



# FREE FROM POVERTY

## We can free New Zealanders from Poverty

The New Zealand Council of Christian Social Services is calling on our political leaders to show justice and compassion to all New Zealanders. We are asking for a commitment to policies that will lead to real change that frees New Zealanders from poverty.

As a nation, we have a responsibility to uphold Te Tiriti o Waitangi. A commitment to tackle poverty will contribute to achieving equity in opportunity and outcomes for Māori. We recognise that reducing poverty and hardship is fiscally expensive and will require further revenue generation or borrowing, however we believe it costs too much not to address this issue. If we continue to let poverty increase, we put at risk social and economic progress in Aotearoa, due to reduced productivity and social cohesion, and higher public expenditure and lower revenue in the long-term.<sup>1</sup>

Hardship and poverty are not inevitable. We can make choices to restore dignity and ensure a future where no child or adult goes hungry.

## There is an unacceptable level of financial hardship

Too many New Zealanders are dealing with financial difficulties as the cost of living continues to grow. We hear this directly from social services across New Zealand who report increasing demand for essentials such as housing and food. There are also compounding impacts for people who have been stuck in hardship for many years and may be dealing with other challenges and/or trauma. The most recent data shows that 485,600 people are living without the basics—a population bigger than Christchurch. There are over half a million Kiwis who are living on less than 50% of the median income. That's less than \$25,798 per year, or under \$500 per week, before factoring in housing costs.<sup>2</sup> This is even lower for those on a benefit, at closer to \$480 per week,<sup>3</sup> well below this internationally recognised poverty line.

We are also seeing continued high rates of child poverty. 156,600 children are living without the basics, an increase of 30,900 from three years ago. One in three Pacifica children are living in material hardship, and one in four Tamariki Māori and children in households with at least one disabled person are in hardship.<sup>4</sup> 27% of children are now living in households where food runs out sometimes or often.<sup>5</sup> Evidence suggests childhood poverty can have broad ranging impacts including on cognitive development, school achievement and adult employment.<sup>6</sup> These restrictions in opportunity can increase a child's risk of experiencing poverty in adulthood, leading to a cycle of inequality that may span generations.<sup>7</sup>



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## Structural change is needed for New Zealanders to be freed from poverty

As identified in the Summit Report from Te Ora o Te Whānau by Pou Tangata: “structural conditions shape everything”.<sup>8</sup> Our existing structures are putting people in poverty. We are calling on Members of Parliament to fulfil their responsibility to support New Zealanders and make significant changes to our system to boost incomes and reduce hardship.

In order to tackle income poverty in New Zealand, we are asking for changes to our income support system, improvements to housing, addressing the rising cost of food and embedding legislative commitments to continue this work over the long term. These changes will enable us to:

- work toward our child poverty and hardship targets and commitments
- make progress toward upholding Te Tiriti o Waitangi
- treat all New Zealanders with respect and dignity
- take steps towards ending poverty in Aotearoa.

*NZCCSS thanks all of our member organisations and the other stakeholders who provided input into this work.*

## About the New Zealand Council of Christian Social Services

*Our mission is to call forth a just and compassionate society for Aotearoa, through our commitment to our faith and Te Tiriti o Waitangi. NZCCSS has six foundation members: the Anglican Care Network, Baptist Churches of New Zealand, Catholic Social Services, Presbyterian Support and the Methodist and Salvation Army Churches. Through this membership, NZCCSS represents over 100 organisations providing a range of social support services across Aotearoa.*



# Introduce a Poverty Reduction Act

**Introduce a Poverty Reduction Act** to commit to freeing New Zealanders from poverty.

## NZCCSS is calling for

- ☐ the introduction of legislation to measure and target poverty rates for all New Zealanders
- ☐ the establishment of an official national poverty line
- ☐ retention of the requirement to report and set targets for specific populations including children
- ☐ the establishment of an advisory body to the responsible Minister outlining how to meet the established poverty targets.

## Why we need change

Poverty is related to reduced life expectancy, reduced health and reduced mental health.<sup>9</sup> As noted earlier, there are also broader social and economic implications including reduced productivity and social cohesion, and higher public expenditure and lower revenue in the long-term.<sup>10</sup> Yet Aotearoa has no official adult poverty metric.

Without records of the rates of poverty across the country and where it is located, we cannot design and track the effectiveness of interventions and investments.

## Why these policies will work

Child poverty targets and required statistics were introduced into legislation to ensure public accountability, direction setting, and ultimately improve child wellbeing. All of these targets can similarly apply to adults.

However, we know that legislation alone will not fix a problem. Significant structural changes to our income support systems are required in order to achieve real change. That's what the following policy proposals aim to do.



# Welfare system that frees from poverty

## NZCCSS is calling for

- ☐ an increase in core benefit levels to the standard of liveable incomes and to ensure it is above the proposed official national poverty line (once determined in the previous policy proposal)
- ☐ the indexing of entitlements to align with wage growth or CPI depending on which is greater, in line with Superannuation
- ☐ increased asset thresholds for accessing Special Needs Grants and third tier assistance so people don't have to burn through savings to access them
- ☐ the removal of benefit sanctions.

## Why we need change

Despite large increases in living costs there has not been a significant increase in benefit rates, beyond annual adjustments, since April 2022. The existing rates are too low, keeping people in poverty and hardship and are insufficient to cover most household costs. The Ka Mākona report released in 2025 demonstrates the inadequacy of the Jobseeker support payments in covering household expenses and indicates that this is currently up to \$111 short of covering costs.<sup>11</sup> This is made more challenging with low asset thresholds for accessing additional assistance, reducing any financial buffer people have before they can access support.

On top of that, increased use of financial sanctions creates additional financial burdens, without clear evidence of changing compliance. Housing costs take up 47% of clients' total incomes on average,<sup>12</sup> leaving little behind if a 50% benefit sanction is applied. Sanctions are disproportionately applied to Māori benefit recipients, making up 52.8% of total sanctioned benefit recipients despite making up only 39.5% of total recipients<sup>13</sup> putting Māori at greater risk of experiencing increased hardship as a result of financial sanctions.

## Why these policies will work

The welfare system was established as a social safety net, however it is currently failing to support people and instead is trapping them in poverty. Evidence from Australia shows that inadequate financial support has been demonstrated to increase financial stress, social isolation, mental health struggles, and make it more difficult to re-enter the workforce<sup>14</sup> pushing people further into dependency.

Significant improvements are needed to the financial support available in order to improve outcomes for New Zealanders. Our member organisations have highlighted the challenges of trying to find work or upskill when families are struggling to afford basic costs. This is backed by evidence that shows that countries with greater welfare supports report much higher levels of employment commitment.<sup>15</sup>

On top of that a 2022 review of the research cautioned the use of benefit sanctions, raising concerns around the association with long-lasting harm for recipients and their children.<sup>16</sup> Our proposed improvements in income support are essential so that New Zealanders on welfare can live free of poverty and to have the best chance to pursue their aspirations.



# Welfare system that recognises disability

**Better recognition** in the welfare system for those with health conditions and disabilities.

## NZCCSS is calling for

- ☐ the renaming of the Jobseeker Support—Health Condition or Disability Benefit to distinguish it from Jobseeker Support
- ☐ an increase in the payment rate in line with the Supported Living Payment.

## Why we need change

At the end of September 2025, 217,818 people were receiving Jobseeker Support, of which 96,468 people were receiving Jobseeker Support—Health Condition or Disability. The existing naming is misleading and suggests that the individuals receiving this benefit are actively looking for work which in most cases is not true. In fact, pre-2013 this Main Benefit used to be called the Sickness Benefit. The Supported Living Payment is also paid at a higher rate than Jobseeker Support, recognising the inability to work and the additional costs required due to having a health condition, injury or disability.

## Why these policies will work

The current approach means that despite recognition that those unable to work due to a health condition or disability should receive a higher rate of support, many do not due to being inappropriately classed as Jobseekers. It also means that despite being medically determined to be unable to work temporarily, they may be subject to sanctions or other interventions targeted at Jobseekers who ready and able to work.

Rather than lumping these groups together, separating the benefit types will help ensure this cohort gets greater financial support while unable to work and would better recognise the unique needs of those with health conditions or disabilities.



# Reduce financial barriers to work

## NZCCSS is calling for

- an increase in the amount people can earn while on benefit to \$350 (roughly the equivalent of 15 hours at minimum wage) before their benefit is reduced, and higher for couples
- an increase to the amount of money people can keep in their pockets before their benefit is reduced, by reducing the abatement rate
- exploration of an Earned Income Tax Credit proposed by the Welfare Expert Advisory Group.<sup>17</sup>

## Why we need change

We overwhelmingly hear from our member organisations that people want to work. However there can be a number of challenges preventing people moving into the labour market, including financial barriers such as the cost of transport, childcare and clothing.

For those on a benefit who want to take up work, they risk their benefit being reduced when they start work or increase their hours. Abatement rates were last adjusted in April 2022 and with rises in minimum wage these are now only equivalent to 6.8 hours of work before someone's benefit is reduced.

We have heard from our member organisations that people are being deterred from working more due to losing income support, or the complexity of managing the interaction between work and welfare.<sup>18</sup>

## Why these policies will work

Being able to take up more part-time work while on a benefit can be a beneficial pathway into the labour market without losing financial security. This is especially important for those who may be disconnected from the labour market or face specific challenges, such as sole parents and people with a health condition, injury or disability. Part-time work can also lead to full-time work, for example by boosting confidence and gaining work experience.

Reducing financial barriers to work are critical to ensuring people can follow their aspirations and take up employment. The proposed Earned Income Tax Credit put forward by the Welfare Expert Advisory Group could address this while also simplifying the tax credits that people need to navigate when transitioning to work. The Earned Income Tax Credit recognises the costs that come with working and help to maintain a focus on supporting people off welfare and into work.





# Working For Families that works for families

## NZCCSS is calling for

- ☐ the simplification of Working for Families into one single tax credit and increasing the overall rate
- ☐ an increase to the amount people can earn before their payments reduce, by setting the abatement threshold at a minimum of 40 hours on minimum wage
- ☐ a reduction to how quickly Working for Families payments decrease to ensure work pays and explore whether a two-tiered abatement threshold would be beneficial for families working more hours
- ☐ a reduction of debt by introducing grace periods to allow for changes in income and increasing how much debt can be automatically written off
- ☐ indexing of entitlements to align with wage growth or CPI depending on which is greater, in line with Superannuation.

## Why we need change

As highlighted earlier, child poverty rates have stalled, with the three primary measures largely unchanged or increased since the 2021 year. 156,600 children were found to be living in material hardship in the year to June 2024, with Māori, Pacific and children in disabled households more affected.<sup>19</sup> Recent reporting indicates that the percentage of households reporting they do not have enough, or only just have enough income to meet everyday needs is increasing.<sup>20</sup> These findings are reflected in the increases our member organisations are seeing in people, including those in paid work, seeking support for food.<sup>21</sup>

Working for Families is an important lever for reducing child poverty and enabling income sufficiency among low-middle income families in Aotearoa. However, it is currently overly complex and limited in its effectiveness at reducing child poverty and incentivising work. The value of Working for Families has been eroded over time due to wage growth and a failure to ensure payment rates and entitlement levels kept pace. This has led to greater claw-backs and fewer families being eligible, as well as increased financial stress for families due to debt resulting from overpayments associated with challenges in estimating income.

## Why these policies will work

Recent research demonstrates the broader benefits of income support in a child's early years, including reducing rates of maltreatment, and improving behavioural development and parental stress.<sup>22</sup>

Increasing incomes and reducing hardship for parents through Working for Families could therefore not only reduce child poverty, but have very real long-term impacts on the wellbeing of children and the broader productivity of New Zealand. These proposed changes would also likely benefit Māori, Pacific and children in disabled households given that they are disproportionately impacted by poverty.



# Improve housing access and affordability

## NZCCSS is calling for

- ☐ increased social housing builds over time to bring us in line with the OECD average of 7% of housing stock
- ☐ the removal of asset thresholds for Accommodation Supplements for those who are renting and do not already own a property.

## Why we need change

Visible unsheltered homelessness is increasing across the country, with serious economic and business impacts.<sup>23</sup> Homelessness, especially unsheltered homelessness, is hazardous to health<sup>24</sup> and has long term impacts, including on life expectancy.<sup>25</sup> Social housing, in particular state housing, is a critical part of our housing system that can reduce homelessness. Aotearoa is lagging behind the OECD average for social housing stock.<sup>26</sup> While the comparable average, across the OECD for 2022, was 7% of total housing stock as social housing, Aotearoa sits at approximately 4%. This is 87,000 houses, with 73,000 provided by Kāinga Ora and the rest by community providers.<sup>27</sup>

On top of that people remain trapped either in social housing or in the rental market due to the costs of home ownership. The national median house price is \$770,000<sup>28</sup>, which would require a minimum of \$77,000 as a deposit to purchase. Currently, couples are unable to have more than \$16,200 in assets and still receive the Accommodation Supplement. Single people are limited to \$8,100. Both are a fraction of the amount needed as a deposit for a home.

## Why these policies will work

Our member organisations have emphasized the stagnation that occurs at each part of our housing system, which means people get trapped in homelessness, temporary housing or unaffordable rentals. We do not currently have the social housing needed to house all applicants and as a result we need to dramatically increase our social housing portfolio. There are more than 19,000 households on the Housing Register awaiting a social home.

By working toward the OECD average, we can ensure not only that those currently on the register are housed, but that there is more opportunity for low-income New Zealanders to access social housing when needed.

Policy changes to the Accommodation Supplement is one way to support people to save for their own homes. This enables people to save for a deposit without impacting their ability to meet housing costs in their current renting situation.





# Address rising food costs now

## NZCCSS is calling for

- the introduction of a GST-Rebate type support package targeted at low- and middle-income households and equivalised to household food costs.

## Why we need change

The cost of food has risen significantly over recent years with it now estimated to cost roughly \$25,000/year to feed a family of four.<sup>29</sup>

As noted earlier, 27% of children are now living in households where food runs out sometimes or often, and food parcel uptake is still significantly higher than pre-COVID levels.<sup>30</sup>

Immediate food cost relief is needed to ensure that households, particularly those with children, are not food insecure.

## Why this policy will work

Previous policy proposals to reduce food costs for New Zealand households have focused on the removal of GST from food, however this is unlikely to result in a corresponding reduction in actual prices for the consumer.

A recent shift to disrupting New Zealand's supermarket duopoly may help to ease food prices but this is not expected to happen within the next decade. This proposed policy change will put money in the pockets of families quickly, recognising the high costs of food.

