

School costs push families to the brink - Sunday Star Times, 15 November 2009

Thousands more families are turning to the government for help as they struggle to pay for their children's school uniforms, stationery, exam fees and trips away.

New figures obtained by the Sunday Star-Times show that between January and September, Work and Income (Winz) handed out 31,356 grants to families who could not afford the compulsory costs of sending their children to school, an increase of 6263 grants – or 25% – compared to the same months last year.

The grants totalled \$5.3 million, compared to \$4.1m for January-September 2008.

Raewyn Fox, chief executive for the New Zealand Federation of Family Budgeting Services, says the leap doesn't surprise her, and she expects the demand to keep going up "until employment goes up and wages improve, which we think is at least a year away".

Fox says in these tough economic times, some schools could do more to make their uniforms cheaper – by forgoing the expensive blazer, for example, or opting for polo shirts rather than dress shirts.

The highest single Winz payout for school costs since the start of 2008 was \$1522, granted to a family who were struggling to buy school uniforms.

It is not clear from Winz figures how many children's uniforms that grant paid for.

The highest grant for stationery was \$931; and for exam fees and compulsory school administration costs the largest single payment was \$1000.

On average, each grant was between \$100 and \$200. Winz guidelines say stationery grants should be under \$200 and uniform grants under \$300.

The figures were provided to the Sunday Star-Times under the Official Information Act.

Some of the families who received Winz help are non-beneficiaries who received a one-off special needs grant. But most families were already on some kind of benefit, and received either a special needs grant or an advance payment on their benefit.

Fox says families are often embarrassed about asking for money to cover their children's schooling. Some won't accept the grants they are entitled to and will instead cut back on other basics to buy uniforms or stationery.

Fox said: "When they've just got no money it's better for them to maybe get the grant from Work and Income than be pushed into the hands of a loan shark, where they're going to pay heaps of interest."

The Winz grants have to be paid back, too, but are interest-free. Winz will usually arrange to take out a small amount, like \$5, from each subsequent benefit payment

until the loan is paid off. Families not on a benefit will have deductions from their wages.

Most of the school-related money given out by Winz is spent on uniforms. This year, more than \$4.4m of the \$5.3m in grants went on uniforms alone. A further \$714,003 went towards stationery, and \$11,725 was granted to cover exam fees and school administration fees.

Winz does not give grants to cover voluntary school donations and while private school costs are not automatically ruled out, families must meet the same income and asset thresholds as those with children at state schools, and Winz will discuss other options with them before making any payment.

If families ask for help covering the cost of school camps or trips away, Winz will tell them to try to work out a way of arranging payments, rather than handing over a lump sum. But Winz may give the family an advance on their benefit, which they have to pay back.