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
Third world boarding houses

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

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

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
“....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......”

Ageing of the population

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<thead>
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<th>Projected ratios of different age groups</th>
<th>15-64 years</th>
<th>65+ years</th>
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<tr>
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Professor Dame Anne Salmond – NZ Snapshot - Community
10% GDP

90% Unpaid invisible work of maintaining the social fabric
Changing the nation’s mindset

New Zealand has a people’s government

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

Minter Ellison
Rudd Watts
"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
Demand high at Auckland City Mission | Stuff.co.nz
Understanding the need for change:
From 1990s paid work has been at centre

- Children's rights and needs - invisible in legislation.
- Paid work only solution to child poverty.
- Work related child tax credits exclude many poor children.
- New baby support for working parents only, child payments reflect work of parents.
- Sanctions for not working. Low benefits, high abatement to encourage full-time work.

“A relentless focus on paid work”
The new narrative: Best interests of child at the centre

- Work friendly hours.
- Part-time work.
- School holiday assistance.

- Child impact assessment of all legislation.

- All newborns adequately supported. Paid parental leave based on the needs of children.

- All children have adequate resources of food and clothing.

- All poor children given the same weekly assistance based on household income.

- Part-time work for sole parents encouraged, low abatement.
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.
• Benefits are for adults.

• Working for Families is for children.
  • weekly payment to caregiver based on family income
So what is wrong with WFF?
“In Work Tax Credit”

The worst off families miss out on $72.50 a week
The IWTC is an arbitrary payment
Who can’t 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

Financial year ending 30 June

$ millions at March 2017

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

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Possible loss of childcare subsidy up to $60 a week
Payment of child support 18-30%
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**
• 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