



**Children's Rights Alliance**

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

**Budget 2008**

October 2007



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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 2008. The Children's Rights Alliance is a coalition of over eighty non-governmental organisations (NGOs) working to secure the rights and needs of children in Ireland, by campaigning for the full implementation of the UN Convention on the Rights of the Child. The Alliance aims to improve the lives of all children under eighteen years, through securing the necessary changes in Ireland's laws, policies and services.

The Alliance welcomes the increases of the Child Dependent Allowances and the merging of three rates of payment into a single payment, the Qualified Child Allowance, in last year's budget. The Alliance also welcomes the increases in the Back to School Clothing and Footwear Allowance made in Budget 2007.

However, despite budgetary increases and our increased wealth and buoyant economy our current rate of child poverty remains unacceptably high. The latest available statistics from the Central Statistics Office show that one in nine children were living in consistent poverty in 2005. The EU-SILC figures note that 10.7% of children under 18 years were living in consistent poverty – that is over 111,000 children living in households on an income below the poverty line *and* experiencing deprivation such as having to go without heating due to lack of money or experiencing debt problems arising from ordinary living expenses. Furthermore, the EU SILC figures noted that just under 240,000 children were living in relative poverty in 2005 (a rate of 23.1%).

The Government has made important commitments to children in national policies such as the National Children's Strategy; the National Report 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 2008. It is imperative that Budget 2008 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 in September 2006. 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."

## **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 *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 2008 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.**

#### Qualified Child 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 the Qualified Child Allowance. The QCA 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. The targeted nature of the QCA means that it can deliver support efficiently and effectively to the poorest families.

The Alliance welcomes the increases of the Child Dependent Allowances and the merging of three rates of payment into a single payment. The Alliance had been calling for a number of years for increases to this allowance which had been frozen since 1994, and while the increases were not adequate, they represent a significant policy shift, which we welcome.

Budget 2008 should:

- **Increase the Qualified Child Allowance to €35 per week.**

#### Support Low Paid families

Despite the buoyant economy many families find that they cannot afford to take on employment. The Family Income Supplement provides vital support to families struggling in low paid employment and acts as an incentive to employment. The Alliance welcomes the advances made in the previous Budgets in relation to FIS. However, if FIS is to be an effective mechanism, it is important that the earnings thresholds are widened to take account of increases in earnings and social welfare rates; and that the Department continues its information campaign to increase the take-up rate of this important support to low paid families.

Budget 2008 should:

- **Increase the income thresholds for Family Income Supplement by €60 per week, and increase the income calculation of the payment from 60% of gross income to 70%.**
- **Deliver a high profile long-term media campaign to encourage take up of Family Income Supplement.**
- **Pay the Family Income Supplement automatically where the required data is available in the tax and welfare systems.** [Implementing this recommendation will require an integration of the tax and welfare systems].

### 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 (unaccompanied minors) living in 'direct provision' accommodation.

The savings made are minimal within the annual budget of the Department. In 2006 the Child Benefit payment was paid in respect of 1,083,980 children. The Reception and Integration Agency noted that 1,927 asylum-seeking children were living in fifty 'direct provision' centres in September 2007. The majority of whom are under the age of four years and were mostly born in Ireland. These children are not entitled to the Child Benefit payment.

The impact of the HRC policy on these children is significant. The denial of this payment to asylum-seeker families, who are not 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 over the-counter medicines and supplementary food. It is at the discretion of the Community Welfare Officer whether assistance will be granted.

Budget 2008 should:

- **Restore Child Benefit as a universal payment by removing the Habitual Residency Condition.**

## **2. 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...".

Despite the welcomed increase in the payment rate and eligibility thresholds in recent years, working families on *very* low incomes continue to remain outside the eligibility threshold for the Back to School Clothing and Footwear Allowance.

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 €180 for 2-11 year olds and €285 to 12-22 years. However, Barnardos have highlighted that the average costs in 2005 for basic uniform, sportswear, shoes and textbooks for a primary school pupil is €225.60 and for a secondary school child is €408.75.

Budget 2008 should:

- **Raise the level of Back to School Clothing and Footwear Allowance (BSCFA) to €250 for children in primary school, and to €350 for those in secondary school.**
- **Increase the BSCFA eligibility threshold to the level applying to Family Income Supplement** [ie use the FIS income thresholds for both two-parent and one-parent families, and assess income net of tax and PRSI].

### **3. Children in Lone Parent Families**

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. Whilst the need to reform the current system is recognised, it is imperative that any such reform must tackle child poverty among one-parent families. Lone parents have been identified by EU-SILC as being at a higher risk of living in consistent poverty than other groups.

Budget 2008 should build on recent Budgets and:

- **Increase the earnings disregard for the One Parent Family Payment to €250 and increase the ceiling to €500.**

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