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“Triple jeopardy for child health - what can the laws do?”

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“All economic decisions are moral decisions”

**Bryan Bruce award-winning documentary maker
Nov 2015**



<http://www.stuff.co.nz/business/better-business/74392273/Economic-decisions-are-moral-decisions-Bryan-Bruce>

Recently award-winning documentary maker Bryan Bruce stated that “all economic decisions are moral decisions”. We certainly have choices about how we spend our money in our affluent country, underpinned by our values. At the moment some of the decisions are adversely affecting our children especially our most vulnerable children. Half the adults have an income under \$32,000. Yet people like me are in the 1% with annual salaries over \$180,000. Many of our influential people in NZ and our policy makers are in such high income brackets that it is difficult for them to understand how little money people have and how stressful it would be to have to manage on so little, day in and day out.



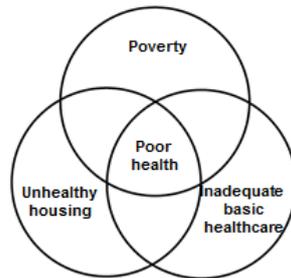
In NZ HALF the adults have income less than \$32,202 (StatisticsNZ)
 - about 40 hours/wk on the minimum wage

In NZ the “1%” earn >\$180,000
 eg senior doctor like me

In New Zealand we have a triple jeopardy for poor health. Poverty, unhealthy housing and inadequate basic health care. Each of these alone puts health at risk, but when the three are combined, poor mental or physical health is almost inevitable – as in Dickens’ times.

New Zealand’s triple jeopardy for poor health

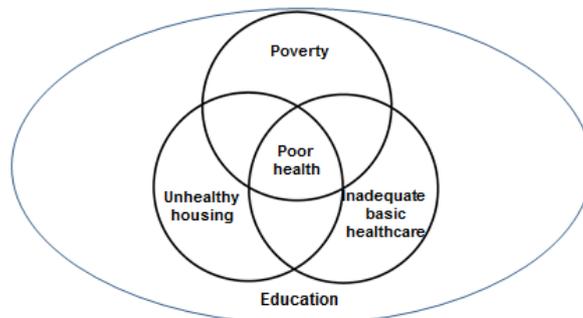
All of these influenced by policies and laws



Turner N, Asher I. Child Poverty and Health in 'Our children, Our Choice' Child Poverty Action Group Policy Series 2014

Education is vital too

All of these influenced by policies and laws



Education too is vital and weaves through all parts of people’s lives.

We have 40,000 hospital admissions per year for children under 18 years because of serious preventable diseases brought on by these factors.

Yet each of these factors could be improved by better policies and laws designed to lessen disadvantage.

In this talk, I will be concentrating only on income and housing because of time.



“Working For Families” (a package of tax credits) is the main government policy to help low and middle income families raise their children

BUT

- **at least 200,000 children of beneficiaries and students are left off a child-related tax credit**
- **it is not indexed to wages so ‘reduces’ with time**

In New Zealand the Working for Families package of tax credits is the main government policy to help low and middle income families with children.

However at least 200,000 children of beneficiaries and students are left off a child-related tax-credit. So it doesn’t work for those families. There are about a million children in NZ, so this is about 1 in 5 children missing out.

It is also not indexed to wages so it relatively ‘reduces’ with time.

These are things we could change for the better, if we choose to.

Safety net is inadequate for children of beneficiaries



As this cartoon illustrates the safety net is inadequate for the children of beneficiaries. The policy of the ‘right’ does not protect them - it does need to move further to the left.

I am affluent, and own my own home. My children have had every opportunity for their health, wellbeing and education. My first grandchild was born 7 weeks ago, and she, too will have similar opportunities.

I am privileged in my work as a paediatrician. I learn a great deal from the children and families I work with. I see many many sick children with preventable diseases in struggling families – decent people with the same aspirations as I have for my children and grandchild, and you for yours. But some of our policies and laws have adverse consequences for my patients. Their bodies may permanently damaged by diseases such as rheumatic fever which scars the heart and bronchiectasis (damage which can follow pneumonia) which scars the lungs.

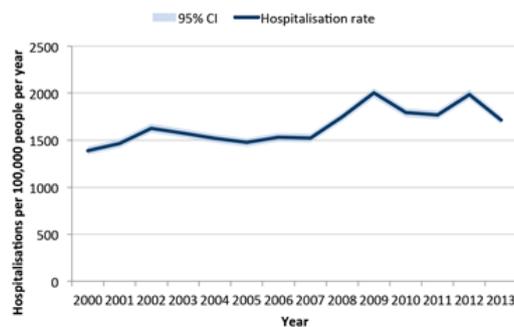
I will now show a video of a baby in hospital with a serious chest infection – bronchiolitis. The virus that causes this may just cause a cold in you or I, but can become life-threatening in a baby. Bronchiolitis is one of the commonest reasons for children to be admitted to hospital. In this video the baby is breathing fast, working hard to breathe, making, a loud wheezing sound as she breathes out, she is coughing and she is irritable.

3 month old baby with bronchiolitis



Health professionals working with children in hospital children see babies like this all the time.

Children in hospital with bronchiolitis 2000-2013



Impact of Respiratory Disease 2014, Asthma Foundation

This graph above shows the hospital admissions for bronchiolitis 2000-2013. Our rates in NZ are higher than similar countries, and are going up – the opposite of what you might expect in an affluent country. This disease is more likely in poverty and substandard housing. If we adequately addressed these, we would have fewer admissions.

Emma-Lita Bourne (2 years) died in Aug 2014



Coroner Brandt Shortland 2015:
“it is entirely possible the condition of the house [very cold and damp] contributed to the pneumonia-like illness that [she] was suffering at the time of her death”

In 2014 Emma-Lita Borne died at the age of two from complications of pneumonia. Pneumonia is a serious chest infection like bronchiolitis except the baby doesn't wheeze, and it is can be more life-threatening.

Coroner Brandt Shortland reported that *“It is entirely possible the condition of the house [very cold and damp and had a leaking ceiling when it rained] contributed to the pneumonia-like illness that [she] was suffering from the time of her death.”* The landlord was Housing NZ, and the family had repeatedly asked for the cold and damp to be remedied, but they were not. Following Emma-Lita's death the family were rehoused in a better home.



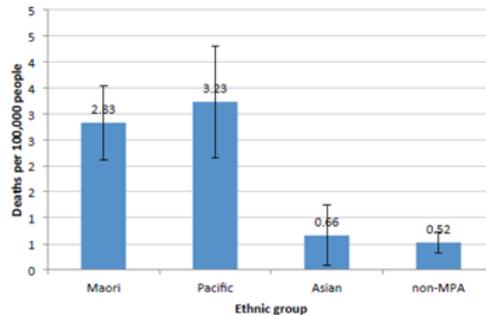
Coroners reports are helpful in informing the public & policy makers

Encourage Coroners to investigate and report on socioeconomic factors, including housing, in all deaths

Coroner's reports like these are very helpful in informing the public and policymakers – there was huge media coverage.

I would like to encourage coroners to investigate and report on socio-economic factors, including housing, in all deaths from diseases.

Childhood pneumonia deaths by ethnic group 2002-2011



Impact of Respiratory Disease 2014, Asthma Foundation

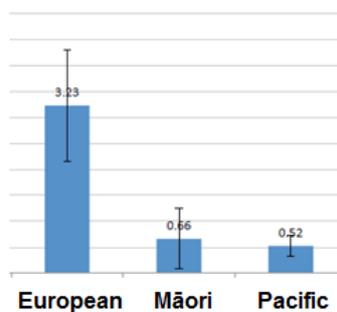
Each year in New Zealand about 11 children die from pneumonia. Most of these are not referred to the coroner, because the circumstances do not require it.

Most of these deaths are of Maori or Pacific children. This reflects the huge inequities by ethnicity in most measures of health and wellbeing, and seen throughout the health and justice sectors.

It doesn't have to be this way. Recently the government prioritised increasing immunisation rates in all children, and this has been highly successful, and the inequities in immunisation have dramatically lessened. So we can change things for the better in NZ if we choose to.

But back to the pneumonia deaths....

Childhood pneumonia deaths hypothetical rates by ethnic group – would more be done?

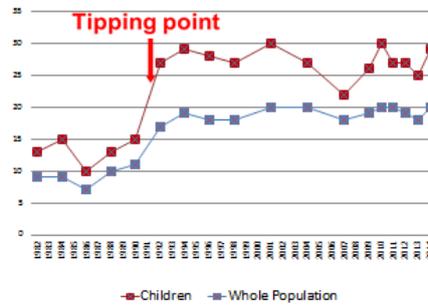


In the above slide I have presented the same data but with the ethnicities changed, hypothetically. European having rates 5 times Maori and Pacific. If that was the case, would more be done? If the answer is yes, then there is racism in our society and systems. And that is something we can address.

The next slide shows income poverty rates from 1982 to 2014. Child poverty rates increased dramatically after the budget in 1991 when benefits were cut by more than 20%. Although the whole population was affected, children were disproportionately affected. Poverty rates have

remained high under National and Labour governments, and in times of good economic growth. The Prime Minister’s promise after the last election of reducing child poverty has yet to be realised, as there have been no significant policy changes which would help.

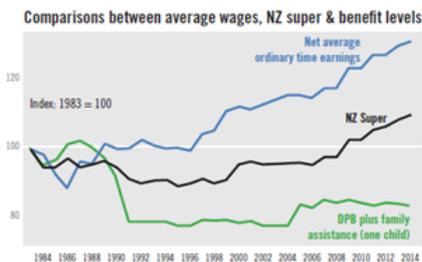
NZ Poverty: child vs whole population 1982-2014
 (<60% median disposable household income after housing costs)



Perry B. Ministry of Social Development, 2015, p111 Table G3A.

Of the children in poverty, 37% are supported by an adult in full-time paid work, and 63% are supported by an income-support benefit.

Safety net for children is inadequate: relativities 1983-2013



Adapted from Perry B. Ministry of Social Development, 2014, page 82, Figure C.8A

The above slide shows comparisons between net average wages, NZ Superannuation, and the DPB as it was called then. New Zealand Superannuation is an income support benefit - it is fully indexed and is not allowed to fall below 66% of the net average wage. Each year it has to be adjusted up proportionately. However family income support benefits are not similarly indexed and have fallen behind, hugely.

The country has saved billions of dollars by not allowing these benefits to keep up. The tax cuts of 2010 did not help family poverty.

15,000 (25%) babies/year miss out on vital tax-payer income given to support the babies in other families



Parents on a benefit do NOT get:

- **In Work Tax Credit (\$3,770/yr net) - discriminatory**
- **Paid Parental Leave (max \$8,326 net)**
OR Parental Tax Credit (\$2,200 net)

These policies further disadvantage children in the poorest families

It is not widely known that about 15,000 or 25% of the babies born each year miss out on vital tax-payer income which is given to support the babies in other families. Parents on benefit with a new baby do not get the In Work Tax Credit worth \$3,770 a year, a proven discriminatory policy, as I will mention in the next slide. They don't get Paid Parental Leave worth up to \$8,396 or the lesser alternative of Parental Tax Credit \$2,200. These policies hold back this money from some children because the paid work engagement of their parents is not 'enough'; children in the poorest families are further disadvantaged.

**The Human Rights Case on the
"In Work Tax Credit"
CPAG v the Attorney General 2002-2013**

**"Discrimination"
was upheld,
placing 270,000
children in
"Material
disadvantage"**

**Crown was
"justified" in its
discrimination – a
wide margin given
to social policy**



Child Poverty Action Group took a Human Rights case against the Crown that the In Work Tax Credit policy was discriminatory against the most disadvantaged children. The discrimination was proven, with 270,000 children experiencing material disadvantage. However the courts ruled that the Crown was 'justified' in its discrimination because they felt they had to give a wide margin to government social policy. This shows Counsel Jenny Ryan and Frances Joychild QC at work in the Court of Appeal.

Our social and economic policies are fuelled by and fuel prejudice. Government leaders are using language that encourages people to view beneficiary families as less worthy no matter what the circumstances. As the cartoon below shows: Key: "Always a crowd pleaser"; Bennett "That's the way we do it"; The older people "Yes Bash the Benie" "That'll teach her"; The boy in uniform "and her

brats". The woman beneficiary with children is depicted as 'other' – brown skin. Not one of our own, therefore less worthy.

Policies are fueled by, and fuel prejudice



Chris Slane 2013 with permission

NZ paradox: income support benefits result in low poverty rates for ≥65 yrs yet high poverty rates for children

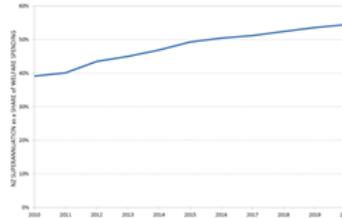
NZ income support benefits	For families with children	For ≥65 yrs
Universal	no	yes
Indexed (linked to prices and wages)	no	yes
Simple	no	yes
Income tested	yes	no
Reduces in hard times	yes	no
Sanctions (cut) if obligations not met	yes	no
Based on	relationships (MSD)	Individual (IRD)
Society's judgement	"beneficiary"	"superannuitant" "super gold card"

Source: Susan St John

We have an unusual situation in New Zealand where we treat two vulnerable age groups differently. It is a paradox. Income support benefits for 65+ are more adequate, and result in low poverty rates for them. However Income support benefits for families with children are less adequate, so they have high poverty rates. Their benefits are not universal, are not indexed to prices and wages, are not simple - they are complicated, they reduce in hard times (such as death of the breadwinner, loss of work in an earthquake), and they can be cut for not meeting social or job-seeking obligations, they are based on relationships status (the state zealously watches in case a single parent has established a new relationship), and society has a negative judgement of people receiving this form of income support. In contrast that does not apply to those receiving New Zealand Superannuation – we are 'superannuitants', and receive a 'super gold card'.

The superannuation spend is going up and up.

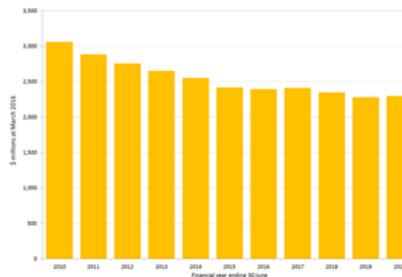
NZ Superannuation costs as a share of welfare spend is increasing from 39% to 55% from 2010 to 2020



Alan Johnson 26 May 2016

The spending on families is going down and down.

Welfare spend is not increasing, so real spending on Working For Families is declining 2010 to 2020



Alan Johnson 26 May 2016

The solutions to child income poverty, as summarised in the next slide, is to do the same for them as we do for 65+.

- Fully index the benefits and tax credits
- Make it simple
- Do not reduce the amount in hard times
- Do not cut it for not meeting obligations
- Base it on the parent as an individual, not based on their relationship status.

This will require money. Remember that for years we have already saved billions by not giving this money to low income families with children. We should not have tax cuts. We actually need to increase our tax revenue.



Solutions to reduce child poverty require increased spending

NZ income support benefits	For families with children	For ≥65 yrs
Indexed (linked to prices and wages)	no YES	yes
Simple	no YES	yes
Reduces in hard times	yes NO	no
Sanctioned (cut) if obligations not met	yes NO	no
Based on	Relationships INDIVIDUAL	individual

I will finish by turning to housing. Stress and diseases flourish with unhealthy housing.

Unhealthy housing



The key health issues are

- Crowding – private rental too expensive or houses unavailable
- Poor quality – cold, damp and mouldy
- Fuel – unaffordable or unhealthy

Does making NZ homes healthy improve health?



YES!

- fewer days off school and work
- fewer visits to GPs
- fewer hospital admissions

Howden Chapman P, et al 2007 and 2009
Jackson G. et al.2007

Some families live in garages and vehicles which is the ultimate in crowding. The picture below was taken in 2014. Increasingly families are lacking a home, but there has been no policy strategy developed to adequately address this.

'Houses' for some families are garages, and vehicles – the ultimate in crowding



Simon Collins NZ Herald 4 October 2014

There has been 10 years of neglect of the increasing need for healthy housing, and it will take 10 years to rectify it. A comprehensive plan needs to be made and implemented now, and families housed.

These five housing policy steps would be a great start to remedy the housing issues.

1. I urge you to support the Healthy Homes Guarantee Bill so that every rental home in NZ would meet minimum standards of insulation (2008 standard) and heating.
Submissions close 23 June 2016
2. Increase the number of State houses and social housing - 1000 units per year. Stop selling them off
3. Increase emergency housing for 2188 households for those on Priority A list – those with immediate risk to health and safety
4. Greater tenure protection for tenants – in NZ 90 days is the usual notice, so it is possible to be asked to move about 3 times a year. The average tenancy is only 11 months.
5. Greater rent protection for tenants – currently some landlords put rent up for no valid reason



When speaking in May about families living in cars, John Key said

“That’s not the New Zealand we want and it’s not acceptable.”

Of course we all agree with him.

However at this point NO adequate solutions have been proposed by the government to meet the immediacy and extent of need.

The solutions so far?



Chris Slane 4 June 2016 with permission

**For our health, NZ needs better policies
and laws in all these areas
Let's do it!**



CHILD
POVERTY
ACTION
GROUP

www.cpag.org.nz

If you want more information visit Child Poverty Action Group website and become a member.

Judge Andrew Becroft is talking at our AGM on 27 July.

Further reading

1. Are we there yet? Five years on the road to addressing child poverty. www.occ.org.nz (May 2016)
2. Fix working for Families www.cpag.org.nz/campaigns/fix-working-for-families-fwff-campaign/
3. Housing Crisis www.cpag.org.nz/a-little-help-goes-a-long-way-except-for/ (May 2016)
4. A Band Aid Budget CPAG'S analysis of the 2016 Government budget (May 2016) www.cpag.org.nz/resources-publications/publications/
5. Welfare fit for families: Summit Proceedings (Oct 2015) www.cpag.org.nz/resources-publications/publications/
6. Child Poverty – State of the Nation's children (Dec 2014) www.cpag.org.nz/resources-publications/presentations/the-state-of-the-nation-child-poverty-in/ (Dec 2014)
7. The complexities of relationship in the welfare system and the consequences for children (Dec 2014) www.cpag.org.nz/resources-publications/publications/
8. Our Children, Our Choice: Priorities for Policy Series (Sept 2014) www.cpag.org.nz/resources-publications/publications/
9. Benefit Sanctions: Children not seen - not heard (June 2014) www.cpag.org.nz/resources-publications/publications/
10. Child Abuse: What role does poverty play? (June 2013) www.cpag.org.nz/resources-publications/publications/