



## Pre-Budget Submission 2010

The End Child Poverty Coalition is concerned that the recession is having an adverse affect on some of the most vulnerable children in Ireland. The Society of St. Vincent de Paul indicates an increase of up to 36% in the requests for help over the first six months of 2009 with most people seeking food vouchers, help with energy costs, household goods such as furniture and bedding, assistance with the cost of education and many others just reporting that they are unable to get by on their low income. Most of these requests for assistance come from families with children.

While recognising the very real difficulties facing Government in the upcoming Budget, the Coalition urges decision makers to ensure that children are protected from increased poverty when making decisions in the areas that will have serious consequences for children's lives.

Poor children do not exist in isolation; they grow up in poor households, with poor parents. Protecting children against poverty means ensuring that household income is sufficient for the family and access to essential services in education, health and housing is maintained.

### *Falling prices don't justify cuts*

While accepting that there has been some fall in the cost of living overall, the End Child Poverty Coalition does not believe that this justifies cuts to social welfare supports, as put forward by the Report of the Special Group on Public Service Numbers and Expenditure Programmes. Families dependent on social welfare or in low paid employment spend greater proportions of their income on basic goods and services and CSO figures from June 2009 show that prices in these areas are not all falling, for example between June 2008 and June 2009:

- ➔ The price of home heating oil fell by 43%, but there were significant increases in electricity (5%) and natural gas (7%);
- ➔ The price of cars (6%), petrol (12%) and diesel (27%) all fell, but bus fares increased by 11%;
- ➔ Childcare costs increased by 6%;
- ➔ The cost of primary (8%) and secondary (7%) education increased;
- ➔ Doctor's fees increased by 2%, dental fees by 2% and hospital services by 9%.<sup>1</sup>

---

<sup>1</sup> Central Statistics Office, *Consumer Price Index June 2009* see: <http://www.cso.ie/releasespublications/documents/prices/current/pic.pdf>. All figures have been rounded to the nearest %

## ***Budget cuts will force an increase in poverty***

The End Child Poverty Coalition believes that cutting welfare rates now will put further pressure on families already stretched to their financial limit and may push many into further poverty and deprivation. It would mean that the poorest families would be made to shoulder a disproportionate share of the burden of fiscal adjustment – many of whom have already suffered as a result of rising unemployment.

## **Social Welfare**

Families who are dependent on social welfare either entirely or to supplement low incomes can ill afford further cuts to their incomes without experiencing a real risk of poverty. **ECPC urges Government to consider the real consequences for children living in or at risk of poverty when examining options to cut social welfare expenditure.** Those families most in need must be offered the highest level of protection from cuts in Budget 2010 and expenditure should target these families first and foremost.

### **ECPC calls on the Government to:**

- ➔ Increase the Qualified Child Increase, a targeted child income support for the poorest families in the State, so that it can contribute in a real way to lifting the incomes of poor families above the 'at risk' of poverty threshold.<sup>2</sup>
- ➔ Maintain payments that support low income families at current levels (e.g. One-parent Family Payment, Jobseekers' Allowance etc) and re-instate the 'Christmas Bonus' payment.
- ➔ Increase the income thresholds for the Family Income Supplement (FIS); raise the FIS payment rate, and make its payment automatic to eligible families.

## **Educational Disadvantage**

ECPC is concerned at the extensive cuts in education over the past ten months and the long-term impact these will have on children's educational outcomes and future lives. Education is a proven route out of poverty, however, for children in poor families full participation in school can be a luxury they cannot afford. This is likely to be exacerbated as the full impact of recent cuts is felt in the coming months and families struggle to pay the high costs of education, particularly those families living in disadvantage but whose children do not attend DEIS schools<sup>3</sup>. **ECPC urges the Government to ensure that children are not further disadvantaged by cuts to education spending.**

### **ECPC calls on the Government to:**

- ➔ Prevent any further cuts to education spending and services.

---

2 Being 'at risk of poverty' means having an income that is below 60% of median income (the mid-point on the scale of incomes in Ireland). [www.combatpoverty.ie](http://www.combatpoverty.ie)

3 61 per cent of young people from semi/unskilled manual backgrounds and 56 per cent of those from non-employed households attend non-DEIS schools (School Leavers Survey, 2007)

- ➔ Recognise that the majority of pupils from disadvantaged backgrounds are not in DEIS schools and reinstate crucial supports for these students including Book Grant and Language Support services.
- ➔ Roll back recent changes to the School Transport Scheme charges, particularly for families in rural areas. Do not increase these charges further.

## Early Childhood Care and Education

ECPC greatly welcomes the free pre-school year for every child the year before primary school, announced in the Supplementary Budget in April 2009 and looks forward to the implementation of this important scheme. The development of this scheme provides an opportunity to link funding for early childhood care and education to a quality framework, ensuring that the best possible service is provided to children for the funding which is made available. **ECPC urges the Government to ensure that childcare providers who take part in the scheme are compliant with Siolta and the National Council for Curriculum and Assessment's Framework for Early Learning.**

However, we are concerned that childcare providers have recently raised concerns that the grants announced will not be sufficient to cover the full costs of providing crèche and childcare services. **ECPC urges the Government to ensure that the cost of the pre-school year is not passed on to parents.**

**ECPC calls on the Government to:**

- ➔ Make participation in the scheme conditional on the implementation of Siolta and the NCCA's Framework for Early Learning.
- ➔ Ensure that families will not have to pay hidden costs under the new scheme.

## Health

The Consumer Price Index for June shows that health costs this year have risen by 3.4% despite the recession<sup>4</sup>. This, in tandem with the increases in A&E charges from €66 to €100 in Budget 2009, will have serious implications for families on low incomes who do not currently qualify for the medical card, particularly as many families face serious financial difficulties in the growing recession. ECPC is concerned that the recommendations included in the Report of the Special Group on Public Service Numbers and Expenditure Programmes to lower the income guidelines for the medical card and introduce prescription fees for medical card recipients will have serious consequences for children's health and put increasing pressure on families to hold off on visiting GPs or buying vital medicines. **ECPC urges the Government not to sacrifice poor children's health just to save money.**

**ECPC calls on the Government to:**

---

<sup>4</sup> CSO, Consumer Price Index June 2009

- ➔ Double the income threshold for the full medical card for families with children under 6 years of age.
- ➔ Refrain from introducing the measures set out in the Report of the Special Group on Public Service Numbers and Expenditure Programmes.

## Housing and accommodation

For families facing a serious drop in income, meeting accommodation costs can represent a significant challenge, and yet accommodation is one of the most basic and fundamental needs we have. While a depressed economy can present opportunities and allow for the provision of additional social housing at a much lower cost than during the boom years it is important to recognise the particular challenges facing families with children. The onus should be placed firmly on landlords to reduce rents for those on Rent Supplement, rather than expect vulnerable tenants to negotiate rent reductions. **ECPC urges the Government not to force families into poverty with higher housing costs.**

### ECPC calls on the Government to:

- ➔ Make no further cuts to the amounts payable to recipients of Rent Supplement.
- ➔ Make maximum use of the potential of the Rental Accommodation Scheme to provide accommodation by extending eligibility to families who are in receipt of Rent Supplement for 6 months rather than 18 months.
- ➔ Take advantage of lower land, material and labour costs to increase the stock of social housing.
- ➔ Provide resources for social housing and related supports to implement the Homeless Strategy and eliminate long term homelessness by 2010.

The **End Child Poverty Coalition** is a partnership of seven national non-governmental organisations: Barnardos, the Children's Rights Alliance, Focus Ireland, the National Youth Council of Ireland, OPEN (One Parent Exchange & Network), Pavee Point, and the Society of St. Vincent de Paul.

For further information please contact:

- Maria Corbett, Children's Rights Alliance, 01-6629400/087 7835057
- John Mark McCafferty, Society of St. Vincent de Paul, 01 829 9013/087 236 3995