



**Pre-Budget Submission 2017
Department of Social Protection**

"I don't have enough money to live on even though I worked all my life and contribute to this damn Government and State"

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List of Recommendations

1. Increase the weekly **State Pension** by €5 per week, in line with the commitment made in the Fine Gael manifesto, to continue to restore real value to this important payment and to build towards achieving the Government's objective of a State Pension set at 35 per cent of average weekly earnings [Cost: €130 million¹].
2. Restore the full **Telephone Allowance** over the next two budgets. In Budget 2017 we recommend that the cut introduced in October 2013 is reversed with Budget 2018 reintroducing the full Telephone Allowance [Cost: €48 million²].
3. Increase the **Living Alone Allowance** by €3 per week [Cost: €30 million³].
4. Ensure the final 25 per cent of the **Christmas Bonus** is restored as a double-week payment for Christmas 2016 for all social welfare recipients [Cost €67 million⁴].
5. Restore the **Bereavement Grant** [Cost: €20.5 million⁵].
6. Begin to reverse the six weeks cut from the **Fuel Allowance** by extending the scheme by four weeks in Budget 2016 [€35 million⁶].
7. Allow those in receipt of the **Fuel Allowance** to receive it in the form of two lump sum payments if they are using home heating oil [Administrative cost in 2017 only].
8. Increase the funding for the **Free Travel Scheme** by €3 million to make it more attractive for operators to join and to ensure that it continues to address passenger needs [Cost: €3 million].

¹ See Written Response to PQ - <https://www.kildarestreet.com/wrans/?id=2016-05-17a.1537&s=%22State+pension%22+section%3Awrans#g1538.g>

² See Written Response to PQ - <https://www.kildarestreet.com/wrans/?id=2016-05-17a.1537&s=%22telephone+allowance%22+section%3Awrans#g1544.g>

³ See Written Response to PQ - <https://www.kildarestreet.com/wrans/?id=2016-06-28a.795&s=%22living+alone+allowance%22+section%3Awrans#g801.g>

⁴ See Written Response to PQ - <https://www.kildarestreet.com/wrans/?id=2016-06-16a.424&s=%22CHRISTMAS+BONUS%22#g425.g>

⁵ See Written Response to PQ - <https://www.kildarestreet.com/wrans/?id=2016-05-24a.732&s=%22bereavement+grant%22#g736.g>

⁶ See Written Response to PQ - <https://www.kildarestreet.com/wrans/?id=2016-06-28a.817&s=%22Fuel+Allowance%22>

1. Introduction

Age Action was established in 1992 as the voice for older people and Ireland's leading advocacy organisation on ageing issues.

We act both as a network of organisations and individuals, including older people and carers of older people, and a service provider, assisting tens of thousands of older people every year.

Our mission is to empower all older people to live full lives as actively engaged citizens and to secure their rights to comprehensive high quality services according to their changing needs.

This submission outlines our recommendations to the Department of Social Protection with regard to the budget allocation for 2017.

Separate to this we will make individual submissions to the following Government departments:

- Department of Health;
- Department of Housing, Planning and Local Government;
- Department of Communications, Climate Change and Natural Resources;
- Department of Foreign Affairs and Trade (Irish Aid);
- Department of Education and Skills.

2. Development of Pre-Budget Submission 2017

Our members and supporters drive Age Action's policies and campaigns. In preparing our pre-budget submission each year, we engage in an extensive consultation with our members and with other older people who use our services.

Over April and May our policy team carried out a nationwide consultation. This included a series of meetings around the country along with distributing a short survey through our magazine *Ageing Matters* and through other Age Action networks.

Consultation Meetings

The aim of our consultation meetings was to ask those attending to identify the top priorities to be included in Age Action's pre-budget submission. Members worked in small groups to identify the most important issues. After a general discussion, everyone voted to decide the top priorities.

Table 1 lists the top five priorities identified by our members from all four meetings. Relevant to this department is an increase in the State Pension and the restoration of the cuts to the Household Benefits Package.

1.	Home help and Home Care
2.	Increase in State Pension
3.	Prescription charges
4.	Property tax
5.	Household Benefits Package (including Telephone Allowance specifically)

Home help and home care were identified as one of the top priorities at all four meetings. Other health priorities included prescription charges and the full restoration of the Medical Card for over-70s. We will deal with these issues in our submission to the Department of Health.

An increase in the State Pension was discussed at all of our meetings. The restoration of the Telephone Allowance was a top priority at our Galway meeting and those attending were vocal about its importance for older people.

While it has been some time since the Local Property Tax (LPT) was introduced it remains a critical issue for our members. At our meetings in both Dublin and Galway it was identified as a top priority.

As we will argue later in this submission, rising costs and new taxes necessitate increased income supports if older people are to age with dignity.

Survey of Older People

We received almost four hundred responses to our survey. Of those replying, two-thirds were female. There were equal proportions aged between 65 and 74 years (43 per cent) and over the age of 75 years (43 per cent). The vast majority of respondents lived in an urban area (77 per cent).

The survey asked respondents about income, health and social care and other supports. Two-thirds of those replying to the survey said they had a private or occupational pension. They were not asked to state how much this pension was but some individuals clarified in the comments section that this was relatively small.

We asked respondents about their most important income support. An examination of these responses shows that one-third (35 per cent) stated that the State Pension was the most important, followed by an occupational and /or private pension (20 per cent) and the Household Benefits Package (19 per cent).

The low level of importance of the Fuel Allowance and the Living Alone Allowance is partly attributable to the fact that they are means tested and only available to those living alone respectively.

Income Support	%
State Pension	35%
Occupational and / or private pension	20%
Free TV licence, electricity units provided by the Household Benefits Package	19%
Fuel Allowance	15%
Living Alone Allowance	12%

The majority of survey respondents (73 per cent) noted that they pay for private health insurance. Of those with private health insurance, 40 per cent also had a full Medical Card while 32 per cent had a GP-only Medical Card.

Older people consider health insurance an absolute necessity to ensuring their healthcare needs are taken care of and will make enormous sacrifices in their spending elsewhere to continue payments.

They believe private health insurance ensures peace of mind and access to health services in a timely and efficient manner.

While many struggle to afford increasing insurance premiums, older people fear giving this up as access to health care services becomes increasingly important as they age, as highlighted by this quote from the survey:

“Having private health insurance is the most important thing for older people and it takes almost the complete occupational pension to pay for private health insurance for my wife and myself. As we are retired 30 years the occupational pension has lost a large amount of its value. The Government now charges for a bed in a private hospital for which we have already paid”.

The most important health and social care supports were the Medical Card (45 per cent) and private health insurance (37 per cent). While home help, home care and nursing home support were ranked substantially lower, at 11 per cent and 7 per cent respectively, it is important to bear in mind that not all older people will need access to these supports. However, it is more likely that the majority of older people will interact with other parts of the health and social care system more frequently.

Health and Social Care Support	%
Medical Card (GP-only or full Medical Card)	45%
Private health insurance	37%
Home help or / and home care package	11%
Nursing home support	7%

With regard to other supports, respondents identified the Travel Pass as the most important (30 per cent) followed by access to public transport (18 per cent). The post office and other local community services and the local Gardaí were jointly identified as the third most important supports (both at 16 per cent).

Table 4 Most Important Supports

Support	%
Travel Pass	30%
Access to public transport	18%
Post office / other local services	16%
Local Gardaí	16%
Personal alarm	11%
Local community / active retirement group	9%

Finally, the survey provided respondents with the opportunity to outline their own lived experience of growing older in Ireland. In particular respondents referred to the impact of changes in Government policy on their income and their ability to make ends meet. A selection of some of these experiences is provided throughout the document.

3. Restoring Older People's Incomes

"I am very worried about bin charges that are coming in in June. I don't have central heating and can't afford to get it in. I live in a cottage that is at least 150 years old and only have solid fuel for heat in one room. What goes into my black bin is ashes from the fire and cat litter. Both are very heavy, about 5 kilos per bag, and there would be 10 – 12 bags in the bin each time I put it out. That means over 50 kilos each time. Therefore, this is going to cost me over three times what a big tag costs now. It's only a 140 litre bin."

"On LPT I have paid my way all my life, employed up to 73 people, been a collector of excise and VAT. I now only have the State non-contributory pension. I feel it's unfair on anyone, not just my peers, to have to pay property tax on the value of the house. I do not want to leave a legacy bill for my children. They too struggle to pay the tax on houses that are mortgaged to a level they now struggle to pay."

During the recession our members repeatedly emphasised that the introduction of new taxes and charges, coupled with rising prices and a reduction in secondary income supports, had a profound impact on their incomes. A freeze in the weekly rate of the State Pension from January 2009 to January 2016 meant that many older people struggled to keep their homes warm and to pay food and medical bills.

Impact of new taxes

The introduction of taxes such as the Local Property Tax and the carbon tax, particularly its introduction on solid fuels, has had a particularly negative effect on older people.

Statistics from Census 2011 indicate that older people are more likely to be using solid fuel - 15 per cent among those aged over 60 years compared to 5 per cent under 29 years and 8 per cent for those between 30 and 44 years⁷.

Age Group	Solid Fuel Use
Under 29 years	5%
30 to 44 years	8%
45 to 59 years	14%
60 years and over	15%

⁷ CSO (2012) *Census 2011 – Profile 4: The Roof over our Heads* – available at www.cso.ie/en/census

Source: Census 2011

Furthermore, the Census data also shows older people are more likely to be living in owner-occupied housing than other tenures. The statistics indicate that 86 per cent of those aged between 65 and 74 years and 89 per cent of those aged over 75 years own their own homes. As property prices continue to rise, particularly in Dublin and other urban centres, increases in the property tax are inevitable and we believe this this will pose a risk of serious hardship to older people who may own property but be reliant entirely, or mostly, on the State Pension.

While older people continue to struggle to meet these two new taxes, the introduction of a pay-by-weight waste management collection service could mean yet another bill increase for some older people. The uncertainty around the introduction of this new system is also causing a great deal of anxiety among older people, particularly those on low incomes.

Increase in Insurance

The increase in the price of insurance (such as health, car and home insurance) has been masked by a comparatively minor rise in overall inflation. The overall change in the Consumer Price Index for the past 12 months (May 2015 to May 2016) has been neutral⁸.

However, during this time house insurance rose by 10 per cent while health insurance, albeit coming from high base in May 2015, increased by 6.5 per cent. Older people see health insurance as a necessary outlay due to their increased likelihood to need timely access to health and social care services. House insurance is also a necessary purchase as older people are more likely to be residing in owner-occupied accommodation (see previous page).

To emphasise the impact of rising individual costs, research undertaken by the Vincentian Partnership for Social Justice in 2013⁹ noted that while overall CPI fell by 0.15 per cent in the period 2008 to 2013, the cost of a Minimum Essential Standard of Living for a lone pensioner and a pensioner couple rose by 5.03 per cent and 7.34 per cent respectively.

⁸ CSO (2016) *Consumer Price Index Monthly Series* – available at www.cso.ie

⁹ VPSJ (2013) *Changes in the cost of a MESL in Comparison to CPI Inflation* – available at <http://budgeting.ie>

Changes to Income Supports

Age Action calculated that between January 2009 and January 2015 the weekly incomes of older people dependent on the State Pension and secondary income supports (Household Benefits Package and the Fuel Allowance) fell by €13.18 per week¹⁰.

In 2016 the Minister for Social Protection announced a €3 increase in the weekly rate of the State Pension along with the payment of 75 per cent of the Christmas Bonus to all social welfare recipients. For those dependent on the State Pension, averaging the Christmas Bonus restoration out over the year amounts to an additional €2.26 per week.

An increase of €2.50 for the weekly rate of the Fuel Allowance, paid over 26 weeks, was also announced (weekly equivalent of €1.25). The cumulative total of these changes is €6.51 or the restoration of almost 50 per cent of the income lost by older people from 2009 to 2015.

Table 7 Income supports comparison 2009 versus 2015 and 2016			
Income	Jan 2009	Jan 2015	Jan 2016
State Pension	€230.30	€230.30	€233.30
Christmas Bonus (weekly equivalent)	€4.42	€1.11	€3.36
Total A	€234.72	€231.41	€236.66
Secondary Income Supports			
Telephone Allowance	€6.00	€0.00	€0.00
TV Licence	€3.08	€3.08	€3.08
Electricity	€9.63	€8.07	€8.07
Fuel Allowance	€12.31	€10.00	€11.25
Total	€31.02	€21.15	€22.41
Total A+B	€265.74	€252.56	€259.07
Difference		€13.18	€6.67

However, despite this progress on the restoration of older people's incomes, this still does not account for the:

- Abolition of the Telephone Allowance;
- Reduction in the number of weeks for which the Fuel Allowance is paid;

¹⁰ Age Action (2015) *Pre-Budget Submission 2016* – available at www.ageaction.ie

- Decrease in the value of the electricity element of the Household Benefits Package;
- Abolition of the Bereavement Grant.

Poverty Rates

The latest official poverty statistics from the CSO indicate that 10.3 per cent of people aged 65 years and over were ‘at risk’ of poverty in 2014¹¹. This means that one in ten older people were living on less than 60% of the median income (less than €11,000). However, many older people survive on incomes only just above the poverty line as the non-contributory State Pension amounts to €11,388 while the contributory State Pension is €12,131.60 per annum. While it is admirable that the State Pension is set above the poverty rate, the aspiration should be for a State Pension that enables older people to grow old in dignity.

In 2014, 14.3% of those aged over 65 years experienced deprivation. According to Social Justice Ireland¹² this means that 85,000 older people were simply unable to afford basic goods and services. In 2009, the last year in which the State Pension was increased prior to 2016, the deprivation rate was much lower at 9.5 per cent.

As Table 8 illustrates, consistent poverty rose slightly between 2013 and 2014 from 1.9 per cent to 2.1 per cent. Older people living in consistent poverty are those that must survive on less than 60 per cent of the median income and who also experience deprivation.

Table 8 Poverty rates for those aged 65 years and over 2009-2013

	At risk of poverty %	Deprivation rate %	Consistent poverty %
2009	9.6	9.5	1.1
2010	8.7	9.8	0.9
2011	9.7	11.3	1.9
2012	12.1	13.5	2.6
2013	9.2	16.1	1.9
2014	10.3	14.3	2.1

Source: CSO (various years) *Survey on Income and Living Conditions*- available at <http://www.cso.ie/en/silc/releasesandpublications/>

The National Pensions Framework contains a commitment to “sustain the value of the State Pension at 35 per cent of average weekly earnings” and makes clear that this is to prevent poverty among

¹¹ CSO (2015) *Survey on Income and Living Conditions 2014*– available at <http://www.cso.ie>

¹² ‘Number of people in deprivation up more than 200,000 since Government took office’ - <http://www.socialjustice.ie/content/policy-issues/number-people-deprivation-more-200000-government-took-office>

older people¹³. Preliminary CSO figures for the first quarter of 2016 indicate that average weekly earnings are €707.99, which would suggest a State Pension of €247.80, substantially higher than the current rate¹⁴.

In Budget 2017 we must see a determined effort from the Government towards achieving the target set in the National Pensions Framework and we would further argue that in the medium-term the Government should examine the possibility of a statutory link between the State Pension and average earnings so that the Government of the day would be obliged to ensure the former was set at a minimum of 35 per cent of weekly average earnings.

The increases in income supports in Budget 2016 represent merely a single step in the right direction that must continue in this and subsequent Budgets. Older people have spent a lifetime building this country. They shouldered their share of the austerity burden. As the economy returns to growth, they have a legitimate expectation that the sacrifices they made will be acknowledged and that some of the cuts they endured will be reversed.

The Summer Statement, published last month as part of the Government's budgetary process, outlines that the 'fiscal space' for 2017 will be approximately €1 billion¹⁵. It is imperative that the Minister takes into consideration the issues and priorities raised in this submission when discussions are taking place about the allocation of this additional funding.

Our members were conscious of the commitments made to older people during the General Election.

Fine Gael's manifesto promised older people that it will seek to make 'our older years better years' and to ensure that 'Ireland is a supportive country to grow old in'. In relation to income supports the manifesto states:

- 'We will increase both the contributory and non-contributory State Pensions by at least €25 per week by 2021 (a €5 increase every year)'.

¹³ Government of Ireland (2010) *National Pensions Framework* p.19 – available at http://www.welfare.ie/en/downloads/nationalpensionsframework_en.pdf

¹⁴ CSO (2016) *Earnings and Labour Costs Quarterly* – available at <http://www.cso.ie/en/releasesandpublications/er/elcg/earningsandlabourcostsq42015finalq12016preliminaryestimates/>

¹⁵ Department of Finance and Department of Public Expenditure and Reform (2016) *Summer Statement* – www.budget.gov.ie

- 'We will increase the State Pension for those who qualify for the living alone allowance by at least €30 per week by 2021 (a €6 increase every year)'¹⁶.

Budget 2017 is the Government's first opportunity to show its determination to deliver on those commitments.

¹⁶Fine Gael General Election Manifesto 2016 – Let's Keep the Recovery Going, p. 100 – available at www.finegael.ie

4. Income Supports from the Department of Social Protection

“The value of pension schemes has reduced considerably over the last 10 years making the State Pension essential for older people but with rising costs like the cost of living, home care, healthcare, medicines, property tax and water charges and comments about older people living in larger houses taking up valuable properties that would house a family, how are we expected to live with dignity after retiring having paid taxes and contributed to the economy all our working lives?”

“The State Pension is too low, especially since the extra charges were thrown at us. I find it hard to live on €233 a week and pay LPT and water charges along with the everyday expenses e.g. oil, phone, food and clothing and if one is lucky, like me, to own a car (it’s 10 years old) for getting the groceries that too can become a headache with rising costs of insurance and motor tax along with NCT bills and upkeep of the vehicle. It’s certainly hard. That’s my opinion.”

The latest OECD Pensions at a Glance report states that three-quarters of older people’s income is from public transfers¹⁷. To this end, the State Pension has provided a critical, and often sole, source of income for many older people. In 2012 the CSO confirmed the importance of state transfers as a key protection from poverty for older people¹⁸. The report states that public transfers¹⁹ comprise 63.4 per cent of the household’s disposable income for those aged 65 years and over.

As would be expected for older households, earnings from employment account for just under 13 per cent of household income with 6 per cent coming from private pensions, investment income and property income, and 17 per cent from occupational pensions. To this end, the State Pension has provided a critical, and often sole, source of income for many older people during the recession.

The Household Benefits Package provides an important supplementary support, particularly for those solely reliant on the State Pension. It is targeted at those aged 70 years and over, as well those on low incomes between 60 and 70 years.

The cut to the Telephone Allowance in Budget 2013, followed by its abolition in Budget 2014, has had a very negative impact on the income of households with older people. The allowance

¹⁷ OECD (2015) *Pensions at a Glance 2015* – available at www.oecd.org

¹⁸ CSO (2012) *Survey on Income and Living Conditions – Thematic Report on the Elderly 2004, 2009 & 2010* – available at <http://www.cso.ie/>

¹⁹ Refers to all types of cash benefits paid to older people such as the State Pensions and the Household Benefits Package

recognised the importance of staying connected to friends and family (addressing isolation) and as a connection to the pendant alarm system (addressing security concerns).

While it has been more than two years since the support ceased being paid (January 2014), our members remain angry about its abolition. Essentially, they argue, the telephone support enables older people to feel secure and connected within their own home.

Older Women

“I don't have enough money to live on even though I worked all my life and contribute to this damn Government and State. It's absolutely appalling the way women are being treated by this Government, they decided to hit the women coming on stream, anybody who was born from 1949 has been hit really hard.”

During the General Election campaign, Age Action campaigned for ‘reform of the State Pension to guarantee a secure income for older people and reverse changes to the system that punishes women pensioners’²⁰.

According to the latest census there are 535,393 people aged over 65 years living in Ireland with women comprising 55 per cent of this group. Older women can face a number of disadvantages in achieving an adequate income.

The gender inequalities in obtaining an adequate income are also most evident from an analysis undertaken by the CSO of income data over the years 2004, 2009, 2010 and 2011²¹. For example, in 2011, older men had an average weekly income of €438.38 versus €381.67 for their female counterparts.

In 2014, the Department of Social Protection provided 529,711 recipients over the age of 65 years with a State Pension. The gender breakdown of these recipients was fairly even with 49 per cent male and 51 per cent female.

However, a gender analysis of those in receipt of the non-contributory pension indicates that 62 per cent were female and 37 per cent were male. Furthermore, a higher proportion of contributory

²⁰ Age Action (2016) *Join the 88 per cent – Age Action's General Election Manifesto* – <https://www.ageaction.ie/>

²¹ CSO (2013) *Survey on Income and Living Conditions (SILC) – Thematic Report on the Elderly 2004, 2009, 2010 (revised) and 2011* – available at www.cso.ie

pension recipients were males (64 per cent) versus females (36 per cent).

There are two fundamental problems with the contributory pension. The first is that it is based on an averaging out of one's contributions. This means that any break in your contribution record potentially reduces your average contribution and so your pension. This has a disproportionate impact on women as they are more likely to choose to leave the workforce for periods of time due to family commitments.

The second fundamental problem relates to changes introduced by the Government in 2012. With an increase in the number of bands of PRSI contributions from four to six, there was a corresponding increase in the number of different weekly rates of payment for the pension. The impact of this change is that it is harder to get a full weekly rate of the contributory pension.

The injustice of this system is evident when an individual with a shorter working life with no break in their PRSI record, and therefore a higher average number of contributions, is compared to an individual with a longer working life but with a broken or disrupted record and therefore a lower average number of contributions. The person who has a longer working life can have a smaller pension. In effect, pensioners are being punished for working.

Age Action will publish research later in the year which will explore the impact of these changes on the incomes of older people.

Older people living alone

While just over one-quarter of older people in private households are living alone, a gender breakdown reveals that two-thirds of those living alone are women (87,455)²².

Research from the Vincentian Partnership for Social Justice's (VPSJ) budget standards consistently shows that older people living alone struggle to reach a Minimum Essential Standard of Living (MESL).

Their latest research²³, which takes account of last year's pension increase, shows that pensioners living alone dependent on the non-contributory State Pension face a shortfall against the MESL of €9.03, while those in receipt of the contributory have a marginal surplus of €0.57.

However, it is important to note that the MESL does not take in to account the cost of private health insurance or any additional health or social care costs, the particular importance of which to older people was outlined previously.

²² CSO (2012) *Census 2011 – Profile 5 Households and Families – Living Arrangements in Ireland* – www.cso.ie

²³ Vincentian Partnership for Social Justice (2016) *Minimum Essential Standard of Living 2016* – available at <http://budgeting.ie/>

Recommendations:

1. Increase the weekly **State Pension** by €5 per week, in line with the commitment made in the Fine Gael manifesto, to continue to restore real value to this important payment and to build towards achieving the Government's objective of a State Pension set at 35 per cent of average weekly earnings [Cost: €130 million].
2. Restore the full **Telephone Allowance** over the next two budgets. In Budget 2017 we recommend that the cut introduced in October 2013 is reversed with Budget 2018 reintroducing the full Telephone Allowance [Cost: €48 million].
3. Increase the **Living Alone Allowance** by €3 per week [Cost: €30 million].
4. Ensure the final 25 per cent of the **Christmas Bonus** is restored as a double-week payment for Christmas 2016 for all social welfare recipients [Cost €67 million].
5. Restore the **Bereavement Grant** [Cost: €20.5 million].

5. Energy Poverty

"I cannot afford either life or home insurance. I have to go to bed early to save on heating and electricity. My husband passed away last year and I still have not paid off his funeral expenses. We did have life insurance but they cut it because we couldn't keep up the payments."

My mother cannot afford to heat her home i.e. 5 rooms and lives in one room heating it with a fire which she doesn't light until the afternoon and goes to bed at 9.30 in the winter to save fuel. Even with help to buy fuel she cannot afford to turn on the central heating for fear of a big bill she couldn't pay."

The publication of *A Strategy to Combat Energy Poverty* by the Department of Communications Energy and Natural Resources earlier this year provides a road map for tackling this issue across multiple Government departments and agencies. The issue of energy poverty is particularly acute for older people for a variety of reasons, such as:

- A greater risk of cardiovascular and respiratory illness from cold and damp houses;
- More time spent in the home;
- A greater dependency on dirtier fuels for heating;
- A reliance on small, fixed, incomes, therefore any increase in fuel prices has a disproportionate impact;
- A tendency to live in older, less energy efficient, homes;
- A higher level of disability and chronic ill-health are reported amongst this age group (CSO, 2007).

Given these issues, Age Action particularly welcomes the initiation of the Warmth and Wellbeing pilot programme as part of the new strategy. We note the long-term benefits of this scheme and the collaborative approach it is being undertaken between the Department of Communications, Energy and Natural Resources and health professionals.

However, while such programmes offer a longer-term and more sustainable solution to energy poverty consumer behaviour among older people can also be detrimental to their energy security.

Lower rates of access to the internet mean older people are unable to avail of discounts only available to customers willing to transact their business online. An aversion to falling into arrears²⁴

²⁴ Cotter, N. et al (2012) Coping with the cold- exploring relationships between cold housing, health and social wellbeing in a sample of older people in Ireland. *Quality in Ageing and Older People* 12(1):8-47.

means many will not pay their bills by direct debit. As a result, older people do not benefit significantly from increased competition in the energy market.

Data from the CSO also indicates that half of older people have oil-fired central heating. For those dependent on small, fixed, incomes it can therefore be difficult to pay for a fill of oil, particularly for those who receive the fuel allowance as a weekly payment.

Finally, it is important that the original objective of the carbon tax as revenue-neutral is achieved by using the revenue to address the issue of energy poverty, for example through the extension of the number of weeks during which the Fuel Allowance is paid. As it stands this tax is deeply regressive and it is imperative that low-income households and those at risk of energy poverty are not affected by future increases in the carbon tax.

Recommendations:

6. Begin to reverse the six weeks cut from the **Fuel Allowance** by extending the scheme by four weeks in Budget 2016 [€35 million].
7. Allow those in receipt of the **Fuel Allowance** to receive it in the form of two lump sum payments if they are using home heating oil [Administrative cost in 2017 only].

7. Transport

The provision of an accessible and affordable transport system is identified as an objective in delivering Goal 1 of the National Positive Ageing Strategy. The strategy states that people should be enabled ‘as they age to get out and about through the provision of accessible, affordable, and flexible transport systems in both rural and urban areas’²⁵.

Age Action welcomed the €3 million increase in funding for the Free Travel Scheme in Budget 2016. Prior to this increase, funding for the scheme had been frozen for some years. This was despite the steady increase in the number of recipients over the last seven years.

Ultimately this has led to a situation where more people are using this support without a corresponding increase in funding for transport providers, which has the potential to raise again questions over the long-term sustainability of the scheme.

For instance, in 2009, the per-person funding was €108 whereas this had fallen to €92 by 2015 but rose again to €94 in 2016 with the additional funding.

Table 9 Expenditure and Number of Travel Pass Recipients

	€'000	Number of recipients
2009 ¹	73,489	678,477
2010 ¹	74,094	699,164
2011 ¹	75,597	726,412
2012 ¹	75,518	754,731
2013 ¹	75,477	782,529
2014 ¹	75,487	812,892
2015 ²	77,000	839,000
2016 ³	80,000	850,000

Sources:

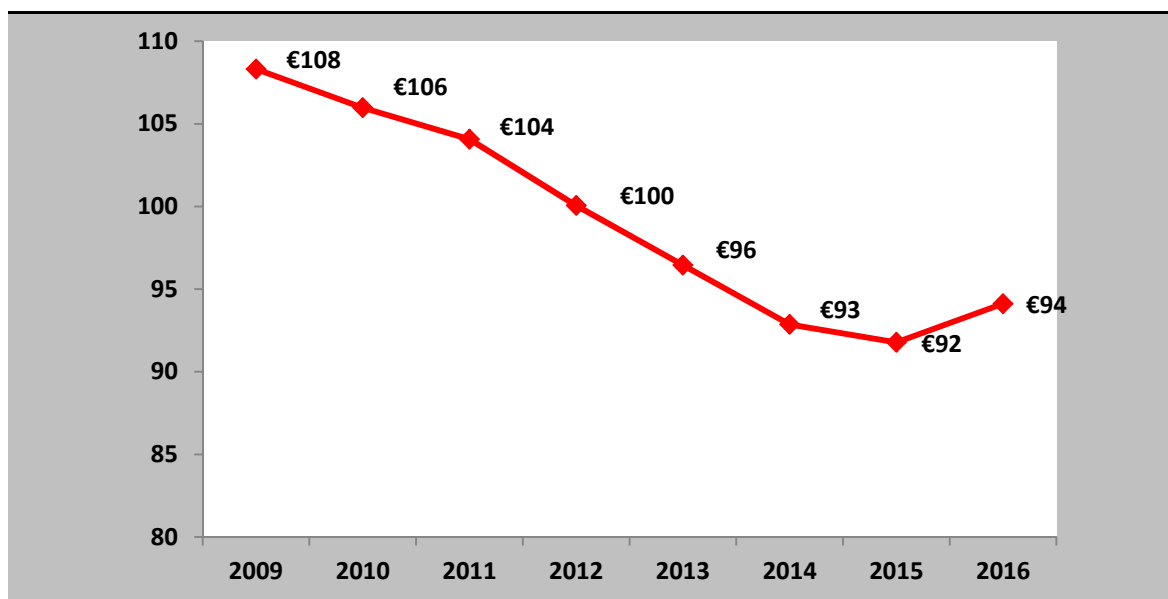
¹Department of Social Protection, Statistical Information on Social Services (various years) – available at <http://www.welfare.ie>

²<https://www.kildarestreet.com/wrans/?id=2015-12-01a.243&s=%22travel+pass%22#g244.g>

³<https://www.kildarestreet.com/wrans/?id=2016-06-08a.695&s=%22travel+pass%22#g697.r>

²⁵ Department of Health (2013) *National Positive Ageing Strategy* – p. 13 – available at <http://health.gov.ie>

Figure 1 – Funding per user



Source: As table above.

We welcome the commitment in the Programme for Partnership Government to not only fully protect the scheme but to also ‘work with private and public operators to keep services operating on as many routes as possible’²⁶.

The privatisation of many bus routes has raised a great deal of concern among older people who are in contact with Age Action.

In effect, the number of routes on which the Free Travel Pass does not operate is increasing as private operators are licensed to provide a service on new routes. This poses a long-term threat to the operation of the Free Travel Scheme.

Recommendations:

- Increase the funding for the **Free Travel Scheme** by €3 million to make it more attractive for operators to join and to ensure that it continues to address passenger needs [Cost: €3 million].

²⁶ Government of Ireland (2016) *A Programme for Partnership Government* p. 83 - available at http://www.merrionstreet.ie/MerrionStreet/en/ImageLibrary/Programme_for_Partnership_Government.pdf

8. Conclusion

We look forward to discussing our recommendations at the Minister's Pre-Budget Forum on 22 July 2016. If you require any further information please do not hesitate to contact us at the details below.

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