

## BUDGET SUBMISSION

# LAST CHANCE TO END CHILD POVERTY BY 2007

### Key Recommendations

- Implement the last phase of the 2001 promised increase in Child Benefit, to provide a monthly payment of €155.92 for the 1<sup>st</sup> and 2<sup>nd</sup> child, and €192.85 for 3<sup>rd</sup> and subsequent children
- Introduce a new child income support measure for children in low income families, both in work and out of work. As an interim measure, equalise and increase Child Dependant Allowances to €33 per week
- Reinststate the universal entitlement of all children resident in Ireland to receive the Child Benefit payment, regardless of the status of the child's parents
- Roll out the commitment contained in the 2001 *Health Strategy* to substantially expand FULL Medical Card eligibility to 200,000 persons, taking into account the particular needs of families with children
- Provide sufficient funding to acquire, enable and provide an additional 10,000 social housing units in 2006 in line with the NESC recommendation
- Adequately resource the National Educational Welfare Board to ensure the full implementation of the Education Welfare Act, 2000
- Raise the annual Back to School Clothing and Footwear Allowance for primary school children from €80 to €165 and for secondary school children from €150 to €220 per child
- Substantially increase the earnings disregard of One Parent Family Payment to a lower limit of €190 per week with an upper cut-off point of €325

## CHILDREN LIVING IN POVERTY IN IRELAND TODAY

It is estimated that 1 in 7 children are living in consistent poverty in Ireland today. This means that an estimated 148,000 children live in households on an income below the poverty line *and* experience the deprivation of basic items such as having to go without a substantial meal over a two-week period or without heating due to lack of money.

The National Anti-Poverty Strategy sets 2007 as the target date for eliminating consistent child poverty. Budget 2006 is the last budget before that goal date and the Government's last opportunity before that date to allocate the necessary resources to honour its commitment. Budget 2006 is also the last budget in the life of *Sustaining Progress*, the last chance to make progress in the 'Ending Child Poverty Special Initiative'.

This submission sets out a series of recommendations to Government for Budget 2006 that, if implemented, will impact positively on the lives of children living in poverty and experiencing deprivation. They represent vital investment in social infrastructure necessary to provide positive outcomes for all children in Ireland.

### 1. PROVIDE ADEQUATE CHILD INCOME SUPPORT

Since 2001, the Government has consistently broken its own commitment on Child Benefit and this has compounded the effects of poverty for the most vulnerable children in Ireland. Despite a buoyant economy and increased wealth, our current rate of child poverty is unacceptably high.

**Budget 2006 must: Implement the last phase of the 2001 promised increase in Child Benefit, to provide a monthly payment of €155.92 for the 1<sup>st</sup> and 2<sup>nd</sup> child, and €192.85 for 3<sup>rd</sup> and subsequent children**

We support the work of 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, and urge Government to prioritise the introduction of a new mechanism to support these most vulnerable children.

As an interim measure, supporting children through the Child Dependent Allowance (CDA) must become a key focus. The targeted nature of CDA means that it provides invaluable, practical support to children and families who rely on social welfare due to illness, disability, unemployment or whose families engaged in caring responsibilities. CDA rates have not increased since 1994 and failure to make any increases has hit the poorest children particularly hard. In particular there are 126,040 children living in one-parent families whose primary income is from social welfare. Lone parents have been identified by EU-SILC as being three and a half times more likely to live in consistent poverty.

**Budget 2006 must: Introduce a new child income support measure for children in low income families, both in work and out of work. As an interim measure, equalise and increase Child Dependant Allowances to €33 per week**

The introduction in May 2004 of a two year Habitual Residency Test for Child Benefit ended the policy of a universal Child Benefit payment to all children resident in Ireland. No review was

undertaken to assess the impact of this decision on the children affected. The denial of Child Benefit to incoming asylum seekers with children, living in direct provision, is particularly concerning as it reduces their cash income by at least 40%, and possibly by as much as 70%. This leaves them with virtually no money to pay for their children's clothing and supplementary food needs and basic day-to-day expenses. This is cause for concern in light of the 2001 Irish Refugee Council's report, which drew attention to the material deprivation and social exclusion experienced by asylum-seeking children living in direct provision prior to the denial of Child Benefit to these families.

**Budget 2006 must: Reinstate the universal entitlement of all children resident in Ireland to receive the Child Benefit payment, regardless of the status of the child's parents**

## 2. EXTEND FULL MEDICAL CARD COVERAGE

Many children living in poverty and in low-income families cannot afford general practitioner (GP), hospital and prescription costs. Basing the health care system on ability to pay rather than need, means that those families in low paid employment cannot afford healthcare for their children or themselves. The *Health Strategy* commitment to expand FULL Medical Card eligibility, made in 2001 is still outstanding. In fact, not only have 170,000 FULL Medical Cards still not been issued but the overall numbers in receipt of the FULL medical card has reduced.

Whilst the Coalition welcomes the introduction of 200,000 GP only cards in Budget 2005, their introduction does not meet this commitment, nor does it comprehensively meet the healthcare needs of children and families. GP visits frequently result in medicines being prescribed and the cost of medicines can be very expensive. The consequence of the GP only cards for low incomes families with children is that the cost of medicines will still be prohibitively expensive.

**Budget 2006 must: Roll out the commitment contained in the 2001 *Health Strategy* to substantially expand FULL Medical Card eligibility to 200,000 persons, taking into account the particular needs of families with children**

## 3. TACKLE EDUCATIONAL DISADVANTAGE

### ADEQUATELY RESOURCE THE NATIONAL EDUCATIONAL WELFARE BOARD

Adequate resourcing to ensure full implementation of the *Education Welfare Act 2000* is vital to tackling school absenteeism and early school leaving. The National Education Welfare Board currently can not cater for all those on its caseload, with as many as 200 urgent cases awaiting attention. A lack of resources prohibits the Board from carrying out its responsibility, under the Act, in relation to the continued education of 16 and 17 year olds who leave school to take up employment. Additionally, the ability of the Board to work with primary school children to prevent absenteeism and early school leaving is being significantly hampered by the lack of funding.

**Budget 2006 must: Adequately resource the National Educational Welfare Board to ensure the full implementation of the *Education Welfare Act, 2000***

The costs of education have an effect on the spending choices made within households at the beginning of every school year and can result in both early school leaving and low skills attainment. The Combat Poverty Agency study *Against All Odds*, pointed to the difficulties that such costs have

on children's ability of remain in the education system. The Back to School Clothing and Footwear Allowance should be raised to reflect the actual costs of returning children to school. No increase was given in last year's budget, which when cost of living increases are factored in represents an effective cut. This payment is of critical importance given the lack of an adequate text book rental scheme.

**Budget 2006 must: Raise the annual Back to School Clothing and Footwear Allowance for primary school children from €80 to €165 and for secondary school children from €150 to €220 per child**

#### 4. BUILD SUFFICIENT SOCIAL HOUSING

According to the most recent Government statistics, 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 survey is published later this year. Currently 1,140 children are homeless in the Dublin area, the majority of whom are under the age of 12 years and over half under the age of 5 years.

The Coalition supports the recommendation of the NESC *Housing in Ireland* report that an additional 73,000 units of new social housing be provided between 2005 and 2012. In recognition of the depth of housing need that currently exists, and to ensure that sufficient houses are in development to meet the expected increase in need, Budget 2006 must allocate the necessary resources to begin rolling out this recommendation.

**Budget 2006 must: Provide sufficient investment to acquire, enable and provide an additional 10,000 social housing units in 2006 Cost: €800m**

#### 5. REMOVE BARRIERS FACED BY LONE PARENT FAMILIES

Since the introduction of the One Parent Family Payment in 1997, its **earnings disregard** element has remained at the same level while childcare costs have escalated. As things stand, most lone parents cannot afford to work while remaining on the payment and due to low educational attainment will not get work which pays enough to get them off the payment. Children in lone parent families face a disproportionate risk of being poverty; therefore support to increase parental earnings is vital.

**Budget 2006 must: Increase the earnings disregard of One Parent Family Payment to a lower limit of €190 per week with an upper cut-off point of €325**

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