

# Looking After Children and Improving Their Outlook in the WWG Review

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**9 June 2010**

**E hara tāku toa i te toa takitahi ēngari he toa takimano e**

***My strength is not mine alone, but that of many***

# I See Worse Disease and More of it Than 20 Years Ago

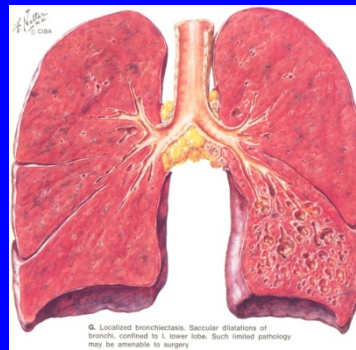
NZ hospitalisation rates for pneumonia in children are 5-10 times higher than those of other OECD countries

Repeated or severe pneumonia can cause permanent progressive lung damage = bronchiectasis

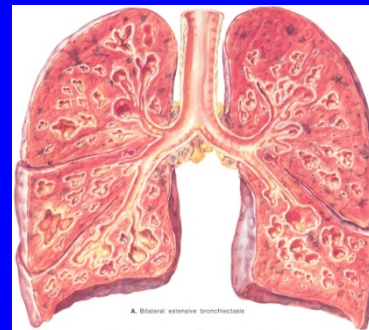
NZ incidence of bronchiectasis 8-9 times OECD countries



Child with  
bronchiectasis



Normal lungs with  
bronchiectasis  
on bottom right



Bronchiectasis  
all areas of the  
lungs



Too sick to work or  
death eg aged 35 yrs

# I See Worse Disease and More of it Than 20 Years Ago

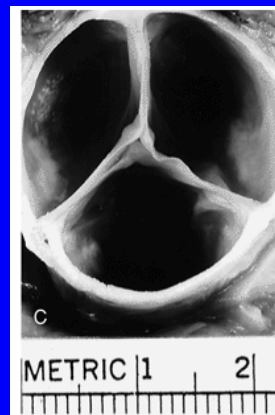
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Streptococcal sore throats can cause rheumatic fever which can damage heart valves

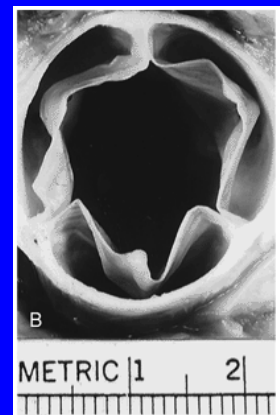
NZ hospitalisation rates for rheumatic fever in children are 13 times other OECD countries



Strep sore throat



Normal heart valve



Damaged valve which leaks



Too sick to work or death eg aged 30 yrs

# I See Worse Disease and More of it Than 20 Years Ago

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A scratch or an insect bite can proceed to serious skin infection where the flesh gets infected

Hospitalisations for serious skin infections have doubled since 1994, and are double Australian rates



Impetigo

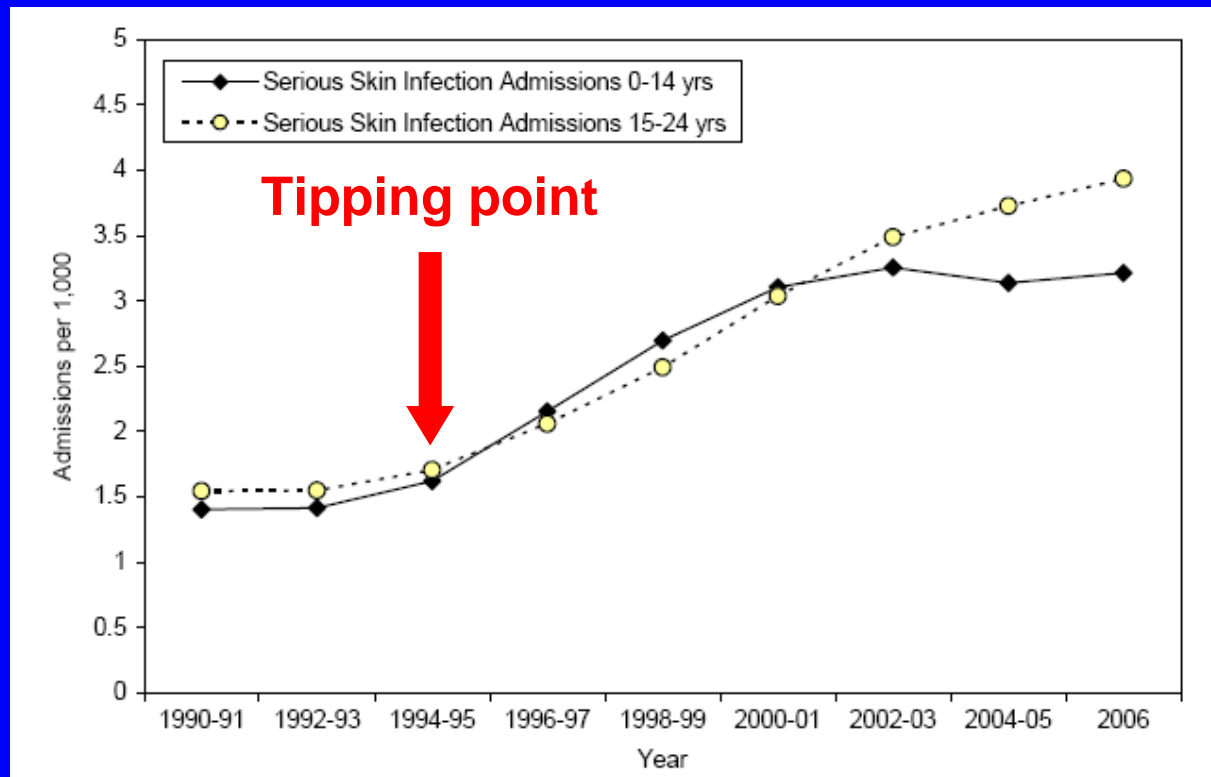


Serious skin infections



# A Doubling of Serious Skin Infection Hospital Admissions 1994-2000 Indicates a Tipping Point for Child Health Around 1994

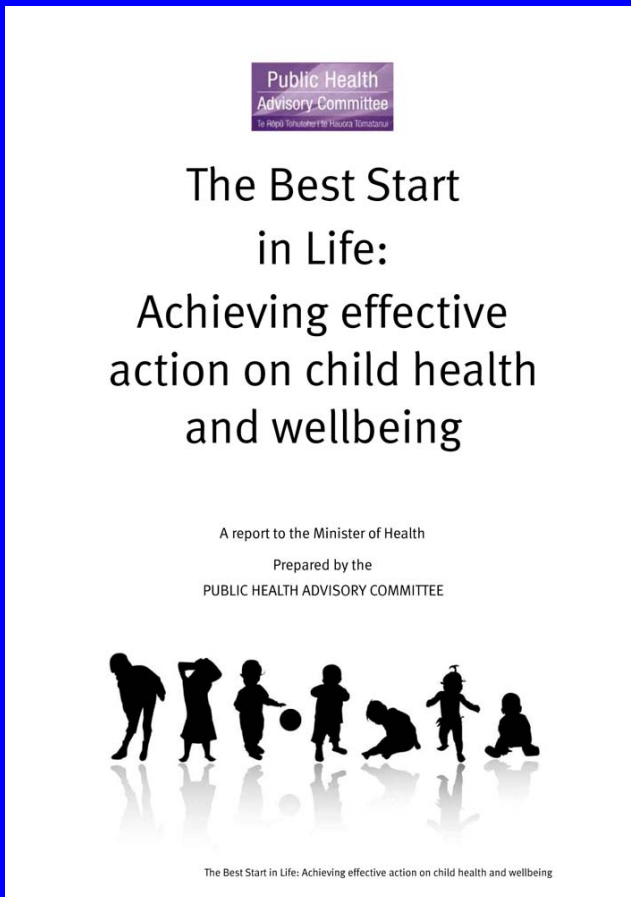
(years shown 1990-2006)



# These Problems Have Complex Origins

Investing more in children and improving their start  
will reduce long-term welfare dependency

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The depth of problems  
and recommendations  
for solving them are  
addressed in this report  
to the Minister of Health  
by the Public Health Advisory  
Committee 3 June 2010

# What is the Root Cause of These Preventable Diseases?

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**Poverty**

# A Practical Definition of Poverty in NZ

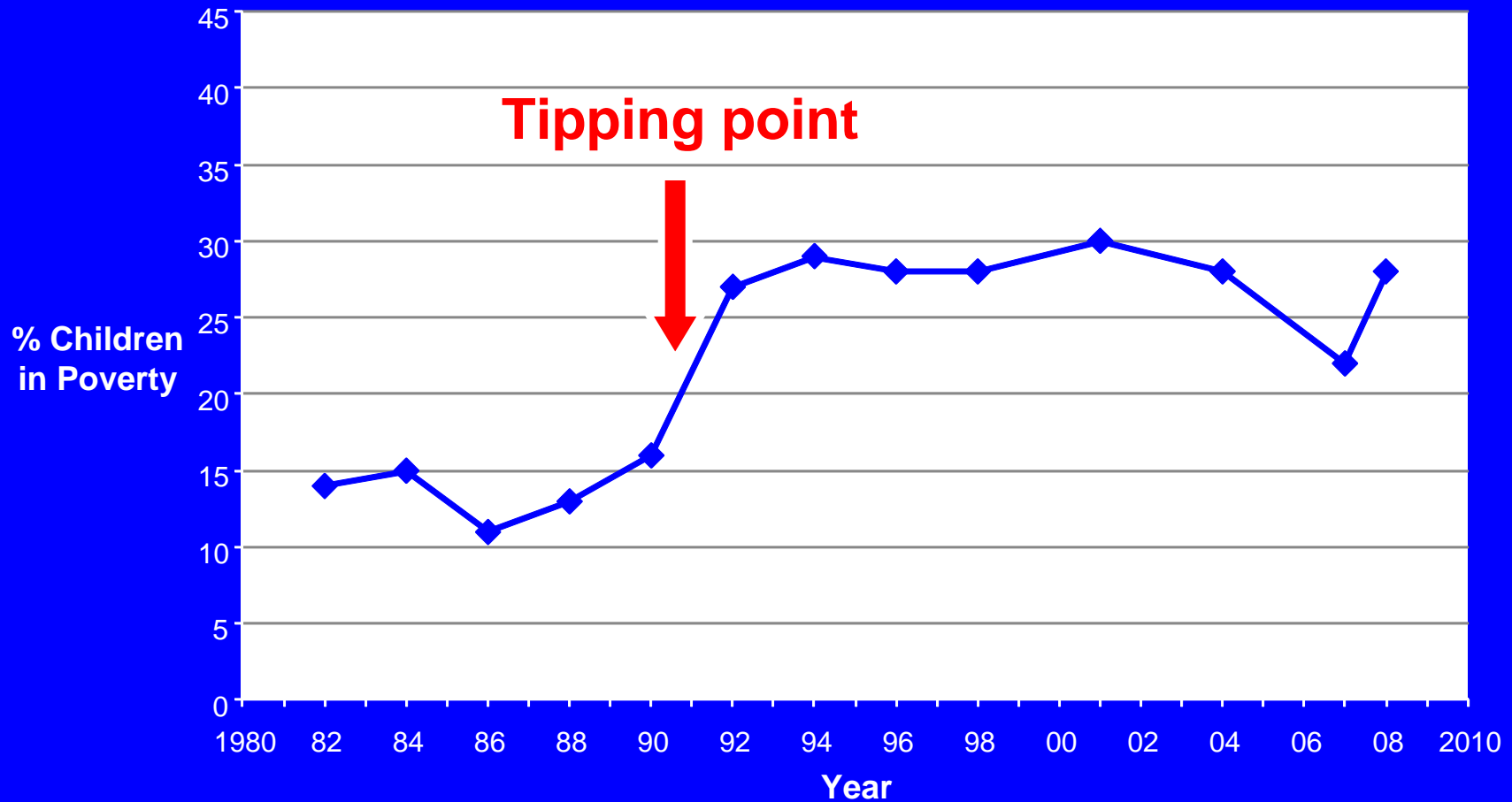
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## Insufficient income for:

- Health care (transport, doctors fees, prescription costs, hospital parking)
- Nutritious food
- Adequate housing (not crowded, damp, cold or too costly)
- Clothing, shoes, bedding, washing & drying facilities
- Education (transport, stationery, school donations, exam fees, school trips)

# Twice As Many NZ Children Are in Poverty Now Compared With the 1980s

(below 60% median household income after housing costs)



*Perry. Ministry of Social Development. 2007.*

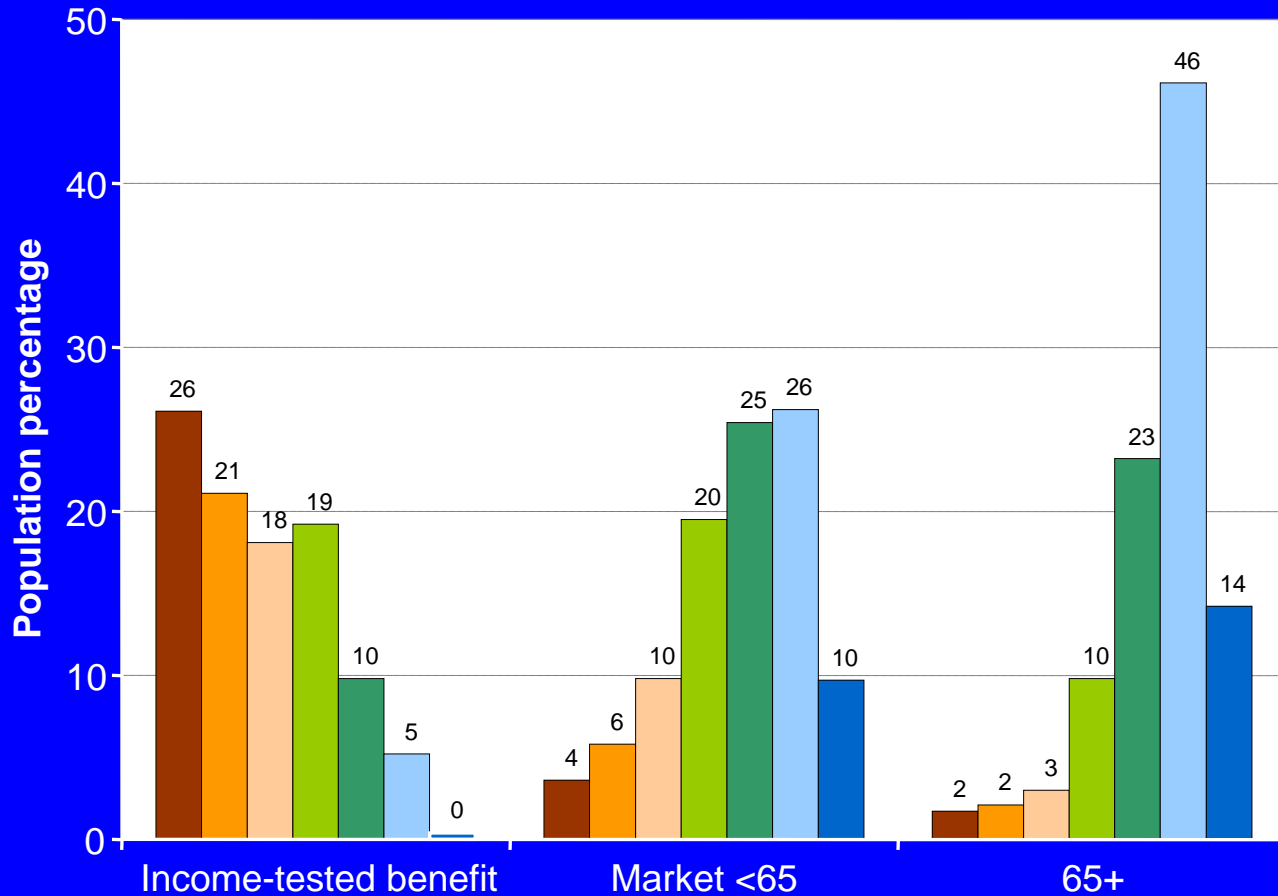
# Several Changes in Policy Adversely Affecting Incomes of Low Income Households With Children

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- Low wages and relatively high taxes for the low paid
  - Family income support inadequate for low income families
    - No indexing of family income support for 20 years (1989-2008)
    - 1991 The universal family benefit abolished
  - Beneficiary families treated very harshly
    - 1991 Benefits cut by 21% and not restored relatively
    - 1996 Child Tax Credit introduced excluding children of beneficiaries
    - 2007 Working for Families In Work Tax Credit
- The Human Rights Tribunal in 2008 found this constitutes real and substantive discrimination against children

# The NZ Paradox:

Many more children in beneficiary families are in severe or significant hardship while the elderly (supported by superannuation) are protected

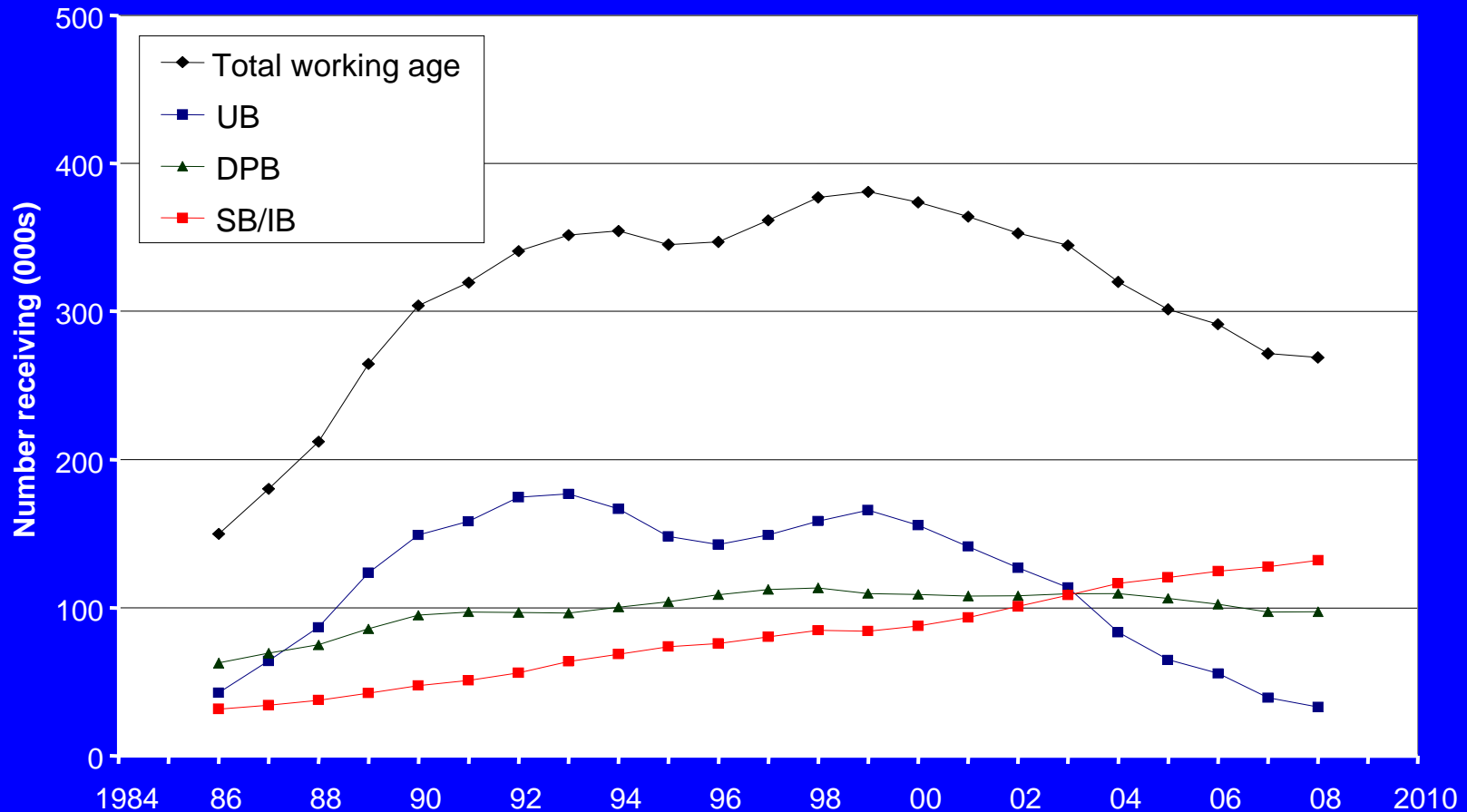


Left to right columns: severe hardship, significant hardship, some hardship, fairly comfortable, comfortable, good, very good living standards

*Ministry of Social Development. 2009 (data from before onset of recession).*

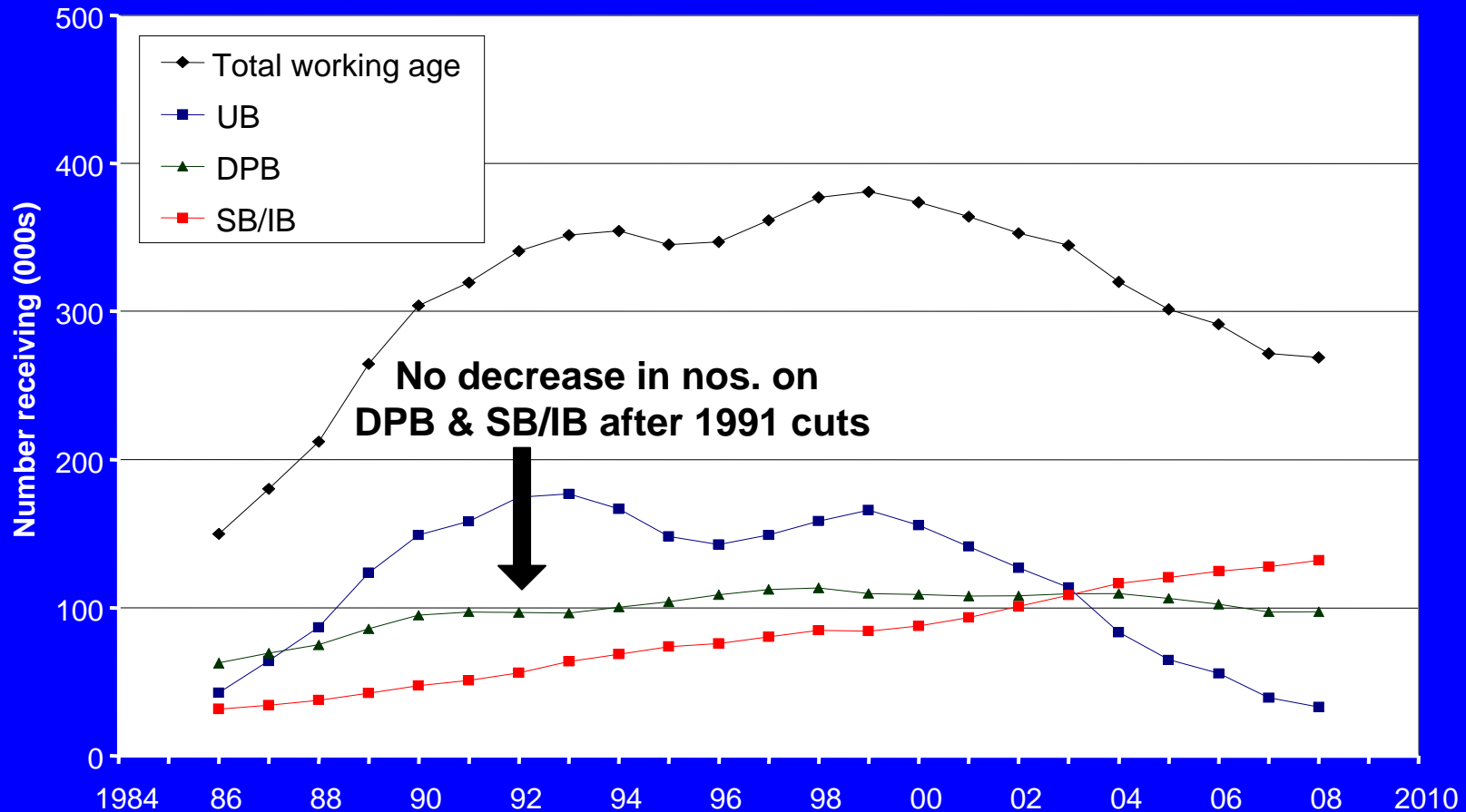
# Number of Individuals in Receipt of Working Age Income-tested Benefits, 1986-2008

Numbers on the DPB are fairly constant but the sickness and invalid benefits show increases



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# The 1990s NZ Experiment of a Stick (cutting benefits) Rather Than a Carrot (lifting wages and lowering taxes for the low paid) Failed, and Damaged Our Children

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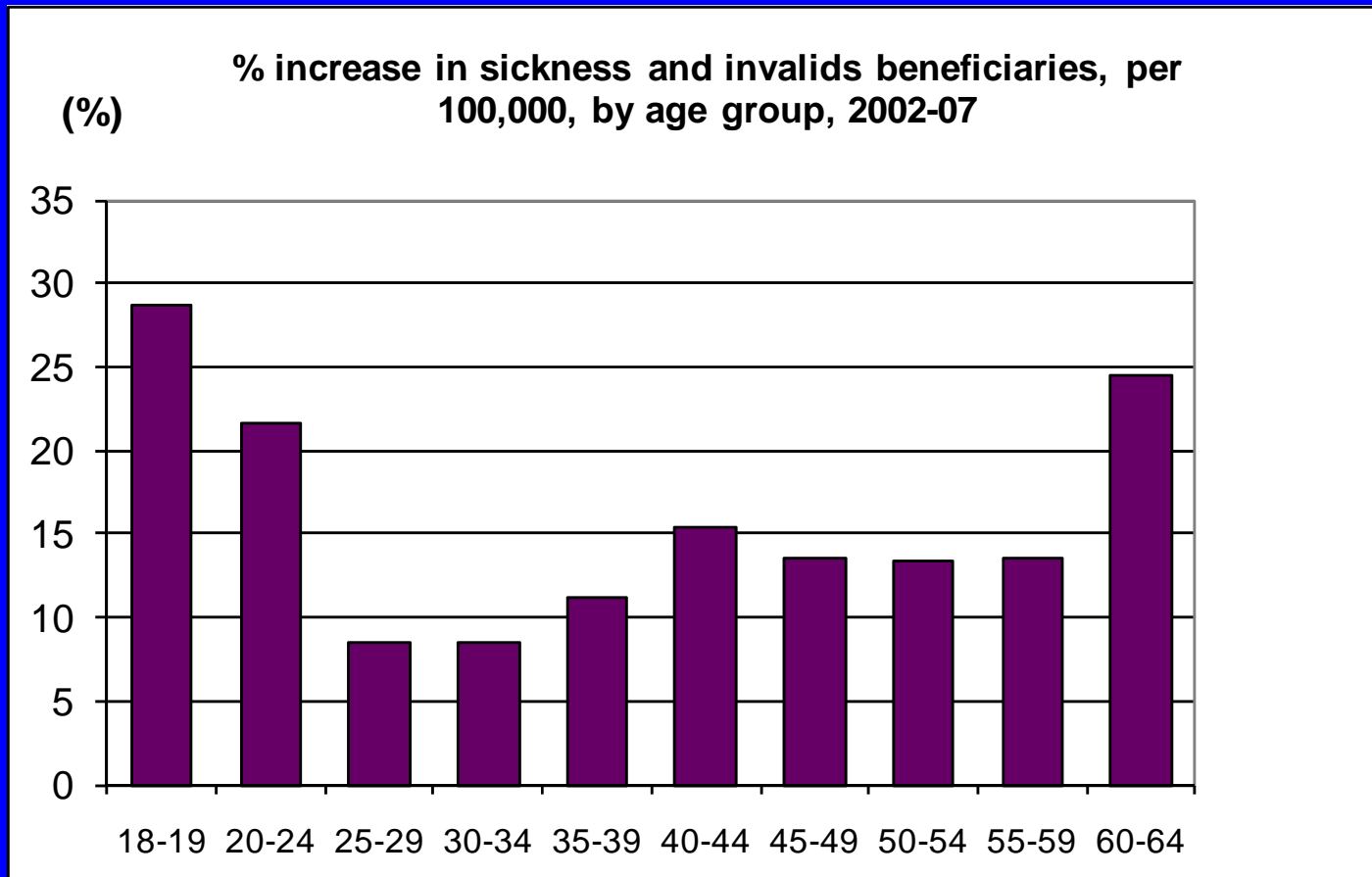
Cutting benefits does not incentivise parents to take up work for many reasons including:

- their children need their presence and care
- child care is not accessible or affordable
- there are not jobs at child friendly hours
- there is not local availability of jobs
- jobs are too lowly paid, highly taxed or insecure

*The Social Assistance (Future focus) Bill must be crafted to reflect this evidence and improve, not worsen, the poverty of NZ children*

# Why Such an Increase in Young People on Invalid and Sickness Benefits?

How much is due to mental and physical disease as a result of the increase in child poverty?



*Ministry of Social Development data. 2008.*

# Summary:

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- NZ must look at the impact of all policy recommendations on the most disadvantaged children first, not last
- NZ must improve the situation for the most disadvantaged children, not worsen it
- NZ must investigate the reasons for the high number of younger people on invalid and sickness benefits before developing any policy recommendations
- NZ policies aimed at reducing the number of people on invalid and sickness benefit must address root causes in childhood