

CHiLD
POVERTY
ACTION
GROUP



The Role of Business in Enhancing Family Life

Kerridge & Partners Leadership
Conference

[Hon A/Prof Susan St John, University of Auckland](#)

Economics spokesperson , Child Poverty Action Group

- **How** has family life become so compromised for so many
- **Why** is this an issue for us all ?
- **What** can businesses do
 - Raising awareness of the plight of low income families
 - Family friendly workplaces
 - Supporting social enterprise
 - Understanding the need for change

My involvement in family income issues



- Early 1980s: work for NZ committee for children
- Royal Commission Social Policy 1987
- 1990 CPAG UK
- **1991 the mother of all budgets**
- 1994 CPAG NZ
- Management committee 22 years
- 17 post budget breakfasts, 10yrs HR case
- Multiple CPAG publications, submissions, articles, talks, lectures etc. [website](#)
- Volunteers, large database, small paid staff

How has family life become compromised for so many ?

- Deprivation
- Child poverty
- Third world diseases
- Alienated youth
- Mental health crisis
- Suicide rates
- Homelessness
- Foodbanks normalized
- Private charities overwhelmed



Auckland Painful images of growing inequality

**A
BAND
AID
BUDGET**
CPAG's analysis of the
2016 Government budget



Third world boarding hosues



One of the filthy rooms in a boarding house visited by The Nation. Photo credit: The Nation

Suicide toll reaches highest rate since records kept

JESS MCALLEN

Last updated 07:28, July 3 2015



Stock photo

A rise in suicides is "so hard to hear" says Stephen Bell of youth mental health service Youthline.

The provisional suicide toll has risen to its highest figure since the coroner's office started releasing the statistics.

From the year June 2014- May 2015, 569 people died by suicide or suspected suicide.

Last year (for the year ending 30 June 2014) that number was 529.

40,000 poverty-related admissions each year for preventable childhood disease



Coroner:
Cold, damp house contributed to her death from pneumonia

Source: Professor Innes Asher, CPAG

staff members were exhausted by the level of desperate need pouring through the charity's doors. July 2017



BEVAN READ/FAIRFAX NZ

Auckland City Mission chief executive Chris Farrelly said the charity was 'at capacity', with more people seeking its help every day.

Charities overwhelmed



50c a day helps a New Zealand child get to school warm and dry

New Zealand's most shameful secret: 'We have normalised child poverty'



- **Unicef and charities urge New Zealand to act on child poverty**

Minister dismisses Guardian report highlighting issue as 'sensationalist' from a paper that 'supports Jeremy Corbyn'

Why is this an issue for us all?

Economic costs of social disintegration

- Incarceration
- Youth offending
- Health system
- Education
- Loss of productive adults









Knowledge Wave Conference 2003

“....If we want a prosperous knowledge economy, where is the human capital going to come from?

...The fate of the bottom 20% of our children should be at the top of our list of national priorities..... ”

Professor Dame Anne Salmond – NZ Snapshot - Community

Ageing of the population

Projected ratios of different age groups		
	15-64 years	65+ years
2006		
2020		
2030		
2050		

A photograph of a large iceberg floating in the ocean. The tip of the iceberg, which is above the water line, is relatively small and jagged. The vast majority of the iceberg is submerged below the water line, appearing much larger and more complex in shape. The water is a deep blue, and the sky is a lighter blue with some wispy clouds. Two yellow text boxes are overlaid on the image: one on the tip of the iceberg and one on the submerged part.

10%
GDP

90% Unpaid invisible
work of maintaining the
social fabric

Changing the nation's mindset



***CHILDREN WILL BE AT THE HEART
OF POLICY***

Minister for child poverty reduction



'The need has grown' - Jacinda Ardern outlines child poverty strategy as KidsCan assistance climbs to record high

What can businesses do

- Family friendly workplaces
- Raising awareness of the plight of low income families
- Supporting social enterprise
- Understanding the need for change

Giving staff time

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MinterEllison
RuddWatts

C P A G
FUNDRAISER
BAKE
SALE

Minter Ellison
Rudd Watts



Support the Auckland City Mission



"I knew there would be a queue but I didn't think there would be people sleeping here since 1am,".

[Auckland City Mission swamped by demand | Stuff.co.nz](https://www.stuff.co.nz/auckland/news-local-news/123456789)

[Demand high at Auckland City Mission | Stuff.co.nz](https://www.stuff.co.nz/auckland/news-local-news/123456789)

Understanding the need for change:

From 1990s paid work has been at centre



“A relentless focus on paid work”

The new narrative: Best interests of child at the centre





Why do we need Working for Families?

- Society must support the young and the old
- We do 'old' very well!
- We don't say- "NZ Superannuation is a subsidy to employers"
- Working for Families is an **investment by society in its future.**



#FWFF FIX
WORKING
FOR
FAMILIES

- **Benefits are for adults.**
- **Working for Families** is for children.
 - **weekly payment to caregiver based on family income**

#FWFF **FIX
WORKING
FOR
FAMILIES**

So what is wrong with WFF?



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FOR
FAMILIES

“In Work Tax Credit”

The worst off
families miss out
on \$72.50 a week



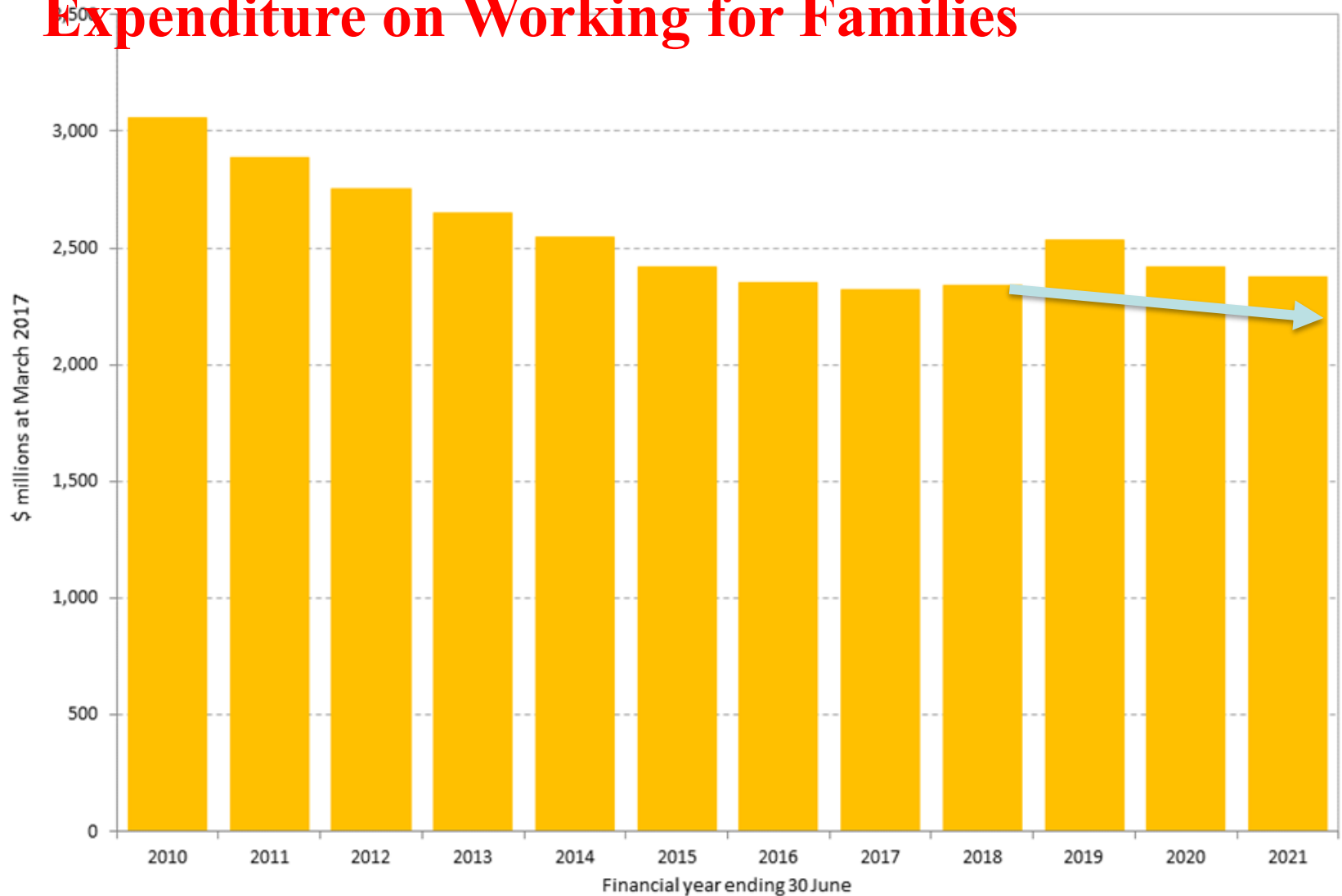
The IWTC is an arbitrary payment

Who cant have it?

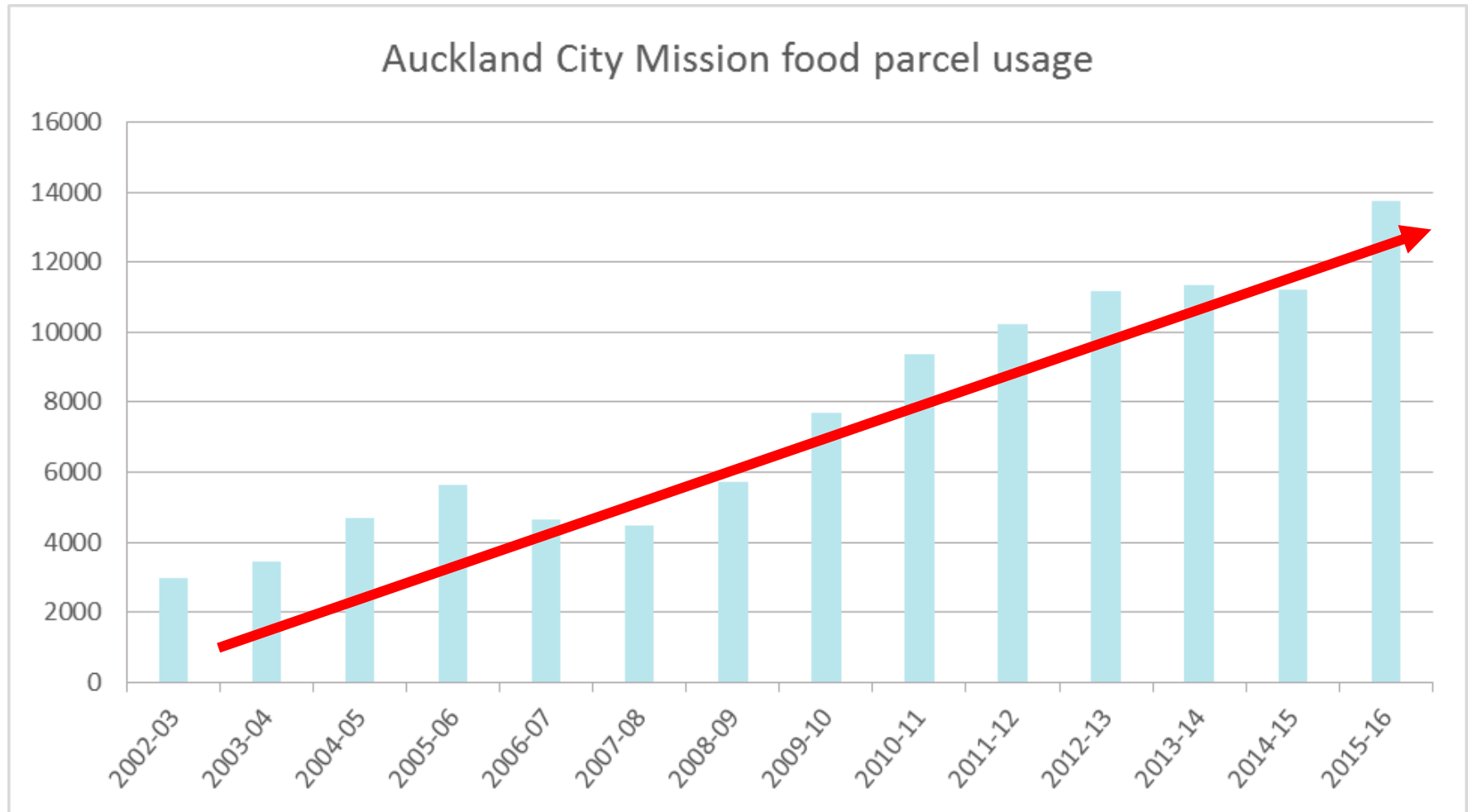
- Poorest children
- Students even if full time
- Anyone on ACC since before 2006
- Any family on a benefit or NZ Super
- **Any one whose hours fall below the minimum**
- Sole parent on a part benefit working 20 hours

Undermining of Working for Families 2010-2018

Expenditure on Working for Families



Targeting efficiency: Families have too little disposable income even if ‘working’



Curiously under National

“\$2 billion a year Family Incomes Package which **will help hard working New Zealanders** get ahead by adjusting income tax thresholds, while also increasing Working for Families”

- BUT the threshold comes down to \$35,000 and the rate of abatement jumps to 25%
- Pity help a ‘hard working family’ on \$35,000 who earns an extra \$10,000...

Suffocating effects for working poor

Under National 2018

Gross income \$35,000....An extra \$10,000 means

Tax	1750
acc	140
wff	2500
student loan	1200
Kiwisaver	300
accommodation supplement	2500
total effective tax	8,390
disposable income	\$1,610

Possible loss of
childcare subsidy
up to \$60 a week

Payment of child
support 18-30%



How does WFF fit with the living wage?

Based on 1.5 earner/2 children household- how much do they need to have a living wage income including their WFF?

WFF needs to be supported not eroded



#FWFF

FIX
WORKING
FOR
FAMILIES

- Simplify, modernise
- **Remove discrimination IWTC \$500m pa**
- New-borns PTC— \$40m
- Restore real spending \$700m pa
- Lock in proper indexation
- Fix student allowances and loan repayment