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****PRESS STATEMENT****

By Jillian van Turnhout

OTHER OPTIONS NEED TO BE EXPLORED, SAYS HESITANT COMMISSION

“The Commission on Taxation is clearly uncomfortable in issuing its recommendation to tax child benefit, urging in its report the need to benchmark against alternatives. It speaks volumes that this timid recommendation is couched in caveats, with the hesitant Commission, in an unusual move, advising the Government to consider potential legal, policy, implementation and employment disincentive issues before considering the move. The Alliance also notes with concern the proposals in relation to childcare, which is an area that is already heavily under-resourced and under-developed.

The Children’s Rights Alliance met with the Commission on Taxation to outline its concerns and arguments against the taxation of child benefit. On reading this report, I am pleased that the Alliance’s concerns were taken on board, with the Commission providing counsel to Government to explore the issue further ‘*to ascertain the most effective method of achieving the aims and objectives of the child benefit programme*’.

The Report also catalogues the legal and policy challenges of taxing child benefit. This is no quick-fix solution that will lead us out of recession. It will take years for the system to be set up, requiring a complete overhaul of our tax and welfare systems. And it has proved a disaster for the UK Government when they went down this road over the last ten years. How will they ensure that our larger families won’t be penalised? And how will we overcome the legal issues?

While we acknowledge that the country is in crisis and that the Government faces difficult policy and budgetary choices, child benefit must not be played around with. Any change to the **Child Benefit payment** will have an immediate impact on childhood and families, and in these uncertain economic times, a non-stigmatising, regular, reliable, easy-to-access payment to families is of critical importance. Furthermore, taxing the payment risks triggering mass political discontent.

We are also worried about the recommendation to end childcare tax exemptions. The childcare system is already heavily under-resourced and under-developed, and we lag far behind our European counterparts, ranking last out of 25 countries. The answer to our economic problems is not to decimate this vital area further, but to keep it afloat and build upon it. The Alliance wants quality childcare available for all children in settings that are appropriate at prices that parents can afford.

In ratifying the UN Convention on the Rights of the Child in 1992, Ireland committed to vindicate children's rights. International eyes are upon us, and we have a duty to ensure that saving our economy is not at the expense of childhoods. Balancing the books is necessary, facing up to the challenges ahead is also necessary, but let us do this wisely."

Jillian van Turnhout
Chief Executive

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Notes to Editors:

- The Children's Rights Alliance's submission to the Commission on Taxation - Position Paper on the Child Benefit Payment, available for download at:
<http://www.childrensrights.ie/files/ChildrensRightsAlliancePositionPaperChildBenefit130709.pdf>
- The Alliance met with the Commission on Taxation in June 2009