



Children's Rights Alliance

*Pre-Budget Submission
to the Department of
Social and Family Affairs*

Budget 2007

September 2006

Children's Rights Alliance
Budget Submission 2007 to the Department of Social and Family Affairs

September 2006

The Children's Rights Alliance welcomes the opportunity to submit its views to the Department of Social and Family Affairs in relation to the development of Budget 2007. The Alliance is a coalition of eighty non-governmental organisations working to secure the full implementation in Ireland of the principles and provisions of the UN Convention on the Rights of the Child, which Ireland ratified in 1992.

The Alliance welcomes the increases in Child Benefit and social welfare payments in last year's budget. However, despite these increases and our increase wealth and buoyant economy our current rate of child poverty remains unacceptably high. The latest available statistics from the Central Statistics Office show that nearly one in ten children were living in consistent poverty in 2004 – that is approximately 100,000 children living in households on an income below the poverty line *and* experience the deprivation of basic items such as experiencing debt problems arising from ordinary living expenses or having to go without heating due to lack of money. Furthermore, there were an estimated 230,000 children living in relative poverty in 2004.¹

The Government has made important commitments to children in national policies such as the National Children's Strategy; the National Anti-Poverty Strategy; the National Report for Ireland on Strategies for Social Protection and Social Inclusion 2006–2008; the Social Partnership Agreement, Towards 2016; and through ratifying the UN Convention on the Rights of the Child. Action is required by the Government to make real these commitments and it begins with the choices that will be made in Budget 2007. It is imperative that Budget 2007 focuses on measures that specifically target children living in low-income families, to lift these children out of poverty.

The UN Committee on the Rights of the Child issued its *Concluding Observations* on Ireland on 29 September this year. In relation to 'Standard of Living':

"The Committee recognizes that the favorable economic development has contributed to the reduction of the overall poverty level. The Committee remains however concerned that a number of children in particularly vulnerable situations are living in households where the income remains significantly lower than the national median income.

The Committee recommends that the State party:

- (a) Effectively implement its National Anti-Poverty Strategy and strengthen its support to families living in economic hardship in order to ensure that poverty is reduced and children are protected against the negative impact of economic hardship on their development;
- (b) Introduce a supplement to the existing universal child benefit payments as an additional and targeted allowance to assist the families which experience highest levels of poverty;
- (c) Implement fully existing policies and strategies and increase budgetary allocations for and subsidization of services, including childcare, healthcare and housing, for families with children who are particularly vulnerable; and
- (d) Increase investments in social and affordable housing for low-income families."²

¹ Central Statistics Office (2005) *EU Survey on Income and Living Conditions (EU-SILC) 2004*, Dublin: Central Statistics Office.

² Committee on the Rights of the Child (2006) *Concluding Observations: Ireland*, Geneva.

1 Child Income Support

New Child Income Support Measure

Child Benefit payments alone will not move children out of income poverty. Low-income families require additional child income support. The Alliance supports the work of the National Economic and Social Council (NESC) in developing a new targeted child income support measure for children in low-income families, both in work and out of work. We welcome the commitment in the new Social Partnership agreement, *Towards 2016*, to progress, as a priority, further work aimed at assisting children in families on low incomes; and that, as a priority, the Department of Social and Family Affairs will review child income supports which avoid employment disincentives, and this work, which will be informed by the NESC study on a second-tier child income support, will be completed within one year.

The success of any new child income support model will hinge on its ability to meet the goal of ending child poverty and to provide children with an adequate standard of living. The criteria for receipt of this payment should not be contingent on either employment or social welfare status. We believe that the key considerations for the development of a second-tier payment are that the payment must:

- have a single objective: to redistribute income towards low-income families with children
- be adequate to tackle child poverty
- treat all families on the same level of income equally
- be paid automatically to ensure take up is not a problem
- not be contingent upon employment level or status
- be large enough to ensure those currently on FIS do not lose out in any new payment
- have a withdrawal rate that reduces potential poverty traps.

Budget 2007 should:

- **Provide the necessary resources to plan for and facilitate the introduction, as a matter of urgency, of a new child income support measure for children in low-income families, both in work and out of work.**

Child Dependant Allowances

In the interim, while awaiting the introduction of a new child income support measure, an immediate means of reducing the numbers of children in consistent poverty is to substantially increase the level of Child Dependant Allowances (CDAs). The Child Dependant Allowance payment is a means of providing valuable practical support to children and families who rely on social welfare due to contingencies such as illness, disability or due to caring responsibilities.³ CDA rates have not increased since 1994. The targeted nature of CDAs mean that they deliver support efficiently and effectively to the poorest families.

Budget 2007 should:

- **As an interim measure, equalise and increase all Child Dependant Allowances to a universal rate of €33 per week.**

³ *Statistical Information on Social Welfare Services*, Department of Social and Family Affairs (2004) indicates that the majority of children benefiting from the CDAs do not live in families in receipt of Unemployment Benefit or Assistance. In fact many are in receipt of One-Parent Family Payment, disability or invalidity related payments, Carer's Allowance or various pensions.

Support low paid families

Despite the buoyant economy many families find that they cannot afford to take on employment.⁴ Family Income Supplement (FIS) provides vital support to families struggling in low paid employment and acts as an incentive to employment.

The Alliance welcomes the increase in the earnings thresholds for FIS in Budget 2006. However, if FIS is to be an effective mechanism, it is important that these thresholds are further widened to take account of increases in earnings and social welfare rates.

The Alliance welcomes the recent information campaign undertaken by the Department to improve the take-up rate for FIS, and urges the Department to continue its efforts to increase awareness of this important support to low paid families.

Budget 2007 should:

- **Increase the Family Income Supplement payment income thresholds by €35 per child.**

Universality of Child Benefit Payment

The introduction in May 2004 of a two-year Habitual Residency Condition for the Child Benefit payment ended the policy of a universal payment to all children resident in Ireland. This action breached EU legislation and in November 2005 Ireland was forced to reinstate the Child Benefit entitlement to workers from the European Economic Area (EEA). In addition, the Government chose to extend this entitlement to non-EEA workers with children resident in Ireland. While this reinstatement is to be welcomed, the principle of universal entitlement to Child Benefit for every child living in Ireland has not been restored, as the Government chose not to reinstate the entitlement to the children of asylum seekers and separated children seeking asylum living in 'direct provision' accommodation.

The savings made are minimal within the annual budget of the Department. In 2004 the Child Benefit payment was paid in respect of 1,051,005 children whilst the payment was denied to 2,208 asylum-seeking children over the two-year period between the HRC introduction on 1 May 2004 and 31 August 2006.

The impact of the HRC policy on these children is significant. The denial of this payment to asylum-seeker families, who are entitled to work, has reduced their weekly income by at least 40%, and possibly as much as 70%, depending on the number of children and whether the family unit includes one or two parents. As a result, families have a wholly inadequate income to cover basic day-to-day expenses not met under the direct provision system (basic food and accommodation). The only option open to families is to apply under the Supplementary Welfare Allowance system for 'exceptional needs payments' to cover necessities such as clothing, over-the-counter medicines and supplementary food. It is at the discretion of the Community Welfare Officer whether assistance will be granted.

Budget 2007 should:

- **Exempt the Child Benefit payment from the Habitual Residency Condition thereby restoring it as a universal payment to all children living in Ireland.**

⁴ Camille Loftus (2005) *'Out of the Traps – ending poverty traps and making work pay for people in poverty'* OPEN & EAPN.

Child Benefit

The Alliance welcomes the increase in the Child Benefit payment in last year's budget. We believe that the Child Benefit payment as the principal support in relation to child-rearing should be increased on an annual basis in line with the cost of living.

Budget 2007 should:

- **Increase both rates of Child Benefit by €5 per month.**

2 Education Support

Education Support

The costs of education, particularly at the beginning of the school year, place a burden on low-income families and may impact on early school leaving and low skills attainment. The UN Committee on the Rights of the Child in its *Concluding Observations* expressed its concern about "that the 'de facto' cost of education and materials in public primary schools is in some instances the responsibility of parents..."⁵

To assist low-income families the Back to School Clothing and Footwear Allowance should be raised to reflect the actual costs of returning children to school. The current rates of the Back to School Clothing and Footwear Allowance are €120 for 2-11 year olds and €190 to 12-22 years. However, Barnardos have highlighted that in 2005 the average costs for basic uniform, sportswear, shoes and textbooks for a primary school pupil is €225.60 and for a secondary school child is €408.75.⁶ Despite the welcomed increase in the payment rate and eligibility thresholds in Budget 2006, working families on very low incomes continue to be outside the eligibility threshold for the Back to School Clothing and Footwear Allowance.

Budget 2007 should:

- **Raise the level of the annual Back to School Clothing and Footwear Allowance by €130 to €250 for primary school children, and by €160 to €350 for secondary school children.**
- **Increase the eligibility threshold to the level applying to Family Income Supplement, as with FIS, use the same threshold for two-parent and one-parent families – so that the payment is available to all low-income families.**

School Meals

Nutrition has a significant impact on educational attainment. Offering a nutritious school meal to children living in poverty can play a key role in tackling child poverty and educational disadvantage. The operation and administration of the School Meals scheme is complex, and gaps in provision mean that not all children living in poverty are benefiting from this scheme. An overhaul of the scheme is required, taking into account issues of nutrition and obesity.

The Alliance welcomes the acknowledgement in the Department of Education's *DEIS* strategy that in addition to nutritional benefits the school meals programme has a

⁵ Committee on the Rights of the Child (2006) *Concluding Observations: Ireland*, Geneva

⁶ Barnardos (2006) *Make the Grade – Report on educational disadvantage*, Dublin

“positive effect on both attendance and educational attainment” and its commitment to extend access to the Scheme to designated schools.

Budget 2007 should:

- **Standardise and expand the operation of the School Meals Scheme to reach all children living in poverty.**
- **Support schools to increase their capacity to administer the scheme and actively promote take-up of the scheme.**
- **Allocate responsibility for the delivery of the scheme to one Government Department.**

3 Children with Disabilities

Article 23 of the UN Convention on the Rights of the Child emphasises that a child with a physical or learning disability has a right not just to specialised services but to “enjoy a full and decent life, in conditions which ensure dignity, promote self-reliance and facilitate the child’s active participation in the community”. Children with disabilities face a disproportionate risk of living in poverty.

Budget 2007 should:

- **Increase the Domiciliary Care Allowance from €250.90 per month to a more realistic level of at least €300 based on the support needs of the child, and standardise the operation of the payment throughout the different health board areas.**

4 Children in Lone Parent Families

The Alliance warmly welcomes the increase in Budget 2006 of the earnings disregard in relation to the One-Parent Family Payment. The Alliance also welcomes the acknowledgement by the Department of Social and Family Affairs of the need to reform the One-Parent Family Payment and the publication of the *Discussion Paper: Proposals for Lone Parents* by Minister Seamus Brennan earlier this year.

The Alliance supports efforts to assist one-parent families to secure well paid employment by removing employment disincentives, providing access to affordable childcare and to training and education. However, the Alliance cautions that any reform must tackle child poverty among one-parent families. Lone parents have been identified by EU-SILC as being three and a half times more likely to live in consistent poverty. Of concern is that there are 129,938 children living in one-parent families whose primary income is from social welfare.

Budget 2007 should build on last year’s budget and:

- **Increase the earnings ceiling for the one-parent family payment to €400, as recommended in the *Discussion Paper*.**

For further information please contact:

Maria Corbett
Children’s Rights Alliance
4 Upper Mount Street, Dublin 2
Tel: 01-6629400; Fax: 01-6629355
Email: maria@cra.iol.ie
www.childrensrights.ie