

## **Budget's effects "noxious" to low income and young New Zealanders**

PHA Wellington Branch and Child Poverty Action Group media release 20 May 2011

Budget 2011 is a noxious attempt by the Government in an election year to appear fiscally responsible while remaining compassionate, a post-Budget breakfast forum in Wellington was told today.

CTU Economist Bill Rosenberg told the forum, hosted by the Public Health Association Wellington branch and the Child Poverty Action Group (CPAG), that the cuts to Working for Families will affect not just those on higher incomes, but will reach right down to households earning as little as \$35,000.

"There is no strategy to rebalance the economy and society of a country that has become one of the most unequal in the world. We needed a stimulus package targeted at low income people, as happened in Australia.

"Instead the Government has produced a "zero-stimulus" Budget in the hope that cutting spending will solve everything. Well it won't."

CPAG convenor and social policy analyst Alan Johnson told the forum the Budget had been cleverly calculated to get the most it could from middle New Zealand without having middle New Zealand turn against it at the coming election.

"There appears to be an absolute lack of concern for the tens of thousands of young people whose unemployment figures are rising. These are the very ones we expect to support our super-annuitants into the future.

"I believe that in this sense the Budget reflects a complete lack of realism."

Feminist social commentator and CPAG member Anne Else said, while the \$12 million over four years to treat rheumatic fever is welcome, it does nothing to address the causes of this and many other illnesses – mainly damp, cold, overcrowded housing.

"The effects of childhood poverty, poor housing, lack of nutrition and stress remain with a child for life. This Budget does nothing to counter the impression that, as far as this Government is concerned, children of low-income families are invisible."

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