

May 31 2022

**New Zealand Principals' Federation (NZPF) Submission on
Working for Families Review
Closing Date 31 May
To: WFFReview@msd.govt.nz**

Personal Details:

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The New Zealand Principals' Federation (NZPF) is the largest professional organisation for lead educators representing the interests of over 2,000 Principals of Primary, Intermediate, Area and Secondary Schools. Principals are from public, integrated and independent schools and are spread throughout New Zealand. NZPF aims to be the most influential advocate for school principals to enable high quality, well supported leadership for school learners in New Zealand.

General Comments

NZPF welcomes the opportunity to submit comments on the *Working for Families* Review. We have sought the views of our own executive committee and have read the Welfare Expert Advisory Group Report in constructing this commentary. We note that the in-work tax credit was designed to improve the returns from work for low and middle income families, especially sole parent families, by ensuring that they are better off in work than they are on a benefit. The intention of the *Working For Families* policy is to make sure that families on lower incomes can provide the important things their families need and reduce child poverty

Background

School Principals have long argued that schools reflect the inequities found in Society, rather than create them. Societal inequities have grown over time and have accelerated in more recent years. The gap now between the advantaged and the disadvantaged has grown exponentially. The global pandemic we have experienced in the past two and a half years, has sharpened our awareness not just of the digital divide that exists in our schools but the social, cultural, and financial inequities that have flourished in our lower socio-economic communities.

More and more, schools are being drawn into providing pastoral care for their families and during the pandemic lockdowns, some schools reported that their focus on providing care packs and food for families was more important than delivering learning materials, books and digital devices. Schools know the children for whom they are already providing breakfast and lunch at school and knew that these children would not have adequate food security during the weeks of lockdown. It was therefore important to first take care of these basic needs for the families.

We are also aware that families who are dependent on welfare to live are our most vulnerable. They come as fully dependent on welfare and as 'the working poor' with supplemental income from welfare benefits or tax credits. In many cases these families are living on the edge. So precarious are their circumstances that if just one extraordinary payment, such as car repairs, must be met, the family goes into debt. Once this cycle of paying down debt begins, the family rarely recovers. Hope and ambition wane as the family spirals slowly downwards. In many cases, when this happens, an older teenager may be taken out of school to find a job and help bolster the family's income. During the pandemic we saw this happen more frequently as some low-income parents lost their jobs. Those teenagers supporting families are often lost to school forever. Younger siblings are also affected by family income insecurity

as families can spiral into dysfunction. Relationships are tested, predictability reduces and young children can find themselves quickly disconnected from any sense of security, certainty and trust. As parents struggle to make ends meet, parents' inability to provide even basic nutrition for their children can induce a sense of shame and children may be actively kept home from school.

As every principal will say, "We cannot teach the students who are not at school." The effects of family debt and hopelessness affects all the children in the family and principals report that despite their best efforts to provide pastoral care and food for these children, their learning can still be negatively affected especially when attendance is interrupted.

NZPF applauds the school lunch programme which the Government introduced last year which means schools are no longer funding school lunches. What is clear, however, is that to turn around the state of inequity, poor families need more disposable income.

NZPF therefore welcomes the review of the Working for Families Tax Credit policy. There is now an opportunity to put more financial resources in the hands of our low-income families. That is where the money needs to be, to give these families more control over their lives, greater life satisfaction and hope for the future.

Recommendations

NZPF emphasises the urgency of addressing the financial inequities experienced by our low wage earners through increasing the level of tax credits through the 'Working for Families' policy.

NZPF predicts that by ensuring all families are receiving a living wage that is sufficiently robust to withstand intermittent extraordinary payments, the children will cope better personally, have realistic hope for their future and will have the opportunity to progress their learning and live successful lives.

NZPF recommends that information about applying for *Working for Families* be made more accessible. It may be the case that families are not aware of their eligibility to receive tax credits under the scheme.

NZPF recommends that in reviewing the *Working for Families* policy and settings, that the current costs of housing, transport and food be carefully considered. With inflation running in excess of 6% we would expect that increasing tax credits by at least that amount would be sensible.

NZPF recognises the social, emotional and financial benefits of being employed and supports that the tax credits policy remains as an incentive to encourage people into paid work.

Ngā manaakitanga

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