

# Repealing the Section 192 (formerly Section 70A) sanction

As part of the Wellbeing Budget, Government is committed to lifting children out of poverty.

## Budget 2019

**Lifting this sanction is a targeted change that will boost the incomes of many of the most disadvantaged households. It will make a material difference that in many cases will reduce the depth and severity of their poverty.**

- In total, the Government is investing \$113.4 million over four years so that children in sole parent households where the other parent isn't named aren't penalised and driven into further poverty.
- Approximately 24,000 children live in families affected by the reductions, and a benefit reduction is applied in relation to 15,000 of these children.
- Section 192 (70A) is the policy to cut the sole parent benefit for not naming the other parent. The benefit is reduced by \$22 for each dependent child.
- After 13 weeks a further \$6 a week reduction may be applied once only for each client, regardless of how many of that client's children the \$22 reduction applies to.
- This initiative will remove the Section 192 (70A) deduction as of 1 April 2020, depending on the law changing.
- Currently, around 12,000 sole parents have a benefit reduction in place due to Section 192 (70A).
- The repeal will mean these sole parents will gain by on average \$34 a week. It will enable these sole parents to better support their families by not having a deduction applied to their benefit.
- Around 6,000 of these sole parents identify as Māori, and 1,000 identify as Pasifika.