

# END CHILD POVERTY COALITION

# END CHILD POVERTY BY 2007

## BUDGET 2005: MAKING PROGRESS TOWARDS ENDING CHILD POVERTY

End Child Poverty Coalition Budget Submission 2005

OCTOBER 2004



# END CHILD POVERTY COALITION BUDGET SUBMISSION 2005

## SUMMARY OF KEY RECOMMENDATIONS

**There are five key areas where Budget 2005 should act to make a decisive impact on meeting the commitment to end child poverty.**

- Implement the promised increase in Child Benefit to provide a monthly payment of €149.90 for the 1st and 2nd child, and €185.40 for 3rd and subsequent children.
- Equalise and increase Child Dependant Allowances to €28. Budget 2006 should then increase CDAs to €30, and Budget 2007 to €35.
- Ensure that the numbers of children and families covered by the medical card should return to at least the 2001 figure during 2005. Budgets 2006 and 2007 should rollout the commitment contained in the 2001 Health Strategy to substantially expand Medical Card eligibility on an income related basis.
- Provide sufficient funding to acquire, enable and provide 10,000 social housing units in 2005.
- Adequately resource the National Educational Welfare Board to ensure the full implementation of the Education Welfare Act, 2000.

## ENDING CHILD POVERTY

66,000<sup>1</sup> children in Ireland live on an income below the poverty line and experience the deprivation of such basic items as a substantial meal over a two week period or have to go without heating due to lack of money. The Government has committed to ending child poverty, and to reducing the number experiencing income poverty and deprivation to below 2% by 2007 and if possible eliminate child poverty by that date. 237,000 children live in income poverty in Ireland. That represents almost a quarter of all children living in relative poverty.

Budgets to 2007 provide an opportunity for Government to meet the goal to end child poverty. Budget 2005 should bring us further along the road to meeting this goal.

The revised National Anti-Poverty Strategy, 2002 states that tackling poverty involves a multi-policy approach, while the National Action Plan Against Poverty and Social Exclusion 2003-2005 describes poverty as a multi-dimensional and complex issue. This submission sets out a series of

recommendations to Government for Budget 2005 that can impact positively on the lives of children living in poverty and experiencing deprivation, and reduce the numbers of children living in poverty. The following five recommendations in four central policy areas represent vital investment in the lives of children living in poverty and experiencing deprivation. These recommendations also represent investment in the social infrastructure and provisions required to ensure positive outcomes for children.

## **BUDGET 2005: KEY RECOMMENDATIONS**

### **1. PROVIDE ADEQUATE CHILD INCOME SUPPORT**

On child income support, Budget 2005 should meet the target increases as set out in Sustaining Progress. Child Benefit provides children living in poverty and in households on low incomes with essential financial support. Budget 2005 should:

**Implement the promised increase in Child Benefit to provide a monthly payment of €149.90 for the 1st and 2nd child, and €185.40 for 3rd and subsequent children. Cost: approximately €190m<sup>2</sup>**

While Child Benefit increases over the past number of years have provided vital support for families, for those reliant on social welfare payments, the increases have not been enough to move children out of poverty and this is reflected in the child poverty statistics. The freezing of Child Dependent Allowances (CDAs) since 1994 has weakened the impact of the increases in Child Benefit for families living in poverty. CDAs target income at the poorest children, including children whose parents are on Back to Work or Enterprise Allowance or have a disability<sup>3</sup>. The End Child Poverty Coalition proposes that a staggered approach to increasing CDAs be adopted. CDAs need to be increased due to their specific anti-poverty nature. Also the Special Initiative on Ending Child Poverty contained in Sustaining Progress commits to an examination of child income support arrangements, including examining the effectiveness of, for example, merging CDAs and Family Income Supplement. Should CDAs comprise a part of any new second tier child income support measure, the CDA payment level must be adequate. Budget 2005 should:

**Equalise and increase Child Dependant Allowances to €28. Budget 2006 should then increase CDAs to €30, and Budget 2007 to €35. 2005 Cost: €156m approx**

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1 This number equates to 6.5% of children, as measured in the Living in Ireland Survey, 2001 undertaken by the ESRI.

2 All costs are estimates and refer to additional costs.

3 For example, according to the Statistical Information on Social Welfare Services 2003, 10,485 children whose parents are on a Disability Allowance benefited from the full-rate CDA payment, as did 12,629 children whose parents were on Back to Work and Enterprise Allowances and 2,243 children whose parents receive Carer's Allowance.

## 2. EXTENDING MEDICAL CARD COVERAGE

The link between poverty, inequality and ill-health in Ireland is cited frequently in policy and research. People who are poor and excluded get sick more often and die younger than people who are better off<sup>4</sup>, and there is a strong relationship between income and health<sup>5</sup>. The Chief Medical Officer of the Department of Health and Children<sup>6</sup>, noted the connection between poverty and ill-health and called for the provision of free primary health care to all children. Our current two-tier health system gives access to care based on income or wealth rather than need, resulting in poor health for children and deepening health inequalities.

The Government committed in the 2001 Health Strategy<sup>7</sup> to extending medical card coverage to a further 200,000 persons, taking into account the particular needs of families with children. Yet since 2001, the numbers of people covered by a medical card has dropped substantially. Budget 2005 should:

**Ensure that the numbers of children and families covered by the medical card should return to at least the 2001 figure during 2005.**

**Budgets 2006 and 2007 should rollout the commitment contained in the 2001 Health Strategy to substantially expand Medical Card eligibility on an income related basis.**

As a longer term strategy on child health and public health, the End Child Poverty Coalition believe that all children and young people under the age of 18 years should be entitled to a medical card.

## 3. BUILD SUFFICIENT SOCIAL HOUSING

According to the most recent Government statistics<sup>8</sup>, at least 50,000 children are in housing need and almost 70% of the households on the waiting list contain children. The number of households in housing need is expected to rise when the next assessment of housing need will take place in March 2005. 1,140 children are homeless in the Dublin area alone<sup>9</sup>, with the majority of these children under the age of 12 years.

Target 2005 social housing output should be ambitious given the depth of housing need that currently exists, and should ensure that sufficient houses are in development to meet the expected increase in need. The 2002 NAPS sets a target to deliver 41,500 local authority housing starts between 2000-2006. Budget 2005 should:

**Provide sufficient funding to acquire, enable and provide 10,000 social housing units in 2005. Cost: €1,800m approx**

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4 Public Health Alliance Ireland (2004) Public Health – An Unequal State. Dublin: Public Health Alliance.

5 Ruth Barrington (2004) Poverty is Bad for Your Health. Dublin: Combat Poverty Agency.

6 Department of Health and Children (2000) Annual Report of the Chief Medical Officer: The Health of Our Children.

7 Department of Health and Children (2001) Quality and Fairness: A Health System for You.

8 Department of the Environment, Heritage and Local Government (2002) Assessment of Housing Need.

9 Homeless Agency - ESRI (2002) Counted In: The Report of the 2002 Assessment of Homelessness in Dublin.

## 4. ADEQUATELY RESOURCE THE NATIONAL EDUCATIONAL WELFARE BOARD

Educational disadvantage affects children's life chances and their chance to fulfil their potential. Up to 1,000 children do not transfer from primary to secondary school<sup>10</sup>. 15% of young people leave school without a Leaving Certificate and 3% with no qualification at all. Young people who leave school early with few or no qualifications have significantly higher unemployment rates than on average and considerably lower earnings<sup>11</sup>. Compared to people with primary level education only, on average people with Junior Certificate or equivalent earn about 10% more, those with a Leaving Certificate, about a quarter more<sup>12</sup>, and people with a degree, about three quarters more. The cycle of educational disadvantage must be broken. Budget 2005 should:

**Adequately resource the National Educational Welfare Board to ensure the full implementation of the Education Welfare Act, 2000. Cost: €20m**

## FURTHER POLICY AND BUDGETARY RECOMMENDATIONS

### CHILD INCOME SUPPORT

Family Income Supplement (FIS) provides an income supplement to low-income families in employment, and it incentivises employment. Budget 2005 should:

**Increase FIS income thresholds by €30 per child.**

In relation to income adequacy for children of asylum seeking families, the decision taken by Government in 2004 to make asylum seeking children post May 2004 ineligible for Child Benefit through the introduction of the Habitual Residency Test is a retrograde step that will increase deprivation and marginalisation for them. The End Child Poverty Coalition call on the Government to reinstate the Benefit as a universal payment. The Coalition also believe that the policy of dispersing asylum seeking families to accommodation centres around the country and providing income maintenance through the Direct Provision Allowance should be discontinued. While awaiting this change, Budget 2005 should:

**Increase the Direct Provision Allowance payable to asylum seeking children and adults from €19.10 per week for adults to €44 and from €9.60 per week to €20 for children. Cost: €137,000 approx**

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10 NESF (1997) Early School Leavers. Dublin: NESF.

11 Eithne Fitzgerald (2004) Counting Our Children: An Analysis of Official Data Sources on Children and Childhood in Ireland. Dublin: Children's Research Centre.

12 ESRI (2003) Mid-term evaluation of the National Development Plan 2000-2006.

## HEALTH

To greater reflect the costs of care, Budget 2005 should:

**Increase the Domiciliary Care Allowance from €204 per month to €256, and standardise the operation of the payment throughout the different health board areas.**

Budget 2005 should:

**Ensure that, unlike Budget 2004, there are no increases in hospital charges. Budget 2005 should not increase the Drugs Payments Scheme's costs limits.**

## HOUSING AND ACCOMMODATION

In addition to providing sufficient funding to build social housing, the prioritisation of social housing development and delivery within the local Social and Affordable Housing Action Plans 2004-2008 developed by Local Authorities is important to provide a home for those living in poverty. State agencies also need to ensure that Bed and Breakfast is only used to provide emergency shelter to homeless families with children in the very short term. The Department should work with the Local Authorities and the Health Authorities around the country on this matter.

In order to ensure the delivery of the required amount of accommodation to Traveller families, Budget 2005 should:

**Fund the establishment a National Traveller Accommodation Agency to ensure the delivery of the required Traveller accommodation.**

Budget 2005 should also:

**Roll back the administrative changes made to the rent supplement in Budget 2004 until the recently announced changes to the rent supplement system are fully operational.**

## CHILDCARE

Childcare provides not just the opportunity for parents to take part in the workforce, but valuable developmental opportunities for children. For children in disadvantaged areas, childcare can give them a head start in life.

Budget 2005 should:

**Reinstate the Crèche Supplement as it provides vital childcare support to children and families in disadvantaged communities in the absence of the required funding supports.**

**Provide operational funding to community childcare facilities in disadvantaged areas under the Equal Opportunities Childcare Programme.**

## EDUCATION

While the Educational Disadvantage Committee is reviewing the programmes and initiatives aimed at combating such disadvantage, Budget 2005 should:

**Ensure that the School Completion Programme and the Stay in School Retention Initiative are adequately resourced in 2005. Cost: €5m**

Due to inadequate family income or particular support needs, school going children in families living in poverty require additional income and services support. Budget 2005 should:

**Standardise and expand the operation of the school meals scheme, and increase the capacity of the schools to deliver the scheme.**

**Facilitate the establishment of a state-funded School Book Rental Scheme.**

**Raise the annual Back to School Clothing and Footwear Allowance for primary school children from €80 to €123 and for secondary school children from €150 to €200 per child. Cost: €7.5m**

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