



# **Children's Rights Alliance Pre-Budget Submission 2005 to the Department of Social and Family Affairs**

October 2004

## **Introduction**

The Children's Rights Alliance welcomes the opportunity to submit its views to the Department of Finance in relation to the development of Budget 2005.

The Alliance is a coalition of seventy-nine non-governmental organisations concerned with meeting the needs and safeguarding the rights of children in Ireland. The aim of the Alliance is to secure the full implementation in the Republic of Ireland of the principles and provisions of the UN Convention on the Rights of the Child.

The Government has made important commitments to children in national policies such as the National Children's Strategy and the National Anti-Poverty Strategy and through ratifying the UN Convention on the Rights of the Child.

Now these commitments require action. The Government must now take the necessary measures to ensure that these same commitments are made real. The steps needed are clear and they begin with the choices that will be made by Government in Budget 2005. Decisions that impact on children must be taken as an integral part of the budgetary process and not as an afterthought when surplus resources are divided up after other allocations have been made.

The Alliance calls on the Government to put children first in the forthcoming budget by allocating the resources necessary to honour the commitments it has made, in particular the commitment to end child poverty. Children, particularly disadvantaged children, are extremely vulnerable to the negative impact of spending and tax policy decisions.

Budget 2005 must take a step closer to fulfilling the Government's commitments to children by making appropriate spending and tax policy decisions in the areas of child income support and service provision.

# Summary of Recommendations

## **1. Child Income Support**

- Increase Child Benefit payment by €18.30 per month for the 1<sup>st</sup> and 2<sup>nd</sup> child and by €20.10 for the 3<sup>rd</sup> and subsequent children to provide a monthly payment of €149.90 and €185.40 respectively in 2005. Cost:<sup>1</sup> €190 million.
- Equalise the rate of the Child Dependant Allowance and increase it to a universal weekly figure of €28. Cost: €156 million
- Increase the Family Income Supplement payment income thresholds by €30 per child.

## **2. Children of Immigrant and Asylum Seeking Families**

- Reinstate Child Benefit as a universal payment by reversing the decision to introduce a Habitual Residency Test for Child Benefit.
- Increase the weekly 'direct provision' supplementary welfare allowance payment to asylum seeking families from €19.10 to €44 for adults and from €9.60 to €20 for children. Cost: €137,000

## **3. Education and Early Childhood Support**

- 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: €7.5 million.
- Standardise and expand the operation of the school meals scheme, and increase the capacity of the schools to deliver the scheme.
- Reinstate the Crèche Supplement as it provides vital childcare support to children and families in disadvantaged communities in the absence of sufficient funds to cover operational costs.

## **4. Children with Disabilities**

- Increase the Domiciliary Care Allowance from €204 per month to a more realistic level of at least €256 based on the support needs of the child, and standardise the operation of the payment throughout the different health board areas.

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<sup>1</sup> All costs are estimates and refer to additional costs.

### **Child Benefit**

The Government's commitment in Budget 2001 to reach a target Child Benefit rate of €149.90 and €185.40 per month by Budget 2003 was not implemented. The current Social Partnership agreement, *Sustaining Progress 2003-2005*, states that "the final phase of the planned multi-annual increases in Child Benefit rates will be completed in 2004 and 2005". The €6 and €8 increases in Budget 2004 leave a substantial gap to be filled by Budget 2005.

In order to uphold the terms of *Sustaining Progress* and to fulfil the Government's 2001 promise, Budget 2005 should:

- *Increase Child Benefit payment by €18.30 per month for the 1<sup>st</sup> and 2<sup>nd</sup> child and by €20.10 for the 3<sup>rd</sup> and subsequent children to provide a monthly payment of €149.90 and €185.40 respectively in 2005. Cost €190 million*

### **Second Tier Payment - Child Dependant Allowance and Family Income Supplement**

Child Benefit payments alone will not move children out of income poverty. Low-income families require additional child income support, as recognised in the revised National Anti-Poverty Strategy. The success of any new child income support model will hinge on its ability to meet the goal of ending child poverty and providing children with an adequate standard of living.

A review is to be undertaken of the child income support arrangements, including an examination of the effectiveness of merging the CDA with FIS, in line with the commitment in *Sustaining Progress*. While awaiting the outcome of this review, an immediate means of reducing the numbers of children in consistent poverty is, alongside implementing the promised Child Benefit increases, to substantially increase the level of Child Dependant Allowances and to increase the eligibility criteria for the Family Income Supplement.

For the past ten years, however, the Child Dependant Allowance payment has been effectively frozen, exacerbating child poverty among families in need of welfare assistance. CDAs are a means of providing valuable practical support to children and families who rely on social welfare due to contingencies such as illness or disability<sup>2</sup>. CDAs also give a helping hand to parents who are on Back to Work and Enterprise Allowances.

Family Income Supplement (FIS) provides an income supplement to low-income families in employment, and acts as an incentive to employment. One third of children experiencing poverty live in households headed by a person in employment<sup>3</sup>.

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<sup>2</sup> *Statistical Information on Social Welfare*, Department of Social and Family Affairs (2003) indicates that the majority of children benefiting from the CDAs do not live in families in receipt of Unemployment Benefit or Assistance. In fact many are in receipt of disability or invalidity related payments, are utilising the employment, education and enterprise supports provided by the State, or are parents who have sole responsibility for caring for their child/ren.

<sup>3</sup> *Poverty in Ireland – the Facts (2001)* Combat Poverty Agency Policy Briefing, Summer 2004

As a short-term response to the need for a second tier payment to target poor children, the Alliance calls for Budget 2005 to:

- *Equalise the rate of the Child Dependant Allowance and increase it to a universal weekly figure of €28. Cost: €156 million*
- *Increase the Family Income Supplement payment income thresholds by €30 per child.*

## 2 Children of Immigrant and Asylum Seeking Families

Article 22 of the UN Convention states that children who are refugees or asylum seekers shall “receive appropriate protection and humanitarian assistance” to ensure the realisation of their rights under the Convention and other international human rights instruments.

The introduction in May 2004 of a 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, despite the requirement under the National Children’s Strategy for Departments to undertake a child impact analysis on proposed changes in policy.

Families and children affected by the denial of Child Benefit risk being forced into serious poverty. The Alliance thereby calls on the Government to:

- *Reinstate Child Benefit as a universal payment by reversing the decision to introduce a Habitual Residency Test for Child Benefit.*

Recent research documented the negative impact of the present system of ‘direct provision’ on the social and educational development of asylum-seeking children<sup>4</sup>. This research was carried out before the denial of Child Benefit to such families. The denial of Child Benefit to incoming asylum seekers families with children reduces the income of these families by at least 40% and possibly as much as 70%, depending on family structure. This leaves them with virtually no money to pay for their children’s clothing, supplementary food needs and basic day-to-day expenses.

Budget 2005 should ensure that children of asylum-seeking families enjoy the same basic rights as other children living in Ireland, in line with the principle of non-discrimination outlined in the UN Convention. To this end, Budget 2005 should begin the process of reforming the ‘direct provision’ system to end material deprivation and social exclusion among asylum-seeking children.

As an interim measure, Budget 2005 should:

- *Increase the weekly ‘direct provision’ supplementary welfare allowance payment to asylum seeking families from €19.10 to €44 for adults and from €9.60 to €20 for children. Cost: €137,000*

<sup>4</sup> Fanning, B., Veale, A. and O’Connor, D. (2001) *Beyond the Pale: Asylum-Seeking Children and Social Exclusion in Ireland*, Irish Refugee Council: Dublin. The report includes information drawn from interviews with asylum seekers which suggests that the lack of control in relation to diet under the ‘direct provision’ policy has adversely affected the health of asylum-seeking children.

### 3 Education and Early Childhood Support

#### **Education Support**

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

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

#### **Early Childhood Support**

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 children 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 sufficient funds to cover operational costs.*

### 4 Children with Disabilities

Article 23 of the UN Convention on the Rights of the Child emphasises that a child with a physical or learning disability has a right not just to specialised services but to “enjoy a full and decent life, in conditions which ensure dignity, promote self-reliance and facilitate the child’s active participation in the community”.

Children with disabilities face a disproportionate risk of living in poverty. Budget 2005 should:

- *Increase the Domiciliary Care Allowance from €204 per month to a more realistic level of at least €256 based on the support needs of the child, and standardise the operation of the payment throughout the different health board areas.*

#### **For further information please contact:**

Maria Corbett  
Children’s Rights Alliance  
13 Harcourt Street, Dublin 2  
Tel: 01-4054823; fax: 01-4054826  
Email: maria@cra.iol.ie