



Introduction

The End Child Poverty Coalition recognises the difficult economic situation in which Budget 2011 will be framed. Our coalition of eight non-governmental organisations work day in day out with most vulnerable in Irish society who are bearing the brunt of the recession.

Our membership comprises Barnardos, the Children's Rights Alliance, Focus Ireland, OPEN, Pavee Point, National Youth Council of Ireland, Start Strong and the Society of St. Vincent de Paul.

It is vital that the government should protect the most vulnerable in Budget 2011. Children are not responsible for the economic crisis and should not be forced to suffer as a consequence of it. Furthermore, reducing the incomes of poorer families will undermine economic activity and lead to reduced consumer spending in the economy. This pre-budget submission recognises that resources are scarce but also outlines a series of proposals which, if implemented, will produce positive outcomes for the economy, our society and most importantly the prospects of our most valuable resource – our children.

The submission addresses five areas of public policy:

- a) Social Welfare
- b) Educational Disadvantage
- c) Health
- d) Housing and Accommodation
- e) Early Childhood Care and Education

a) Social Welfare

Child Income Supports

Child income supports, in particular Child Benefit and the targeted Qualified Child Increase, are crucial to assisting families with the costs of child rearing. Despite some progress in recent times 65,270 children continued to live in consistent poverty in Ireland in 2008.

The reduction in Child Benefit in Budget 2010 is likely to have made this situation worse. Children are the age group who are most 'at risk' of poverty (18% in 2008) and that is why families with children require specific supports.

ECPC calls on the Government to:

- Maintain the current rate of Child Benefit for 2011
- Maintain the real value of the Qualified Child Increase for 2011.

Adult Rate

Social Welfare payments have remained below the poverty line of 60% of median income. In 2010, the weekly poverty line for one adult and one child is €298.92 and for two adults and one child is €447.25. It is imperative that these families are not pushed further into the cycle of

poverty and disadvantage. Poor children grow up in poor families and that is why the adult rate of payment has a direct impact on child poverty.

ECPC calls on the Government to:

- Maintain the current adult social welfare rates for 2011.

Family Income Supplement (FIS)

Family Income Supplement is designed to top up the wages received from low paid employment and often serves as a lifeline for low income families. There are over 28,000 working families who claim FIS on behalf of 58,000 children. However, the criteria for eligibility is not reflective of the atypical work patterns often associated with low paid jobs, nor is the payment automatic resulting in many families being excluded from receiving the payment. As FIS is a targeted payment, it is imperative that it is utilised effectively as a mechanism to tackle child poverty while also ensuring rewards from low paid employment.

ECPC calls on the Government to:

- Adjust the thresholds for FIS to compensate for any changes in the rate of, or eligibility criteria for, the income tax system or Child Benefit payment.
- Recognise that 87% of families have 1-3 children¹ and realign the increases in FIS thresholds towards these families to ensure an effective financial return from work.
- Relax the minimum weekly working hours requirement for eligibility for FIS for a set period of time, in light of the reduction in working hours that many low paid workers now experience.
- Promote the increased take up of FIS to ensure eligible families, including the self employed, are adequately supported and protected:
 - Introduce self assessment for claiming Family Income Supplement.
 - Use the ‘sign off’ from the Live Register as a trigger for FIS (as recommended by the Expert Group on Integrating Tax and Welfare 1996). For example, the Department of Social Protection could issue an information note to the person explaining how to claim FIS and detailing eligibility criteria etc on signing off from the Live Register.

b.) Early Childhood Care and Education

Given the benefits of quality care and education for young children, especially for disadvantaged children, ECPC welcomes the fact that the Free Pre-School Year was implemented as planned in January 2010. In particular, we welcome the fact that the Government has held firm to the principle of universal, free provision of the scheme, with no allowance for top-up payments. The high take-up of the scheme in its first full year (94% in September) is very positive. The Government must now focus on raising quality standards in services, as variable quality remains a problem, and early care and education only benefits children and the wider economy if the quality of services is sufficiently high.

¹ Statistical Information on Social Welfare Services 2009, page 75

ECPC calls on the Government to:

- Ensure there are no further cuts to budgets for early childhood care and education, so the progress made in recent years is not lost.
- Continue the policy of no top-ups in the Free Pre-School Year, and examine reasons for lower take-up in some localities to ensure that a shortage of free places is not acting as a constraint for parents with low incomes.
- Continue pushing for higher quality standards in services for young children through implementation of Síolta and Aistear and through incentivising qualifications above FETAC level 5. We also urge the Government to require these standards in all early care and education services, not just the Free Pre-School Year.

c.) Educational Disadvantage

Education is an important route out of poverty. However, for children in poor families full participation in school can be a luxury they cannot afford. The latest figures from the Consumer Price Index indicate that education costs increased by 9.2% in the year to July 2010². The cutbacks in education which have already been made are having a severe impact on children, who are experiencing delays in accessing psychological assessments and as a consequence cannot access the supports they need. ECPC urges the Government to ensure that children are not further disadvantaged by cuts to education spending.

ECPC calls on the Government to:

- Safeguard education budgets for 2011. The Coalition is particularly concerned that the amalgamated grants which fund schools to provide activities associated with Transition Year, the Leaving Certificate Applied and various other subjects and programmes are maintained so that children in poor households can fully participate in school.
- Address the lengthy waiting lists children have to endure to obtain a psychological assessment under the National Educational Psychological Service.
- Ensure that all children have access to vital supports such as Special Needs Assistants, resource teachers, and language support teachers at an early stage. Current levels of service must be increased in these areas in order to prevent long term educational disadvantage.
- Ensure that there are no further increases to the School Transport Scheme. The cost of school transport can be a real burden, particularly for families in rural areas.

² CSO Consumer Price Index, July 2010

d.) Health

The chances of a long and healthy life are not the same for everyone. Children that live in poorer families are likely to experience more illness during their lifetimes, and die younger, than their financially better off peers. Medical card holders are entitled to free GP services and hospital visits, and reduced prescription medicines. Increasing access to medical cards is a way to close the gap between rich and poor children in relation to healthcare. The introduction in Budget 2010 of a 50 cent charge per item for prescribed medicines for medical card holders targeted people on the lowest incomes and those with the poorest health. The Coalition is concerned that prescription fees for medical card holders 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:

- Scrap the 50 cent co-payment for prescription items for medical card holders.
- Double the income eligibility threshold for a medical card for parents of children with ongoing medical conditions. Such children regularly visit the GP and use prescription medicines, at significant cost to their families.

e.) 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. Although the Rent Supplement Scheme is not an appropriate long term mechanism for housing those in need, it is essential to prevent people from becoming homeless. Changes made to the Rent Supplement Scheme in recent budgets have resulted in real hardship for families. 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:

- Retain tenants' Rent Supplement contributions at current levels.
- Reduce the time period for eligibility for Rental Accommodation Scheme (RAS) housing from 18 months to 6 months, with a strong emphasis on tenancy sustainment.
- 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

Conclusion

This submission has identified a number of core proposals which, if implemented, will ensure that children are not made to pay the price for the economic crisis.

Further cuts in income and services to low income families will not only increase child poverty but will also reduce consumption in the economy and cost the state much more in the long term.

Our proposals are balanced and reasonable reflecting the reality of Ireland's economic plight, but also reflect the equally stark reality that one in five children are at risk of poverty in Ireland.

The End Child Poverty Coalition hopes that our recommendations will be implemented in Budget 2011.

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, Pavee Point, and the Society of St. Vincent de Paul. For more information see www.endchildpoverty.ie or contact:

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