



cherishing all the children of the nation equally



# Sinn Féin Budget Priorities 2005

## Putting children first

# Sinn Féin Pre-Budget Priorities

## Put children first in Budget 2005

### We have the resources to Budget for Equality

After seven Budgets of Inequality from former Minister for Finance Charlie McCreevy the Cabinet reshuffle created an expectation that the new Minister, Brian Cowen, might adopt a different approach. Certainly the public is entitled to expect the new Minister to turn over a new leaf. His predecessor's record has been a sorry tale of how a Fianna Fáil/Progressive Democrats government squandered the golden opportunities of the past seven years and allowed the wealth-poverty gap to grow while failing to properly develop vital public services and social infrastructure.

As Budget 2005 approaches we have been subjected to the annual ritual of the Minister for Finance attempting to dampen speculation about a 'giveaway budget' and reassuring conservative economists that he will keep the purse strings tightly secured. Expectations are adjusted downward in the hope that whatever positive measures emerge from the Budget will be greeted with rapture by a grateful public and adoring media. But people have come too far and learned too much over the past seven years for that trick to work this time.

There is a greater awareness now than ever before of the persistent inequalities in Irish society that have been deepened by this Government. This is underlined by a series of studies and reports published in the autumn and providing a stark backdrop to Budget 2005. They include:

- The EU Measure of Poverty Risk shows 21% of the population living below the 60% income poverty line. This is compared to an EU average of 15%. ESRI report states that the Government will have to increase spending on social protections if it wants to reduce relative income poverty in Ireland (Combat Poverty Agency, ESRI, September 2004).
- Tallaght West Childhood Development Initiative shows high levels of educational disadvantage, inadequate housing, higher than average unemployment, high

dependence on social welfare, lack of childcare, and insecurity due to anti-social behaviour. This mirrors the experience of many similar communities throughout the country. (October 2004).

- Vincentian Partnership study of families on low income, shows that a "low-cost yet dignified" standard of living is out of reach for thousands of people who are dependent on social welfare (October 2004).
- Justice Commission of CORI estimates rich/poor gap has widened by €294 per week over the last seven years as a result of government policy. (October 2004).
- The End Child Poverty Coalition estimates that 66,000 children in this State live so far below the poverty line that they experience deprivation of basic needs such as proper food and heating. (October 2004).
- Irish Congress of Trade Unions says Irish tax system is "fundamentally unjust" and "biased against those on low and middle incomes and it does not raise enough tax overall to pay for modern public services" (October 2004).

The Living in Ireland Survey (2001), which is the most recent such detailed study, is used to estimate levels of poverty in this State. By its reckoning over 700,000 people have incomes so inadequate that they are deemed to be living in poverty. Of these over 250,000 are children. All the front-line agencies agree that, while there have been some improvements, this level of disadvantage and inequality persists in 2004.

The scandal is that these inequalities persist in an affluent economy. For a decade now the Irish economy has experienced record growth. Government revenues were never higher. Tax receipts have consistently exceeded forecasts - up 15% during 2004. We have the resources to Budget for Equality and that is what Sinn Féin is campaigning for.

### Put Children First in Budget 2005

This is a prosperous country. It is a small country. There is sufficient wealth in our society to ensure that, at the very least, no child should want for any of the basics of life and should be able to look forward to a full and

rewarding future. The lack of vision, the incompetence and conservatism of successive governments in this state have robbed generations of children of their birthright.

Reversing all of this will mean a change in economic policy, a shift in emphasis towards social need and equality. This will require moving away from the outdated model of annual budgeting and the 'Budget Day' ritual and towards multi-annual budgeting based on medium to long-term planning.

The priorities that Sinn Féin presents for Budget 2005 are designed to tackle immediate needs and the most extreme inequalities. A much more comprehensive approach will be required to move towards an Ireland of Equals. In this Budget we urge prioritization of those most in need - the children of the nation.

## Summary of Sinn Féin Budget 2005 Priorities

- Increase Child Benefit to €150 per month for the first and second child and €185.50 for third and subsequent children. Child Benefit is recognised as the single most effective social welfare measure for addressing the needs of children. Such an increase would also assist working parents with the cost of childcare.
- Comprehensive package of childcare measures, budgetary and legislative, implementing the right of all children to the best care, allowing parents to care for their children full time up to one year of age and equalising women's participation in the labour market.
- Immediately extend medical card qualification to all under 18. Children are suffering most from the disgracefully low income threshold for medical card qualification.
- Improve funding for primary education, including school building programmes and schemes to tackle educational disadvantage.

## Income supports for children

As a key measure to tackle child poverty the Government set a target of €149 per month for Child Benefit by 2005. This target should now be met and, given the wealth of

the economy, exceeded in the coming year. While far more wide-ranging measures are also needed, it is recognised that Child Benefit fulfils a key role in the absence of more comprehensive equality strategies.

- Increase Child Benefit to €150 per month for the first and second child and €185.50 for third and subsequent children.
- Increase Child Dependent Allowance (CDA) to a single weekly figure of €26 for all recipients. The value of CDA has decreased by 25% since it was frozen in 1994.
- Clothing and footwear allowances to be integrated into the main welfare system and delivered in conjunction with Child Dependent Allowances.
- Increase the minimum level of social welfare rates by €14 per week to make progress towards the Government's own target of €150 per week by 2007.

## Childcare as a right

There is no more important concern for parents, families, communities and our society than the care of our children. There has never been a greater need for a comprehensive and accessible childcare infrastructure. Yet, over five years since the publication of the National Childcare Strategy childcare provision is still, in the words of the Strategy, "uncoordinated, variable in quality and in short supply".

The Government's failure to ensure comprehensive childcare provision has negative consequences for children, women, families, society and the economy. Lack of adequate childcare, including pre-school, after-school and out-of-school childcare, continues to restrict the participation of parents of young children, particularly women, in the workforce, education and training. There is an urgent need to develop and implement a comprehensive strategy for childcare provision up to and beyond the completion of the Equal Opportunities Childcare Programme in 2006.

The development of quality childcare could be self-financing through increased tax returns from the participation of those now able to take their place in the workforce and through less dependency on social welfare.

Sinn Féin believes the government should have the following goals and should work to achieve them within a definite timeframe:

- to enable all parents to reconcile their childcare needs with participation in the labour force, education and training
- to enable all parents to exercise their choice to care for their children full time up to one year of age
- to enable all parents to access affordable childcare for their children
- to establish universal state provision of pre-school for all children from the age of three to five years
- to establish universal provision of early childhood care and education based on the Swedish system

In the interim Sinn Féin calls on the government, beginning in budget 2005, to:

- Harmonise maternity leave on an all-Ireland basis by increasing maternity leave to 26 weeks paid and 26 weeks unpaid.
- Increase Maternity Benefit to 80% of earnings immediately
- Harmonise paternity leave on an all-Ireland basis by introducing paid paternity entitlements of two weeks per child
- Increase adoptive leave to 24 weeks paid and 26 weeks unpaid
- Introduce paid parental leave and legislate without further delay to implement the terms agreed in respect of parental leave under the Sustaining Progress Agreement
- Assist parents with the cost of childcare by increasing Child Benefit to €150 per month for the first and second child and to €185.50 for third and subsequent children and by increasing Child Dependent Allowance to a single weekly figure of €26 for all recipients
- Introduce a Childcare Supplement to be paid as a top-up for Child Benefit for under 5's
- Increase revenue for the Equal Opportunities Childcare Programme, including capital, staffing and operational funding and immediately expedite all outstanding applications which have been delayed due to the review of the Programme

- Remove the cap on the Creche Supplement and on the VTOS childcare supports, the cutting of which have caused severe hardship to parents and children in disadvantaged communities
- Raise awareness of and increase funding for the Childminders' Grant scheme
- Review the 'Childcare Facilities: Guidelines for Planning Authorities' to assess effectiveness of the guidelines and investigate the possibility of introducing legislation in line with Part V of the Planning and Development Act 2000 to require developers to construct childcare facilities in housing developments and to transfer these to the ownership of the local authority upon completion
- Bring forward legislation to effectively address the need for employers to share responsibility for provision of childcare for their employees.

## Prioritise the health of children

The scandalously low income threshold for medical card qualification is one of the greatest causes of hardship in our society. People well below the minimum wage are not deemed to be in sufficient need to qualify. A couple with two children on a miserly €260 per week must pay the full cost of GP care. As a result parents often forego spending on their own healthcare needs to ensure that their children's needs are met.

When Sinn Féin tabled a Dáil Question to the Minister for Health and Children Mary Harney on the cost of GP visits she stated that this was a 'private matter' between the doctor and patient. Yet the prohibitive cost of these visits is a cause of real hardship and is one of the factors contributing to the crisis in Accident and Emergency wards.

It is widely recognised that the most effective and efficient form of healthcare is primary care, including GP services. To be most effective these services must be accessible in terms of affordability, 24-hour coverage and location.

The government is duty bound to extend medical card qualification in Budget 2005. It has allowed the numbers qualifying to fall to record lows. It has long abandoned

any pretence of delivering its promise of 200,000 further medical cards but it must make major progress immediately.

Therefore, in order to target those in greatest need and to ease the burden on parents and children alike, Sinn Féin is calling for:

- Immediate extension of medical card eligibility to all under 18 as a key measure to address gross inequality and real hardship in our health system. This would cost approximately €116 million. (Department of Health, Dáil PQ).

This call is without prejudice to the need to widen the income qualification for the medical card. Sinn Féin also sees these measures as transitional as we seek an end to the two-tier public-private system and its replacement with universal provision based on the principles of need and equity.

## Equal access to Education

Investment in primary education, including school building programmes and support for disadvantaged pupils should be the Government's education priority in this year's Budget. The ESRI has reported that the State would save €14 million annually if the Government could prevent young people dropping out of school before the Junior Certificate. Of course the wider benefits of eliminating such educational disadvantage and increasing participation in education are not quantifiable in mere monetary terms but would greatly enhance our society and our economy. Therefore Sinn Féin calls for:

- School Building Programme to move to multi-annual funding based on a five year plan of targeted investment with the objective of eliminating the school building waiting list by 2010. It is totally unacceptable that thousands of pupils and teachers still have to cope with problems such as dilapidation, overcrowding and underheating in an economy where construction is booming.
- Extension of the Early Start programme to all schools serving communities with significant levels of disadvantage.

- Increased capitation grants for primary and secondary schools.
- Increase investment in the National Education Welfare Board to enable it to fulfil its statutory obligation to ensure all children and young people receive an education.

## Taxation justice to fund equality

It is essential to reform and re-weigh the taxation system in favour of the low paid and to increase the overall tax take by targeting wealth, speculative property and corporate profits. By this means we will fund the improved social provision which is so necessary.

Budget 2005 comes in the wake of the revelation that 11 millionaires and 242 people earning between €100,000 and €1 million per year paid no income tax at all in 2001. In the interim period incomes have increased markedly, as have the opportunities for the wealthy to avoid tax, courtesy of the many avoidance schemes introduced by this Government.

The Department of Finance and the Revenue Commissioners do not know how many tens of millions of euros are being lost every year through tax breaks for property speculators and developers of such commercial ventures as private hospitals, hotels, sports injury clinics, multi-storey car parks and a range of others.

In 2001, the latest year for which figures are available, over €1.8 billion was the cost of capital allowances. But the Government has carried out no cost-benefit analysis of the huge range of such allowances. Instead it tries to confuse the public by claiming that critics of its tax giveaways to the very wealthy are also targeting the untaxed status of Child Benefit. This is a blatant misrepresentation which only demonstrates the Government's desperation.

The reality is that while families on low income struggle to meet €40 bills for visits to the GP for their children.

The tax system must be reviewed, reformed and restructured with the aim of increasing overall tax take in order to increase social spending and infrastructural development. This must be based on equity and efficiency.

This will not be achieved in one Budget but a start should be made and measures could include:

- End tax avoidance schemes such as tax breaks for developers of private hospitals. The cost of most of these schemes is unknown and the alleged benefit to society is not quantified. But such schemes are among the vehicles used by millionaires to pay little or no tax.
- Measured increase in Corporation Tax, increased Capital Gains Tax for owners of multiple residential properties.
- Create a 50% tax band for incomes in excess of €100,000.
- Take the low paid out of the tax net.