credit is \$15 a week per child, but available only to low income families who do not receive an income-tested benefit. This means that if a caregiver is on a widow's, sickness, or unemployment benefit, a student allowance, superannuation, or ACC for more than three months, then the family is not eligible. CPAG believes denying children financial support on the basis of the source of the parental income is discriminatory.)

The chief executives, through the Crown Law Office, refused the request for mediation, and all parties felt that mediation with other officials would achieve little, given that our complaint is about policy not implementation. So the next step is litigation; CPAG is seeking the representation of the Director of Human Rights Proceedings, Robert Hesketh, at the Human Rights Tribunal. We are now waiting for him to investigate the complaint and reply to our request.

Budget recommendations

The government has indicated that a support package for families will be included in the 2004 budget, but there are no specifics signaled. CPAG has written to Finance Minister Dr Michael Cullen, Prime Minister Helen Clark and Minister of Social Development Steve Maharey outlining what we see as the expenditure necessary to prevent even more of New Zealand's children falling into poverty. CPAG's recommendations are:

- The Child Tax Credit must be extended to all low-income families, including those on government assistance.
- The thresholds for Family Support need to be adjusted for the inflation of the past 10-15 years.
- The levels of Family Support need to be properly adjusted to restore the real levels of 1986.
- Both the levels and abatement thresholds of Family Support need to be fully indexed to inflation.

Gaming Venue Policy Submissions

Last year's Gambling Act required all local councils to adopt a policy governing new and recent gaming machine venues in their area. In January CPAG made submissions to all the local councils in the country on this issue. Our main reasons for doing so were: the Australian Productivity Commission's 2000 finding that every problem gambler is likely to affect seven others, often children in their care; the concentration of gaming sites in low income areas; and New Zealand's 1:143 ratio of pokie machines to people, which is the highest in the world. So our submissions concentrated on restricting the locations of the venues (keeping them away from educational institutions, residential areas and other gambling sites), keeping a cap on the number of pokie machines in each area and at each individual gaming site, and making codes of host responsibility and venue staff training about problem gambling mandatory. Most of the councils have now adopted a policy, and happily the majority of the policies aim to mitigate the harm that gambling can cause. CPAG is continuing to make submissions on draft policies to councils who have yet to make a final decision.

Children's Rights Symposium

In February, the Office of the Children's Commissioner hosted a two day symposium on children's rights. The first day was for young people only and then on the second interested parties,

including CPAG representatives, listened to what the young people had to say. Poverty was obviously a big concern, raised by many of the speakers, from the youngest to Steve Maharey. John Harrington, a social worker from Canterbury, mentioned that "poverty" had topped the list of children's concerns in a recent survey, above "abuse and neglect" and being torn between two cultures.

The symposium's breakout group about poverty underlined one of CPAG's worries: that too often parents are blamed for bringing their children up in poverty. A message CPAG particularly wants to get across is that the vast majority of parents on low incomes are doing their best in difficult circumstances and no amount of budgeting is going to help if they don't have enough money in the first place.

Family Assistance Monograph

CPAG is planning another monograph, similar in size to *Our Children: The Priority for Policy and Room for Improvement: Current New Zealand housing policies and their implications for our children* to be published in July. This time it will be an overview of governmental financial assistance to families, especially over the last 20 years, with a special chapter on the initiatives of the 2004 budget.

Six monthly report – the Child Friendly Index

You've heard of CPI, the Consumer Price Index? Well this month, watch out for the premiere issue of CFI: *The Child Friendly Index*, CPAG's quick reference, six monthly sum-up of child-related services, assistance and research in New Zealand for interested people and the media. Changes in housing, child health services, social security and the CPI itself will be briefly analysed by CPAG experts for their impact on children living in low income families, and a round up of child-related agency reports will also be included. As the CFI progresses, we hope to include other topics such as education and build up some on-going analysis. We hope it will be beneficial to step back on a regular basis and take stock of what's going on.

Post budget breakfasts

Mark May 28 in your diaries for the fourth annual CPAG post budget breakfasts in central Auckland and Wellington. Speaker and venue details will be sent your way soon, but in the meantime, if you want to book your place, email beth@unicef.org.nz for the Wellington event and janetmcallister@slingshot.co.nz for Auckland.

‘Ending child poverty’ in the UK: What can be learnt from the first five years

Adrian Sinfield, Vice-Chair of the UK Child Poverty Action Group to CPAG NZ,
St. Columba Centre, Vermont St., Ponsonby, Auckland on Monday, 22 March, 7.30 pm

In March 1999 the UK Labour government surprised critics of its "third way" by promising to tackle child poverty head on. Tony Blair made the commitment to end it in twenty years, even though the UK's child poverty was then the highest in Europe.

In five years UK child poverty has very probably been reduced by one quarter, according to both government and independent analysts. So the first target will have been met, lifting one million children out of poverty. There is also independent evidence of less material hardship.

This progress has been achieved by a very significant shift of financial support towards children, and especially towards children in low-income households.

So what lessons can we draw from UK experience for policymaking and anti-poverty campaigning in a country like New Zealand where the rate of child poverty appears as bad as it was in the UK five years ago?

- Significant reductions in child poverty can be delivered in five years - and without a political backlash.
- Governments can make a difference, policy matters, and a package of several measures is essential.

The overall strategy has included keeping unemployment down, providing a minimum wage floor and making work pay and lifting the standard of living of low-income families. At the centre have been the new tax credits, and especially Child Tax Credits (CTC) – probably the biggest change to the tax and benefit system since Beveridge. CTC now provides ‘a single, seamless system’ of much increased support for families with children, regardless of the work or benefit status of adults. The children of those who are not in work for any reason are now no longer penalised (unlike the Child Tax Credit in New Zealand).

The message that spending through family (tax credits and work) means a better life for children is coming through – a very different emphasis to the initial New Labour ‘work for those who can, security for those who cannot’. Inclusive and non-discriminatory, the new child tax credit will go to more than four out of five families, with greater help for those on low incomes, and in addition to the still universal child benefit.

But reducing child poverty by a quarter is not enough. There are tough lessons the UK is having to learn about the need for broader structures and policies that prevent children from falling into poverty as well as special measures to lift them out. Joined-up problems require a joined-up response, and this cannot be achieved by rhetoric alone. There can be no protected areas including taxation. Redistribution downwards is essential, although the amount needed to end child poverty is still modest.

Evidence matters, and the relentless, public monitoring of policies and their impact by poverty groups putting together as wide support as possible. It is of course not enough, but it is crucial.

Five years ago a ‘social exclusion’ approach dominated Labour government thinking with a tendency to individualise and pathologise the causes of poverty. The present strategy has a stronger ‘social inclusion’ concern for social justice – less ‘what’s wrong with those excluded?’, and more ‘what sort of a society do we want to live in? Can we afford – morally, politically, economically – to leave so many out of it?’ Major structural problems still have to be tackled to continue reducing child poverty, including persistently widening inequality and the growth in low-paid, insecure and family-unfriendly jobs which helps to reinforce gender and ethnic divides. The momentum cannot be lost.

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Example of tax credits in April 2004 *UK pound sterling about 2.8 NZ dollars*

A lone parent with earnings of 5,000 pounds (below the threshold of 5,060) working 24 hours a week but with no child care costs and who has two children, aged 5 and 9 months, is entitled to maximum Working Tax Credit (WTC) and Child Tax Credit (CTC). She will get the basic and lone-parent elements of WTC (1,570 and 1,545) plus CTC including the family element (545), the baby element (545) and the individual child element for each child (1,625 + 1,625)– a total of 7,445 pounds a year. UK average annual earnings of a fulltime worker above 20,000 pounds.

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