
Submission
to the
Advisory Group on Tax and Social
Welfare

Child and Family Income Support



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SUMMARY

Treoir supports an approach which places Child Income Support within a broader strategy which aims to reduce poverty for all, and which focuses on coordinated policy development and implementation designed to achieve positive outcomes for children and their families.

Short term

1. Maintain the real value of the Qualified Child increase
2. Maintain adult social welfare payments at their current rate
3. Reconsider the specific conditions for FIS in order to make it more efficient as a child income support payment rather than as an employment support payment
4. 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
5. Provide more generous increases for small families on FIS and reduce the withdrawal threshold
6. Increase the take up of FIS
7. Expand pre-school provision to cover those aged 3 and above.

Medium term

A rebalanced and integrated child income support payment would build on existing payment structures to move incrementally towards a single child-related payment which has both universal and targeted components.

Long term

Every child would live in a family with access to sufficient resources, supports and services, to nurture and care for the child, and foster the child's development and full and equal participation in society.

INTRODUCTION

Founded in 1976, Treoir is the national federation of agencies which provide services to parents who are not married to each other and their children.

Treoir promotes the rights and well-being of unmarried parents and their children in Ireland. Membership of Treoir is open to professional agencies providing services to unmarried parents. They are a combination of statutory and non-statutory bodies, including specialist agencies, health boards, maternity hospitals, adoption societies and self-help groups.

The following are the core principles under which Treoir operates:

- *Treoir recognises the diversity of family life in Ireland*
- *Treoir recognises that all families, including unmarried families, have the same rights to respect, care, support, protection and recognition*
- *Treoir supports and promotes the rights of all children as outlined in the United Nations Convention on the Rights of the Child*
- *Treoir believes that all children have a right to know, be loved and cared for by both parents.*

Treoir works to achieve its aim by –

- providing a National Information Service to unmarried parents, their extended families and those working with them through answering queries made by phone/email, publications, outreach workshops etc.
- Working with workers who work with young parents
- Collaborating with other agencies to promote our aim through the federation of Treoir and agencies outside Treoir
- promoting change at every level to improve services and attitudes to unmarried parents
- promoting/undertaking research to better understand the situation of unmarried parents and their children in Ireland

CHILD INCOME SUPPORT

Introduction

It is recognised that a poor start in life for children results in later problems – for example, socio-economic inequalities in health, not being prepared for school, low literacy levels, absenteeism from school. It is also accepted that parental circumstances should not be the cause of any child being denied access to key development opportunities. While all children are supported, some are supported more than others. Priority must be given to the poorest children in the state.

Socially disadvantaged young people are disproportionately exposed to a growing spectrum of risks, depression, crime etc. High local concentrations of multiple disadvantage compound the range of intergenerational transmission.

In its Developmental Welfare State report (2003) NESC asserts that it is unhesitating in reaffirming its view that a poor start for any child is an ethical challenge and undermines Ireland's economic and social aspirations.

Children do not experience disadvantage on their own but in the context of their family. The challenge of ensuring no children are reared in households which place them below the at-risk-of-poverty income line is primarily a challenge to ensure the adequacy of their parents' incomes.

Vision

Towards 2016 sets out a vision which Treoir suggests is appropriate for this part of the work of the Advisory Group on Tax and Social Welfare:

“Every child should grow up in a family with access to sufficient resources, supports and services, to nurture and care for the child, and foster the child’s development and full and equal participation in society.”

Policy context

The policy context in Ireland is shaped predominantly by the commitments in *National Action Plan for Social Inclusion 2007–2016* and the social partnership agreement *Towards 2016*.

The National Action Plan for Social Inclusion aims to:

- Reduce the number of those experiencing consistent poverty to between 2% and 4% by 2012, with the aim of eliminating consistent poverty by 2016.
- Maintain the combined value of child income support measures at 33–35% of the minimum adult social welfare payment rate and review child income supports aimed at supporting children in families on low income.

A Policy and Value for Money Review of Child Income Support and Associated Spending Programmes discussed

1. Refundable child tax credits
2. Second-tier child income support payment
3. Rebalanced and integrated child income support payment.

The Review recommended that the DSP undertake a more detailed assessment of the policy and operational feasibility of option 3,

particularly for the FIS payment given that changes to FIS would have both employment support and child income support implications.

Wider context

It is well documented that the best outcomes for children in terms of child poverty can be seen in countries with high levels of universal supports for children and families combined with high quality, accessible services in health, childcare and education.

From a purely income support perspective Ireland already has the basis for such a model in its universal Child Benefit provision which accounts for 80% of the child income support in Ireland.

Values

Treoir believes that any changes in policies concerning child income support should be developed on the following basis as outlined in a *Joint Submission to the Department of Social and Family Affairs Value for Money Review of Child Income Supports* by Treoir and 4 other organisations:

- Child poverty is seen as a multi-faceted phenomenon, of which household income poverty is but one element.
- Child poverty is understood as family poverty.
- Tackling this form of poverty (by specific rate reductions within an agreed timeframe) is a primary public policy objective.
- A dynamic and multidimensional response is required comprising access to quality services (social, health, housing, childcare, education, transport) which work together in the interests of families.
- Robust indicators are developed and monitored in a fully accountable manner.

- Full harmonisation of tax and welfare data systems is required to support the implementation of policy.
- The recommendation takes account of the diversity of family forms and is developed in a manner which supports all families in a clear and understandable universal-targeted social support mix.
- Children, young people, families and groups representing their interests are centrally involved (and are therefore resourced to do so) in the development, implementation and evaluation of policy approaches.
- Child poverty is tackled within the framework of the UN Convention on the Rights of the Child.

First steps

The questions which need to be asked by the Advisory Committee now include:

1. What are the objectives of child income and other supports for children?
2. What are the targets to be achieved by government policy in this area?
3. What policies and programmes will best support the achievement of these objectives and targets?
4. How can the tax and welfare system better work together to allocate resources for children in an efficient and effective manner?
5. What is the optimal role to be played by universal payments and services in supporting children and what is the optimal role of additional targeted supports, both financial and services, for children in greater need?

6. How can service provision be better integrated nationally and locally to achieve positive outcomes for children building on the existing infrastructure?
7. What are the options around allocating both existing and additional funds for children in the most effective manner?

Short term

Treoir recognises that the wide-ranging debate and resulting policy changes will take time and that in the meantime existing government policy to reduce consistent poverty rates to 4% by 2012 must be rigorously pursued.

We therefore recommend that in the short term the following actions be taken:

1. Maintain the real value of the Qualified Child Increase
2. Maintain adult social welfare payments at their current rate
3. Reconsider the specific conditions for FIS in order to make it more efficient as a child income support payment rather than as an employment support payment
4. 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
5. Provide more generous increases for small families on FIS and reduce the withdrawal threshold
6. Increase the take up of FIS
7. Expand pre-school provision to cover those aged 3 and above.

Medium term

The *Policy and Value for Money Review of Child Income Support and Associated Spending Programmes* discussed

1. Refundable child tax credits

2. Second-tier child income support payment
3. Rebalanced and integrated child income support payment.

Treoir supports the third option. The integrated payment approach would build on existing payment structures to move incrementally towards a single child-related payment which has both universal and targeted components. Families would receive a single integrated payment per child. For all families this would comprise a basic payment while some (low income) families would receive a supplement based either on their social welfare status or by virtue of low income. This approach would allow for the incremental alignment of CB, QCIs and FIS into a single child income support payment that would provide some support to all families and deliver additional targeted support to all low income families across the welfare-to-work divide.

Long term

Treoir concurs with the vision set out in *Towards 2016* that every child would live in a family with access to sufficient resources, supports and services, to nurture and care for the child, and foster the child's development and full and equal participation in society.

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