

Analysis of Budget 2016 from a Child Perspective

October 2015

Introduction

Barnardos welcomes the investment in children in Budget 2016 as an important first step in tackling child poverty and inequality. It will, however, take a sustained plan to properly resource the services which most impact children's lives if we are to repair the damage done by years of austerity and underinvestment during 'boom' years. In particular, Barnardos welcomes the long overdue investment in childcare as move in the right direction for children.

Whilst recognising there are limited funds available, Barnardos would like to have seen a more coherent and long term investment approach taken by the Government and feels there were some glaring missed opportunities to truly tackle child inequality head on and invest in children's futures in sustainable way.

Taxation and Welfare

Key Changes for Children to improve family income:

- €5 increase in child benefit to €140 per month for each child
- Entry threshold to Universal Social Charge (USC) to rise from €12,012 to €13,000
- 1.5% USC rate reduced to 1% for the first €12,012 of income
- 3.5% USC rate reduced to 3% for income from €13,000 to €18,668
- 7% USC rate reduced to 5.5% for income from €18,668 to €70,044
- Increase to the Minimum Wage rate from €8.65 to €9.15
- Christmas bonus for people in receipt of social welfare increased to 75% of their weekly payment
- Family Income Support thresholds raised by €5 for one child and €10 for two or more children
- Carer's tax credit increased by €190 bringing it up to €1000 per year
- New €550 tax credit for self-employed people

There is much in this year's budget that will impact lower income families in terms of taxation and social welfare changes. The most obviously child focused improvements are the rise of €5 in child benefit, which was committed to in last year's budget), and the increase to Family Income Supplement.

The minimum wage has also risen from €8.65 per hour to €9.15. This will come into effect in January 2016 and mean a gross increase of around €1,000 for those working 39 hours per week. This increase comes in addition to changes in the rates of USC which mean a reduction in the region of €80 per year for those on the standard

minimum wage. A tapered tax rate was also introduced to ease the transition back to work.

Child Protection and Welfare

Key Changes for Children

- €38 million additional funding for Tusla.

Barnardos welcomes much needed additional funding for Tusla; however the funding allocated falls short of what the Agency needs to maintain its current activity. A review of Tusla earlier this year found around 6,000 child protection and welfare cases awaiting allocation of a social worker. Referrals to Tusla increased by 40% between 2011 and 2014. Tusla must be adequately resourced to fulfil its remit if we are to guarantee protection to children from harm and abuse.

Whilst €25 million was allocated to addressing the current refugee crisis there was no change in the paltry €9.60 weekly payment for the 1,500 children living in direct provision centres. This is the sixteenth year in a row that this vulnerable cohort of children has been ignored.

Early Years Care and Education

Key Changes for Children

- 8,000 more subsidised childcare places for those on low incomes
- Extension of the ECCE free preschool
- €3 million worth of grants for afterschool schemes
- €15 million in funding for children with disabilities to access the free preschool year
- Funding for quality initiatives such as training, auditing and inspections
- Two weeks statutory paternity leave.

Early years care and education received the biggest boost of all areas relating to children in Budget 2016. €85 million in total will be split across several schemes. This is a welcome development in what has for too long been a vastly under-resourced system.

Barnardos welcomes additional childcare places for low income families. It means the extension of the Community Childcare Subvention Scheme to some private providers in areas where there is a shortfall of community crèches.

The extension of the free pre-school year will come into effect in September 2016 and will mean that children can access the scheme from the age of three years up until they are aged five or go to school. Parents will now be able to enrol their children in the scheme at three points- September, January and April. This will hopefully mean greater access to the scheme, although much work is needed to ensure enough places will be available by September 2016, and when the enrolments will peak in April 2017 in line with rise in population.

The allocation of €15 million to support children with disabilities to access the ECCE scheme is an excellent development. Whilst take up of the ECCE scheme is almost universal, it is likely that many of the 5% who don't access the free year are unable to do so because of lack of disability supports. The Department of Children and Youth Affairs has developed a new model to support children with disabilities, families and service providers and ensure every child has access to this valuable initiative. Preparations will begin immediately, with initial roll out in September 2016.

The Government also announced its plan to legislate for paternity leave. This will see all new fathers receive two weeks paid paternity leave at the time of their child's birth. While welcome it must be seen as a starting point to rolling out paid parental leave to both parents.

With regard to afterschool care, the Government is keen to expand the supply of afterschool care places so has allocated a budget of €3m which is specifically targeted at schools to encourage them to provide afterschool care directly or to link in with private providers or community groups. The grants will cover things such as the purchase / hire of facilities and / or equipment. This appears to be once off funding so does little to address issues such as affordability, quality and sustainability which remains key concerns for this sector.

Education

Key Changes for Children

- 2,260 increase in teacher numbers
- €3 million to help students from disadvantaged backgrounds access third level
- €5 million capital funding for school book rental programmes
- €3 million additional funding for school meal programmes.

Increased teacher numbers are welcome. These changes will mean the Department of Education can keep pace with demographic changes and slightly reduce primary classroom sizes.

Additional funding for school meals programmes is most welcome. Hopefully it will be accompanied by more flexibility in how the scheme is administered to allow greater access for more children.

Barnardos was disappointed to see little in the Department of Education budget to help the thousands of families struggling with school costs. Whilst funding towards maintaining the school book rental scheme and allowing greater access to third level education are welcome, they are sticking plaster measures. Providing greater educational equality must begin early on and give greater equity for all children. Barnardos has costed the provision of free primary education- including free books, transport, voluntary contributions and classroom resources- at €103.2 million. This is a minute amount in a €8.5 billion budget; but would make a huge difference in the life of every child in the country.

Health

Key Changes for Children

- Free GP care to be extended to children under 12 years old
- Increased funding for speech and language therapy
- 50c increased excise duty on a packet of cigarettes.

The extension of free GP care to children under 12 years old will ease the pressure on families who are outside of the medical card net. However, the roll out of this is likely to be significantly delayed as negotiations with the Irish Medical Organisation will be protracted. Also having a free service does not necessarily mean improved access. It is now more important than ever that there are enough primary care teams to meet demands and long overdue community services promised in the 2001 Primary Care Strategy are delivered. One therapy that has seen particular strain in recent years is speech and language therapy. Increased funding in this area is extremely welcome; however the devil is in the detail and we await more information on what this will mean for children currently languishing on long waiting lists. Barnardos urges the Government to use the anticipated €61.4 million in additional revenue raised by increased excise on tobacco to be targeted at tobacco prevention measures for young people.

Housing

Key Changes for Children

- €69 million increase in social housing funding
- €10 million affordable housing pilot scheme
- Increase of €17 million to emergency accommodation to meet demand
- 20,000 new homes to be built by NAMA by 2021

It is a cause of grave concern that the area most in need of attention from the Government has received so little. Again the Government is focusing primarily on long term solutions which while needed does little to alleviate the current pressure on families at risk of homelessness. The current housing crisis has resulted in 1,496 children being forced into emergency accommodation. Countless more families are shouldering the burden of the crisis by living in overcrowded accommodation and staying with relatives or friends. This is not acceptable and the Government's response in Budget 2016 is not acceptable. Barnardos joined with its colleagues in homeless and housing organisations calling for an increase in Rent Supplement levels and increased rent certainty before the Budget. We are renewing that call and will continue to raise this issue until something meaningful is done to help struggling families.

Conclusion

Budget 2016 offers more to children than they have received in years. Investments in key areas such as early years care and education are to be welcomed as an important first step towards greater equality for children. Other areas, such as housing and education, can be viewed as a disappointing missed opportunity.

15 October 2015

As a nation we must not allow our expectations to be dampened by years of austerity. We must aspire to make Ireland a better place in which to be a child; a place in which 138,000 children are not allowed to live in poverty.

We must learn the lessons of the recent 'boom to bust' years. Strategic, sustainable investment is required if we are to tackle inequality and provide security from a repeat of recent austerity.