



Pre-Budget Submission 2015

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Summary Recommendations

Income-Related Supports

State Pensions

1. In order for the contributory and non-contributory state pension to continue to act as a buffer against poverty and to restore its purchasing power, it must be increased by €5 per week.
2. Given the number of older people who are carers, we recommend a €5 increase to the weekly rate of the Carers Allowance and Carers Benefit.
3. We recommend that the Christmas Bonus is restored.
4. Any future reform of the state pension must increase its coverage to include people whose employment record is short or interrupted because of disability, long-term illness and caring responsibilities, many of whom are women.
5. Increase the Living Alone Allowance by €3.80 per week in order to restore some real value to this support.

Pensions

6. The effectiveness of occupational or private pensions has to be improved significantly with the first priority to provide cover for the 50% of the work force who have no secondary pensions.
7. The efficiency of pensions system must also be improved with a drive to reduce costs through lower fees and charges and target tax relief at low and middle-income earners rather than providing the greatest incentives and benefits to the highest income earners.

Household Benefits Package

8. Reinstate the Telephone Allowance in order to allow older people to remain secure in their home, address the issue of isolation and provide much needed support for those on lower incomes.
9. Reverse the changes in the gas/electricity portion of the Household Benefits Package that were introduced in Budget 2013. Restore the basis for the heating element to unit cost rather than lump sum and to cover the cost of PSO and Standing Charge.
10. Provide help with the cost of water charges through the Household Benefit Package for older people. The funding for this mechanism should not be taken from the Department of Social Protection's existing budget.
11. The forthcoming public broadcasting charge must be included in the Household Benefits package.

Energy Poverty

12. Reverse in Budget 2015 the six weeks cut from the Fuel Allowance. Maintain the Fuel Allowance at its current rate and allow a mechanism to receive two lump sum payments across the year for those receiving home heating oil.
13. Continue to fund home energy efficiency programmes, targeted towards those on low-incomes and those who will experience the most adverse effects of living in energy poverty.

14. Meet the promise of using revenue raised by the Carbon Tax to address energy poverty, which adheres to the original objective of the tax to be revenue-neutral. This tax is deeply regressive and we are asking Government to ensure that low income individuals / households and households at risk of energy poverty are not affected by future increases in the carbon tax. We also call for changes to VAT calculation on utility bills to exclude carbon tax contributions.

Housing Adaptation Grant

15. The funding available for the Housing Adaptation Grant is insufficient to meet need. We urge the Department of the Environment, Community and Local Government to reverse the changes introduced in January 2014 and to sufficiently fund this support for enabling older people to remain in their home. Failure to do so will put additional pressures on health and social care services which are already stretched.

Taxation

16. We recommend that an exemption for the property tax be introduced for households with an income below €12,000. At the very least remove the 4% penalty interest rate for those who choose to defer the payment under the current system.
17. Given the high costs of GP visits, drugs and health insurance we call for full tax and USC relief for all such revenue approved costs. This would provide assistance to older people with multiple health needs who may have greater exposure to such costs.
18. Retain the 4% rate of Universal Social Charge for pensioners and medical card users beyond 2015.

Health and Social Care

Primary Care

19. Entitlement to Over-70 medical card should be based on net income and a health and care assessment
20. Support for self management of chronic disease be developed through the setting up of free community based chronic disease management programmes. Cost of this could be minimized through the use of existing resources such as GP practice nurses, sports partnerships and health and leisure centres.
21. All the services normally carried out in a GP practices should be free to those with GP Visit Card, e.g. blood tests and other diagnostic procedures.
22. The GMS prescription charge to be capped at €12.50 per individual, rather than €25 per couple.
23. Age-friendly medical card application process to be introduced with at least three years between reviews.

Community Care

24. Increase funding for vital community services to fund the adoption of a proactive and preventative approach in the allocation of home help, home care packages and interventions like short term home care enablement services, thus reducing disability, acute hospital admissions and the need for long-term care.

Long Term Care

25. A commitment to provide nursing home beds of intensive care packages to older people in a timely manner. Seven days for funding to issue, from the date that the person was first placed on the list.
26. For residents in long-term care, the inclusion of therapies within the LTRCS or through Primary Care is essential for their well-being.
27. For those whose only income is the State pension, increase the personal allowance to 30 per cent of income under Fair Deal.

Access to Services

Transport

28. Given the importance of the Free Travel Scheme to older people and the many benefits it offers to local economies, tackling isolation and social exclusion, we strongly recommend that this support remains untouched.
29. Maintain existing services provided under the Rural Transport Initiative and ensure that these services link with existing public transport services.

Digital Inclusion

30. The Department of Communications, Energy and Natural Resources has provided welcomed funding to Community and Voluntary groups for computer training through its Benefit funding programme. It needs to be continued in 2015.

Ageing and Development

31. At a minimum, to allocate an increased percentage to the ODA target than the 0.43% allocated in Budget 2014, e.g. 0.5%, even if it cannot meet the 0.7% target
32. Set targets for when it can incrementally reach the 0.7% target, in as short a timeframe as possible.
33. Prioritise ageing and older people in Irish Aid development policies and programmes and ensure data disaggregated by age is gathered in all its programmes, as well as in the post 2015 framework.

Employment, Lifelong Learning and Positive Ageing

Employment

34. Develop targeted activation programmes to get older people back to work and provide training and additional supports to assist people to stay in work, targeted not only at older people but also importantly at employers. While providing adequate income protections for those who cannot work into older age due to the nature of the sector in which they work, because of illness and / or disability or as a result of caring duties.

Lifelong Learning

35. To provide greater budgets for community based lifelong learning initiatives.

Positive Ageing

36. Publish the Implementation Plan for the National Positive Ageing Strategy in line with the timeline stated by the Department of Health.

1. Introduction

1.1 Age Action

Age Action Ireland was established in 1992 as the national non-governmental organisations concerned with ageing and older people, acting as a network of organisations and individuals including older people and carers of older people, and as a development agency promoting better policies and services for older people. Our mission is to achieve fundamental change in the lives of all older people by empowering them to live full lives as actively engaged citizens and to secure their rights to comprehensive high quality services according to their changing needs.

In order to further this mission we have a number of core objectives:

- To mobilise and empower older people to advocate on behalf of themselves, their families and their communities
- To change attitudes towards ageing and older people in Irish society
- To effect changes in legislation and policies by influencing Government, state agencies and the social partners
- To secure the right of older people to comprehensive high quality services and where necessary to initiate services
- To focus on the needs of the most disadvantaged older people

A central feature of our work is raising awareness about the lived experience of growing old in Ireland. This includes advocating for policy changes which will have a positive impact on older people. Other programmes of work include ageing in the developing world, promoting intergenerational solidarity and helping older people to develop computer skills.

1.2 Impact of Austerity on Older People

The four previous Budgets have seen a range of cuts, along with the introduction of stealth charges that have had a negative impact on older people and their families. Table 1.1 provides a list of some, but not all, changes that have a negative impact on older people's incomes:

Table 1.1 Key Budgetary Changes (Budget 2011, 2012, 2013, 2014)

Taxes and Charges

- Introduction of household charge (€100 on all households) and the subsequent introduction of a property tax with no waiver scheme for those on low incomes
- Introduction of the Universal Social Charge
- Introduction and increases in carbon tax (€15 per tonne in 2011 to €20 per tonne in 2012; introduced on solid fuels at €10 per tonne in Budget 2013, with a doubling of latter having just come into effect in May 2014)
- Increases in VAT (increase at the maximum level from 21% to 23% in Budget 2012)
- Increases in motor tax
- Increases in capital gains and capital acquisition tax (increase from 25% in 2011 to 30% in 2012 and 33% in 2013)

Social Welfare

- Reduction in the value of the household benefits package.
- Abolition of the telephone allowance
- Cut of six weeks to the fuel allowance in Budget 2012, which is an annual reduction of €120
- Loss of the bin waiver
- Reductions in the budget and a restriction in the conditions of the housing adaptation grant
- Cut to the respite care grant (from €1,700 to €1,375 in Budget 2013)
- Changes to the number of contributions for eligibility for the State pension (greatly reduced the value of some individual's contributory record and subsequently reduced the level of state pension (contributory) they can expect / receive)
- Abolishment of the Bereavement Grant

Increased Health and Social Care costs as a result of budgetary changes

- Budget 2013 announced a planned increase in the nursing home support scheme for those in or planning to enter long-term residential care, from a maximum 15% of the value of the person's main residence to 22.5%
- Introduction and increase of the prescription charge (introduced at 50c in 2011 to €1.50 in Budget 2013 to €2.50 in Budget 2014)
- Increases to the drugs payment scheme threshold (€120 in 2011 increased to €132 in 2012 and to €144 in 2013)
- Reduced income threshold for the over-70s medical card (incomes above €500 for an individual or €900 for a couple in 2014)
- Decreases in grant aid for hearing aids (Budget 2012 reduced grant by €260 for one aid and €520 for two aids)

While Table 2.1 outlines the changes which have already been introduced, we already know that in 2015 older people will also face water charges (the average cost for households is estimated to be in the region of €240 per year with no confirmation of the actual package of measures to address water poverty amongst low income households), an increase in the Universal Social Charge from 4% to 7% from January 2015 for pensioners and medical card holders along with plans to introduce a public broadcasting charge. In this submission we outline the effects that a variety of policy measures are having on older people and provide recommendations for changes in policy that will have a positive impact of their lives.

1.3 Submission outline

The remainder of this submission is set out as follows:

- **Section 2:** Background to Development of this Submission
- **Section 3:** Income Related Supports
- **Section 4:** Health and Social Care
- **Section 5:** Access to services
- **Section 6:** Ageing and Development
- **Section 7:** Employment, Lifelong Learning and National Positive Ageing Strategy

2. Background to Development of this Submission

2.1 Drawing on the lived experience of growing old in Ireland

In preparing this submission we undertook a nationwide consultation with our members. This consultation included four regional meetings – in Dublin, Cork, Galway and Monaghan – along with a survey distributed through our monthly magazine *Ageing Matters*.

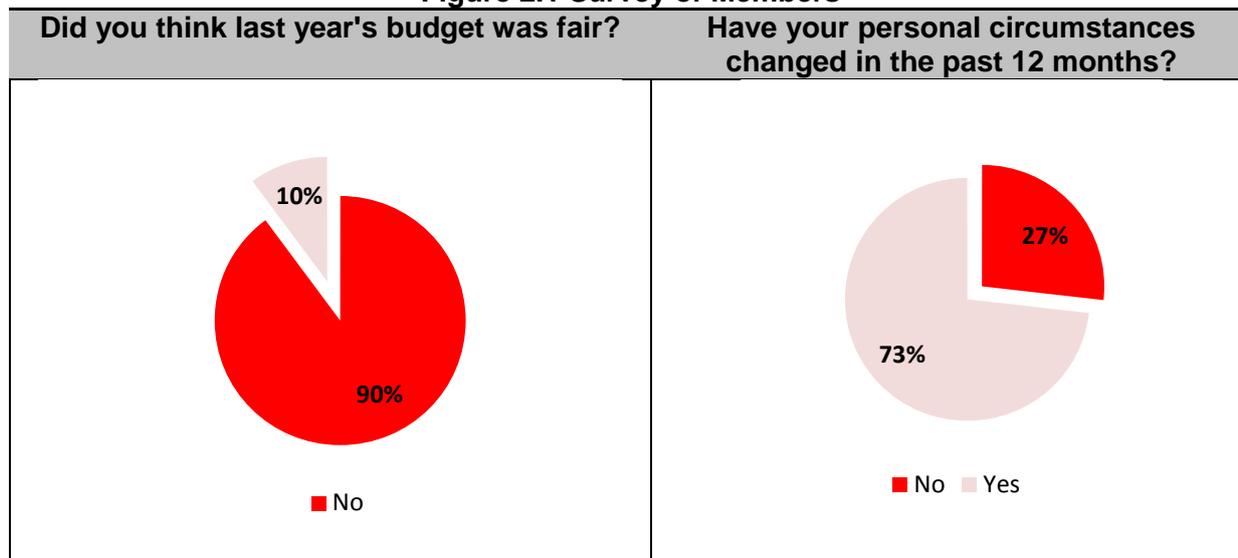
The main aim of our consultation was not to set out Age Action's position on policy issues but to listen and understand the lived experience of growing older in Ireland in 2014. To this end, many of our questions were open-ended and asked about general issues such as whether the respondents' personal circumstances had changed over the last 12 months, what services, benefits and payments were most important to them and what aspect of their daily lives would benefit the most from additional funding should this be available.

In addition to these formal consultation methods, our information service provides a valuable insight into the lived experience of ageing. In 2013, our information officers responded to over 2,000 queries and they work closely with the policy team to highlight the impact that changes to policy is having on older people. Separate to direct queries to the information service, we also receive correspondence, both in writing and by telephone, regarding specific policy-related issues.

2.2 Impact of Budget 2014

In our reaction to Budget 2014 we stated that the combination of measures announced would cause increased hardship for the most vulnerable older people¹. In particular we raised concerns about increases to the prescription charges, changes to the income limits for the Over-70s medical cards and the abolition of the telephone allowance. We asked respondents whether they thought that Budget 2014 was fair, an overwhelmingly majority, 90%, indicated that it was not.

Figure 2.1 Survey of Members



Source: Budget 2015 Submission – Survey of Age Action Members

¹'Sickest, poorest and most vulnerable of older people hit hardest by Budget' - <http://www.ageaction.ie/sickest-poorest-and-most-vulnerable-older-people-hit-hardest-budget>

Almost three-quarters of respondents to our survey (73%) stated that their personal circumstances had changed in the past 12 months. In a follow-up question we asked in what way their personal circumstances had changed with the responses providing an insight into the grave reality of life for many older people and their families.

Box 2.1 Change in Personal Circumstances Quotes

“I had to give up my part-time job otherwise we [would] have been penalised by means testing for medical card”

“I go to bed very early to save on heating and I now find it difficult to save for clothes etc. I could not afford to go on holiday”

“I have lost my medical card. I now have a doctor only card. My pension has not changed but I have some interest on money I saved for a rainy day and this brought my income over the rate. I realise now I was foolish to save any money”

“I will have to give up my land line. I will live in cold circumstances & feel I am left to die”

“My husband died R. I. P. It is much harder to live on your own and more expensive”

Source: Budget 2015 Submission – Survey of Age Action Members

We also asked how they are coping with changes to their personal circumstances. Respondents indicated they have cut down on outgoings and re-examined their expenditure, just as the Government is, along with dipping into savings. However, while it may appear to be acceptable to examine closely a household’s outgoings or dip into savings, the trade-offs that older people are making are simply unacceptable and paint a stark image of growing older in Ireland.

Box 2.2 Coping with change in Circumstances Quotes

“Had to use money put aside for my funeral, to pay for replacement of bathroom fittings”

“By only turning on lighting the rooms and saving on heat. I put on extra clothing and stay in bed late and go to bed early. Rarely use the phone”

“I have had to cut back big time on grocery shopping, We need to adapt the house now to our needs as we are both over 70 years of age.. that has to wait”

“Home heating has had to be reduced to save fuel so my wife who is ill now stays in her bed most of the time”

Source: Budget 2015 Submission – Survey of Age Action Members

2.3 Issues raised

A primary concern being raised by our members is despite the personal rate of the State Pension remaining untouched, the incomes of older people have suffered greatly with the introduction of numerous stealth taxes, such as the property tax and forthcoming water charges, and changes to secondary income supports, such as the household benefits package.

The issue of health was also a common concern in both our regional meetings and the responses to our survey.

Given media and political speculation regarding cuts to income tax, we asked our members, if the government was to provide additional funding in one area what would have the most impact in their lives. An analysis of these open-ended responses indicates that additional resources for income and health services were most frequently mentioned. Funding for medical cards and fuel allowance would also have a positive impact on the lives of older people and their families.

Table 2.1 Most Important Supports

Most important support	N
Travel Pass	176
State Pension or other appropriate income support	141
Medical Card	114
Health Service	49
Telephone	49
Fuel allowance	48
Electricity / Gas	44
Others: Household benefit packages (n=33); TV Licence (n=26); Services in the Community (n=18); Living alone allowance (n=14); Social care (n=12); Housing Adaptation Grant (n=4); Rent allowance (n=2); Care and Repair, Disabled Drivers permit and food allowance (all n=1).	
Source: Budget 2015 Submission – Survey of Age Action Members (2014)	

The lived experience of growing old captured by our consultation is the basis of which we developed the recommendations in this submission. We support this information by drawing on research evidence and statistical data.

3. Income Related Supports

3.1 Impact of the Recession

According to the latest figures from EU-SILC², 12.1% of people aged 65 years and over (68,740³ individuals) were 'at risk of poverty' in 2012. This represents an increase of just over 2 percentage points (9.7%) or just over 23,740 more individuals than in 2011.

Deprivation rates, which show the inability to afford basic goods and services, have increased for older people. As Table 3.2 below illustrates, the deprivation rate rose from 9.5% to 13.5% over the period 2009 to 2012. The consistent poverty also rose from 1.1% to 2.6%.

Table 3.1 Poverty rates for those aged 65 years and over 2009-2012

	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

Source: CSO EU-SILC (various years)

An examination of the Consumer Price Index (CPI) provides an insight into how prices increase or decrease overtime. We rebased the data to January 2009, the month in which the last increase was applied to the State Pension and compared the index from then until May 2014 (the latest month data was available at the time of writing). Overall the index increased to 102.5 during this time. However, we selected a range of items that older people would frequently purchase and found the increase was much higher – see Table 3.2 below. This illustrates how the value of the state pension has been eroded over time due to increases in prices on top of the cuts outlined in Table 1.1. Furthermore, when shopping in supermarkets older people living alone are less likely to get the benefit of offers that often require buying in bulk (3 for 2 offers) or spending a certain amount on shopping to get cash back offers.

Table 3.2: Increases in the Consumer Price Index January 2009 and May 2014 (Base = 100 Jan 2009)

	% change		% change
Home Heating		Travel	
Liquid Fuel	65.8	Taxi	0
Bottled Gas	12.5	Petrol	59.2
Piped Gas	7.9	Diesel	52.6
Electricity	16.2	Motor Tax	21.8
Solid Fuel	08.5		
		Insurance	
Health		Car Insurance	21.8
GP Fees	-2.6	Health Insurance	27.0
Dental Fees	11.8	Home Insurance	14.0

² CSO (2014) *Survey on Income and Living Conditions (SILC)* Dublin: CSO -

http://www.cso.ie/en/media/csoie/releasespublications/documents/silc/2012/silc_2012.pdf

³ 'More than three quarters of a million people are in poverty in Ireland - an indictment of Government policy' – Press Release from Social Justice Ireland

<http://www.socialjustice.ie/content/more-three-quarters-million-people-are-poverty-ireland-indictment-government-policy>

Prescribed Drugs	-10.9		
Therapeutic Aids and Appliances	5.3	General	
Hospital Services	13.6	Newspapers / Periodicals	5.8
Source: Centrals Statistics Office, Consumer Price Index Data			

3.2 State Pension

In 2012 an in-depth analysis of EU-SILC data over the years 2004, 2009 and 2010 provided a valuable insight into older people's experience of poverty. Critically, this report highlighted the importance of state transfers in protecting older people from poverty. The data, illustrates that public transfers⁴ comprise 63.4% of the household's disposable income of those aged 65 years and over (this was 56.8% in 2004). As would be expected for older households, earnings from employment account for just under 13% of household income with 6% coming from private pensions, investment income and property income and 17% from occupational pensions. To this end, the state pension has provided a primary source of income for many older people over the duration of the recession.

While Age Action welcomes the maintenance of the weekly rate of state pension over the past number of budgets, the effect of this has essentially been eroded through inflation and the introduction of a range of charges which offer little or no exemption for older people.

The experience of poverty amongst those aged 65 and over living alone is slightly more pronounced than for other older households. The latest EU-SILC data shows that in 2012 this household type had a 'risk of poverty' rate of 12.9% and a consistent poverty and deprivation rate of 3.1% and 15.3% respectively.

The latest paper from the Vincentian Partnership's Minimum Essential Standard of Living (MESL) research illustrates the continued inadequacy of the Living Alone Allowance⁵. The authors note that this payment has remained at the same rate of £6 since 1996 with a slight rounding up in the conversion to the euro rate in 2002 to €7.70. Furthermore, the authors calculate in order for the allowance to have the same value it should be increased by €3.80 to €11.50.

Recommendations

1. In order for the contributory and non-contributory state pension to continue to act as a buffer against poverty and to restore its purchasing power, it must be increased by €5 per week.
2. Given the number of older people who are carers, we recommend that a €5 increase to the weekly rate of the Carers Allowance and Carers Benefit.
3. We recommend that the Christmas Bonus is restored.
4. Any future reform of the state pension must increase its coverage to include people whose employment record is short or interrupted because of disability, long-term illness and caring responsibilities, many of whom are women.
5. Increase the Living Alone Allowance by €3.80 per week in order to restore some real value to this support.

⁴ Refers to all types of cash benefits paid to older people such as the state pensions and Household Benefits Package.

⁵ Vincentian Partnership for Social Justice (2014) *Minimum Essential Standard of Living Update* http://budgeting.ie/images/stories/Publications/MESL_Update_Paper/VPSJ_2014_Minimum_Essential_Standard_of_Living_Update_2014.pdf

3.3 Pensions

We welcomed the OECD Review of the Irish Pension System⁶ commissioned by the Minister for Social Protection and published in March 2013 as a valuable and wide-ranging basis for developing a long-term plan for meeting the needs of our ageing society. Pension policies and provision should be a vital part of such a plan to ensure that all people have a right to an adequate income in later life. This plan, however, must include integrated policies and provision for a wide range of services to provide social protection, education and training for people who wish to continue in paid employment and opportunities for personal development and community participation for those in retirement.

Recent pension reform has resulted in the abolition of the State Pension (transition). In the future we will see further increases in the eligibility age for the state pension. A further decline in the number of occupational pension schemes, a fall in supplementary pension coverage rates and the rising number of defined benefit (DB) schemes in deficit provide a context in which the universal nature of the state pension has never been more important. Recent comment on and changes to the pension system include:

- The uneven nature of occupational and personal pensions (OECD, 2013).
- Evidence of the current crisis in Private Pension provision i.e., the steady decline of DB and Defined Contribution (DC) schemes. Between 2010 and April 2012 the number of active members of DB schemes declined by 24,895 to 197,177 and the number of DC scheme members declined by 20,582 to 239,150 (Department of Social Protection, 2013).
- According to the OECD Report for the Department of Social Protection (2013) as many as 80% of DB schemes are in deficit. Data from April 2012 shows that of 993 DB registered schemes, 115 were frozen and 20 were in wind-up.
- Most DB schemes are integrated with the State pension and any change to the state pension has a knock-on effect to expected income for occupational pension holders.
- The latest available data indicates that at the end of the fourth quarter of 2009, only 58% of workers aged 30-65 years were enrolled in an occupational pension. For workers aged 20-69 years the coverage is even lower, declining from 54% in the first quarter of 2008 to 51% in fourth quarter for 2009. Pension coverage for the self-employed fell from 47% in the first quarter of 2008 to 36% in the fourth quarter of 2009, while the rate for part-time workers reduced from 32% to 24% in the same time period⁷. In addition, the rapid rise in unemployment in recent years raises further concerns regarding adequacy and sustainability of pensions in the long term.
- The Social Welfare and Pensions Act, 2011 gave effect to the discontinuation of the State Pension (Transition), currently paid at age 65, increasing the age of eligibility for a state pension to 66 years for all in 2014. However, the most recent data available shows that the average age to retire is 64.9 years; clearly leaving a question mark over what will occur when the State Transition Pension is no longer available (see Education, Skills and Employment section for further discussion).
- The gendered nature of inequality of income security in older age should also be noted, for example; 58% of women over 70 years receive the non-contributory pension in comparison to 64% of men who receive the contributory state pension

⁶ Department of Social Protection (2013) *OECD Report: Review of the Irish Pensions System* – www.welfare.ie/en/downloads/OECD-Review-of-the-Irish-Pensions-System.pdf

⁷ European Commission (2012) *Pension Adequacy in the European Union 2010-2050* – available on <http://ec.europa.eu/>

(Department of Social Protection, 2013). This is a weekly difference of €11.30 and an annual difference of €587.60.

- o The OECD report (April, 2013) stated that using OECD average wage measures, the value of the full-rate contributory state pension rose from 30.5% of average earnings in 2002 to 37.7% by 2009 and in 2011 it was 36.5% of average wages. However, the European Commission (2012) reports that the current contributory state pension payment remains below the 35% replacement rate of average earnings (34.14%), stating that this pension provides a comparatively low replacement rate and that it is the primary source of income for older people making up two-thirds of the gross income of the over 65s (European Commission, 2012: 88).
- o A number of changes to the eligibility criteria for the contributory state pension (announced in 1997) came into force for new applicants in 2012. This effectively doubled the minimum number of paid contributions required for qualification for the State Contributory Pension (once this minimum requirement has been satisfied the rate of payment is dependent on the average number of contributions made over their contributory history).

Recommendations:

6. The effectiveness of occupational or private pensions has to be improved significantly with the first priority to provide cover for the 50% of the work force who have no secondary pensions.
7. The efficiency of pensions systems must also be improved with a drive to reduce costs through lower fees and charges and target tax relief at low and middle-income earners rather than providing the greatest incentives and benefits to the highest income earners.

3.4 Household Benefits Package

The provision of supports specifically for basic items such as telephone, utilities and the TV licence is hugely important for older people particularly given the rise in these costs over the last number of years. The package, targeted predominantly at those aged 70 years and over as well as people aged between 60 and 70 years who are on low incomes, is one of the most influential ways the State has to provide security to older people so they can meet their necessary household costs.

In Budget 2013, the cut in the value of the gas/electricity allowance to €35 did not openly represent the real cost of the cuts, as this value was based on the best available market rate for the units which assumes that (i) people would be able to identify the cheapest rate for them and (ii) people would switch supplier to avail of this rate. While there are many useful energy price comparison websites, some of which are accredited to the Commission for Energy Regulation which adds to consumer confidence. However, hundreds of thousands of people aged 65 years and over do not use computers and / or do not have access to the Internet and therefore cannot avail of such services.

Table 3.3 Changes to Household Benefit Package

Household Benefit Package Allowance	2012 Benefit	2013 Benefit	2014 Benefit
Phone	<ul style="list-style-type: none"> o €22.58 monthly as a credit on your bill o €22.60 monthly as a cash phone allowance 	<ul style="list-style-type: none"> o Reduction to make savings of €62 million o Reduction to €9.50 per month (shown as a credit on customers bill or as a cash allowance) 	<ul style="list-style-type: none"> o Abolished on 1 January 2014
Gas/Electricity	<ul style="list-style-type: none"> o 1800 units of electricity per annum o Natural gas allowance €48.20 every two months in the summer and €102.20 every two months in winter o Bottled gas €37.60 	<ul style="list-style-type: none"> o Reduction to save €20 million o Reduced to €35 per month (shown as a cash credit on those who pay a bill or as a cash allowance) 	
TV Licence	Unchanged	Unchanged	Unchanged

The abolition of the telephone allowance in Budget 2014 has caused much anxiety amongst older people. Providing a support for the cost of a telephone helps older people to stay connected particularly if family members have moved abroad and they have no access to the internet to make online video calls. However, we are particularly concerned about the fact that many older people are now cancelling or considering cancelling their telephone contracts. In particular this means that older people will no longer be able to avail of the Seniors Alert Scheme. This scheme *“provides grant support for the supply of equipment to enable older people without sufficient means to continue to live securely in their homes”* (see <http://www.citizensinformation.ie>). While the abolition of the telephone allowance may have enabled the Department of Social Protection to balance its budget, benefits of the scheme far exceeded a monetary contribution as it addressed issues of isolation and security also.

We welcome the fact that both Irish Water and the Commission for Energy Regulation have engaged in a consultation process with a wide range of stakeholders regarding domestic water tariffs. However, we continue to be concerned that the final structure agreed by the CER needs to be cognisant of people’s ability to pay as well as the specific needs of older people.

More than one-in-three older people currently live alone in Ireland (with only one income coming into the home), and we are particularly concerned about the impact which water charges will have on them. The new tariffs must also be fair to customers who have higher water consumption needs as a result of a medical condition. Many older people are on low, fixed incomes and so ability to pay is a major issue. There are also high levels of chronic illness and disability among this section of society.

Given these specific issues, it is important that the tariff structure is designed to address them. It is also important that it does not nullify or undermine any affordability measures

introduced by the Government.

Recommendations

8. Reinstate the Telephone Allowance in order to allow older people to remain secure in their home, address the issue of isolation and provide much needed support for those on lower incomes.
9. Reverse the changes in the gas/electricity portion of the Household Benefits Package that were introduced in Budget 2013. Restore the basis for the heating element to unit cost rather than lump sum and cover the cost of PSO and Standing Charge.
10. Provide help with the cost of water charges through the Household Benefit Package for older people. The funding for this mechanism should not be taken from the Department of Social Protection's existing budget.
11. The forthcoming public broadcasting charge must be included in the Household Benefits package.

3.5 Energy Poverty

Energy Poverty is a dynamic process, which occurs as a result of the interaction between income, home energy efficiency and fuel prices. In 2011 the Government published *Warmer Home: A Strategy for Affordable Energy*⁸ with a vision for “*The achievement of a standard of living whereby households are able to afford all of their energy needs and where individuals and families live in a warm and comfortable home that enhances the quality of their and supports good physical and mental health*” (DCENR, 2011: 17).

Older People are one of the groups most at risk of energy poverty with an increased vulnerability to health and social harm as a consequence. In Goodman et al's (2011) study⁹, a 'dual burden' is identified. A number of groups of older people are particularly vulnerable to energy poverty including older people living alone, people aged 80 years and over, older people with a disability / chronic illness and older women.

Energy poverty amongst the older population is driven by a number of additional factors such as:

- Poor housing conditions and living in energy inefficient homes – older people tend to live in higher levels of owner occupancy
- The rising cost of fuel
- The high dependence of older people on social transfers as a safeguard against poverty
- A high proportion who do not have central heating (12.4%)
- A high dependence on dirtier fuels such as oil

In addition to this, consumer behaviour amongst older people includes being less likely to switch providers due to brand loyalty and in part lower rates of access to the internet along

⁸ Department of Communications, Energy and Natural Resource (2011) *Warmer Home: A Strategy for Affordable Energy* - <http://www.dcenr.gov.ie/NR/rdoonlyres/53F3AC25-22F8-4E94-AB73-352F417971D7/0/AffordableEnergyStrategyFINAL.pdf>

⁹ Goodman, et al (2011) *Fuel Poverty, Older People and Cold Weather* - <http://www.publichealth.ie/sites/default/files/documents/files/Fuel%20Poverty%20Report%20December%202011.pdf>

with an aversion to falling into arrears (Cotter et al, 2012)¹⁰ can mean many older people do not benefit from competition as a result of the deregulation of the energy market.

A longer-term strategy is to tackle energy poverty through increasing the energy efficiency of people's homes. The Better Energy: Warmer homes scheme administered by the Sustainable Energy Authority of Ireland (SEAI) is an integral component to achieving this aim and is a buffer against energy poverty for older people. The introduction of smart metering will also encourage people to be more energy efficient.

One of the concerns Age Action has is the high percentage (12.4%) of older people who do not have central heating systems (Goodman et al, 2011). Compare this to the figure in Northern Ireland (7.4%) which is much lower. SEAI grants do not cover this expense. We recognize that the Housing Aid for Older People Scheme operated by local authorities includes the coverage of works which can improve the energy efficiency of the home such as grants for central heating systems and doubled glazed windows. However, local authorities vary on the type of work they will fund under the scheme. The scheme itself is not adequately resourced and many local authorities are working through long waiting lists. Age Action contacted local authorities in May 2013 and of those who replied (N=30) half had suspended this grant. In addition, not all schemes covered heating systems and windows. Where applications were still being taken in some areas long waiting lists were operating, up to two years in a number of cases. As a basic requirement we feel that regardless of geographical location, people on low incomes and those most vulnerable to energy poverty should be able to avail of supports which give them the basic standard of housing to prevent energy poverty which includes access to grants for central heating systems and double glazing. The scheme itself is found to have positive outcomes for people supporting them to live at home in their local communities¹¹.

The deregulation of the energy market has seen an increase in energy providers; with this we have seen an increase in the types of cost saving energy packages becoming available. We feel energy providers could play a bigger role in communicating to older people the potential savings they could receive, particularly individuals who are receiving the household benefits package, by identifying the most cost effective rate for them. This promotes a partnership approach between the Department, energy providers and the customer.

The introduction and roll-out of pre-payment meters as a method to manage utility costs and to facilitate providers in retrieving owed money could be a very useful financial management tool. We are concerned however that people using meters are being charged the standard rate for energy and are excluded from the benefits enjoyed by others who pay for instance by direct debit, manage their bills on-line or those who have signed up for cheaper energy bundles. It tends to be low-income households who avail of the metering method of payment and as such they should be offered the cheapest tariff and should not be financially penalised for choosing this method of payment. This raises a broader question of the interplay between financial exclusion and energy poverty, as people who are unbanked can not avail of discounts by paying bills by direct debit.

¹⁰ Cotter, et al (2012) 'Coping with the cold- exploring relationships between cold housing, health and social wellbeing in a sample of older people in Ireland IN *Quality in Ageing an Older People* vol. 12(1): 38-47

¹¹ Clayton, V. & Silke, D. (2010) *Evaluation of the Housing Adaptation Grant Scheme for Older People and People with a Disability* http://housing.ie/Housing/media/Media/Publications/Evaluation-of-the-Housing-Adaptation-Grants-Scheme-for-Older-People-and-People-with-a-Disability_-June-2010.pdf

Recommendations

12. Reverse in Budget 2015 the six weeks cut from the Fuel Allowance. Maintain the Fuel Allowance at its current rate and allow a mechanism to receive two lump sum payments across the year for those receiving home heating oil.
13. Continue to fund home energy efficiency programmes, targeted towards those on low-incomes and those who will experience the most adverse effects of living in energy poverty.
14. Meet the promise of using revenue raised by the Carbon Tax to address energy poverty, which adheres to the original objective of the tax to be revenue-neutral. This tax is deeply regressive and we are asking Government to ensure that low income individuals / households and households at risk of energy poverty are not affected by future increases in the carbon tax. We also call for changes to VAT calculation on utility bills to exclude carbon tax contributions.

3.6 Housing Adaptation Grant for Older People

It has been the policy of successive governments since the late 1960s to support people to continue living in their own homes for as long as possible. The latest changes to the housing adaptation grant schemes will not ease the plight of those currently struggling to remain at home.

Table 3.1 Housing Adaptation Grant for older people

	Number of payments	Funding distributed €000	Average Payment	% increase payments made	% increase in funding distributed	% increase in average payment
2008	1,439	6,421	4,462			
2009	3,429	32,955	9,611	138%	413%	115%
2010	7,160	30,394	4,245	109%	-8%	-56%
2011	6,503	27,077	4,164	-9%	-11%	-2%
2012	4,848	19,909	4,107	-25%	-26%	-1%
2013	2,815	11,246	3,995	-42%	-44%	-3%

Source: Department of the Environment, Community and Local Government, Housing Statistics

Table 3.1 above shows the number of grants and total amount of funding distributed under the Housing Adaptation Grant for Older People. Since 2010 the number of grants distributed under this fund has fallen from 7,160 to 2,815 in 2013. The total amount of funding has also fallen during this time period from €30.3m to €11.2m. The average grant paid out has had a more marginal decrease in this time period falling by only a couple of percentage points each year. However, it is evident that the fall in funding has led to fewer people being in receipt of this important support. Age Action feels strongly that this scheme is not adequately resourced and many local authorities are working through long waiting lists.

As noted already, our contact with local authorities in May 2013 indicated that half had suspended this grant. While we have not conducted a follow-up survey regarding this, further changes to this funding were introduced on 1 January 2014, without any public announcement. These changes included:

- A reduction in the level of the maximum amount of grant available
- Changes to the income bands
- An increasing of the age eligibility from 60 to 66 years

While the intention of the review was to make the schemes more focused and targeted at those most in need, the impact is that changes to Housing Aid for Older People scheme mean that funds will be spread more thinly, with the poorest of older people now receiving a reduced maximum grant while also being expected for the first time to pay a percentage of the cost.

Age Action is concerned that changes to these schemes, combined with changes to other supports for older people, will make it more difficult for older people and people with disabilities to remain living in their own homes, especially those who are seriously ill or frail. Furthermore, changes to nursing home bed funding contained in the HSE Service Plan will make it harder to get a nursing home bed in 2014. With community-based supports under severe pressure and now funding to help those who are struggling to adapt their homes being spread more thinly, it is getting harder and harder for the most vulnerable of older people to remain living in their own homes. When they can no longer cope, the result for many of these older people is admission to hospital or a nursing home.

Recommendations

15. The funding available for the Housing Adaptation Grant is insufficient to meet need. We urge the Department of the Environment, Community and Local Government to reverse the changes introduced in January 2014 and to sufficiently fund this support for enabling older people to remain in their home. Failure to do so will put additional pressures on health and social care services which are already stretched.

3.7 Taxation

Property Tax

The introduction of the property tax and the forthcoming water charges are primary examples of how the value of the state pension has been eroded. Not only has the way in which property is valued for the purpose of the tax calculation caused confusion but it does not take into consideration an individual's ability to pay. In addition to this, no waiver has been introduced for those on the lowest of incomes.

The deferral system for those on incomes below €15,000 includes additional interest on the tax at a rate of 4%. We have found that this is acting as a disincentive for individuals and household to avail of the deferral. According to the Minister for Finance, in response to a Parliamentary Question in the Dáil¹², only 18,700 or 1.2% of properties have claimed a deferral. In addition, while Age Action welcomes the option to pay in instalments through the Post Office and other payment services there is commission of €1 charged for each transaction. It will be the poorest households who will maximize the number of instalments over which they will pay their tax bill. Age Action is calling on the Government to come to an arrangement with the payment services to cover this charge.

Recommendations

16. We recommend that an exemption for the property tax be introduced for households with an income below €12,000. At the very least remove the 4% penalty interest rate for those who choose to defer the payment under the current system.
17. Given the high costs of GP visits, drugs and health insurance we call for full tax and

¹² See transcript on Oireachtas website -

<http://oireachtasdebates.oireachtas.ie/debates%20authoring/debateswebpack.nsf/takes/dail2014040800052?opendocument#WRA04550>

USC relief for all such revenue approved costs. This would provide assistance to older people with multiple health needs who may have greater exposure to such costs.

18. Retain the 4% rate of Universal Social Charge for pensioners and medical card users beyond 2015.

4. Health and Social Care

4.1 Overview

The Irish Government recognises that the enjoyment of the highest attainable standard of physical and mental health for all Irish people is a fundamental human right (DoH, 2014, WHO, 1946).

“Health is a state of complete physical, mental and social well-being and not merely the absence of disease” (DoH, 2014; 52)

In keeping with international evidence, the goal of Irish health policy for over a decade is to provide a strong, effective health system that focuses on services that are designed to keep people well and out of hospitals. This implies moving from hospital based care system to a greater focus on prevention and early intervention systems designed to keep people active and engaged in their community. In 2001, the Primary Care Strategy ‘Primary Care – A New Direction’¹³ defined primary care as being

“an approach to care that includes a range of services designed to keep people well, from promotion of health and screening for disease to assessment, diagnosis, treatment and rehabilitation as well as personal social services. The services provide first-level contact that is fully accessible by self-referral and have a strong emphasis on working with communities and individuals to improve their health and social wellbeing” (Department of Health and Children, 2001: 15).

As evident in the latest health policy reform document, ‘The Path to Universal Healthcare, White Paper on Universal Insurance’¹⁴, there has been no shift in focus. Primary care is to play a key role in facilitating *“the delivery of integrated, person –centred care provided at the lowest level of complexity that is safe, timely, efficient and as close as home as possible”* (Department of Health, 2014: 8).

Yet, the focus of successive budgets has been on cutting services at primary care level. In Budget 2015, savings totaling €619m are required. Funding for Primary Care Reimbursements Services, Nursing Home Support Scheme and Primary Care are being reduced by €102 million in 2014 (€139 million if €37m for GP services for children under 6 is excluded from estimates)¹⁵. Savings are being achieved by targeting and cutting supports and services particularly important for older people including:

- Increasing the threshold for the Over-70’s medical card
- Reducing the number of health and social care professionals providing services to older people
- Increasing prescription charges for medical card holders
- No increase in home help hours or home care packages to meet the increase in the older population, which in real terms represents a cut in provision
- Reducing the number of long term care beds funded under Fair Deal
- Additional fees introduced for nursing home residents

¹³ Department of Health and Children (2001) *Primary Care – A new Direction* - <http://www.dohc.ie/publications/pdf/primcare.pdf?direct=1>

¹⁴ Department of Health (2014) *The Path to Universal Healthcare, White Paper on Universal Insurance* - <http://health.gov.ie/wp-content/uploads/2014/04/White-Paper-Final-version-1-April-2014.pdf>

¹⁵ HSE (2013) *HSE National Service Plan 2014* - <http://www.hse.ie/eng/services/Publications/corporate/serviceplan2014/nationalserviceplan2014.pdf>

4.2 Primary Care

Primary Care is no longer affordable or accessible to a growing number of older people. The reductions in the income threshold for the Over-70's medical card and in the number of health and social care professionals working with older people in the community have significantly affected the affordability and accessibility of healthcare for older people.

Table 4.1 Cuts to Primary Care

	2013	Target 2014
a. Income Thresholds for the Over-70's Medical Card reduced (€900 p.w. couple and €500 p.w. single)	94% of Over-70's covered	35,000 less people = ↓ 10%
b. Primary Care Health and Social Care Professionals working with older people e.g. physiotherapists and occupational therapists	362	326
c. Increase in the prescription charge	€1.50 per item with €25 cap	€2.50 per item with €25 cap

Source: Health Service Executive (2013) *National Service Plan 2014*

a. Reduction in income threshold for Over-70's Medical Card

Over the last six months, the Age Action Information line has had calls from 100s of older people, whose medical cards have been withdrawn. Their stories highlight how arbitrary thresholds based on income alone used to determine eligibility for Over-70's medical card, fail to steer resources to those with the greatest healthcare needs.

Box 4.1: Case Study – Medical Card Assessment - Gross income to determine eligibility for Over-70's Medical Card is unfair and unjust

Pat's wife, Mary, has dementia and resides in a nursing home. Pat and Mary's medical card was reviewed in April. Their gross income was assessed. Mary's 80 per cent contribution to her care under 'Fair Deal' was not taken into account. The couple's Over 70 Medical Card has been withdrawn. Pat is devastated as on their net income, he cannot afford to pay for Mary's medication, continence wear and therapies. The couple have been married 60 years and he feels he now can not provide for his wife

Box 4.2: Case Study – Eligibility for Over 70 medical card based on income, disenfranchises those with greatest healthcare needs

George has chronic obstructive pulmonary disease (COPD), the term now used for diseases previously referred to as chronic bronchitis or emphysema. His gross income of €503 per week puts him over the threshold. His prescription for a SeretideDiskus 500mg (€68.65), Spiriva (€45.38), 2 Salbutamol inhalers (€15.92) and an antibiotic for on-going management of his COPD (€33.47) now cost him €144 per month (Drug Payment Scheme cap). In an attempt to make his medication last longer, George only uses his inhalers once a day. The outcome has been an exacerbation of his illness requiring an admission to the acute hospital.

Due to his medical condition, George incurs other costs including:

- €75 per day in acute hospital to maximum of €750 (3% of his gross income)
- €50 per week for help with household tasks and shopping (nearly 10% of his gross income)
- €80 per month for taxis to GP and out-patient appointments and other places (nearly 4% of his gross income).

- €1728 p.a. (6.5% of his gross income) drug payment charge for medication required.
- Private fee to physiotherapist and OT
- Cost of mobility aid such as walking frame

Chronic conditions, like COPD, become more common with increasing age and are a major cause of morbidity and death in Ireland. George is one of over 12,000 people admitted to acute hospitals in Ireland every year with COPD. Ireland has one of the highest rates of acute hospital admissions for exacerbations of COPD in OECD countries¹⁶. Exacerbation or worsening of COPD is associated with poor management of the disease¹⁷. Oral and inhaled medications, physiotherapy and occupational therapy input are essential components for managing the disease, to slow progression, reduce exacerbations and improve quality of life. This management can be achieved at Primary Care level if resourced properly.

Older people are on a fixed income and the cumulative effect of extra taxes and charges over the last three years, leaves them with no reserve to meet the financial costs of deteriorating health. The medical card offers reassurance, a safety net for older people, especially those with chronic illness. Income alone is not an indicator of affordability for older people with chronic illness or receiving long-term care.

b. Reduction in number of Primary Care Health and Social Care Professionals

At the end of March 2014, the number of people waiting more than 16 weeks for an OT assessment was 8,182 and the number of people waiting more than 12 weeks for a physiotherapy assessment was 6,404¹⁸. Limited access to services and therapies like occupational therapy and physiotherapy impact on older people's ability to be active and have a good quality of life. For example not being able to access occupational therapy services has implications for accessing other supports such as appliances and housing adaptations.

c. Increase in medical card prescription charge

One in three people, 65 and over, use five or more medicines¹⁹. The present GMS monthly prescription levy capped at €25 for a couple or individual places financial hardship on older people, whose sole income is the State Pension, particularly those living alone. The cost of this charge is €300 per year, equivalent to over a week's income for those living alone.

Recommendations:

To ensure affordability and accessibility of primary care

19. Entitlement to Over-70 medical card should be based on net income and a health and care assessment
20. Support for self management of chronic disease be developed through the setting up of free community based chronic disease management programmes. Cost of this could be minimised through the use of existing resources such as GP practice nurses, sports partnerships and health and leisure centres.

¹⁶ OECD (2013) *Health at a Glance 2013: OECD Indicators* - <http://www.oecd.org/els/health-systems/Health-at-a-Glance-2013.pdf>

¹⁷ Bryant et al (2013) 'Improving medication adherence in chronic obstructive pulmonary disease: a systematic review' IN *Respiratory Research* vol. 14 (109)

¹⁸ Health Service Executive (2014) *Health Service Performance Assurance Report* - <http://www.hse.ie/eng/services/publications/corporate/performanceassurancereports/jan2014pr.pdf>

¹⁹ Richardson, et al (2013) *Polypharmacy in adults over 50 in Ireland: Opportunities for cost saving and improved healthcare* - <http://tilda.tcd.ie/assets/pdf/PolypharmacyReport.pdf>

21. All the services normally carried out in a GP practices should be free to those with GP Visit Card, e.g. blood tests and other diagnostic procedures.
22. The GMS prescription charge to be capped at €12.50 per individual, rather than €25 per couple.
23. Age-friendly medical card application process to be introduced with at least three years between reviews.

4.3 Community Care

Table 4.2 Cuts to Community Care

	2010	2013	Target 2014
Home Help			
No. of Hours (Mil)	11.98mil	10.3mil	10.3mil
No. of Recipients	54,500	50,000	50,000
Home Care Packages			
Total no. of people in receipt	9,613	11,020	10,870

Source: Health Service Executive (2013) *National Service Plan 2014*

Personal services that keep older people well and managing in their own homes are inaccessible. As of 31st March 2014 46,622 clients were in receipt of home help service. Taking account of the 4 per cent per annum increase in the population 65 and over, and in particular the growth in the number of those 80 and over²⁰ and the significant number of those aged 85 and over with disability living alone, 44.2% in 2011, maintaining the same level of provision of home help and reducing the number of home care packages is in effect an almost 5 per cent cut in services. The care needs of older people in the community cannot be met with this level of community support, particularly when the allocation of these services is focused on maintaining throughput in acute hospitals. These resources are being used in a reactive manner rather than in a preventative way.

Instead of reducing the services, providing timely access to services like home help services, homecare packages and interventions, like short term enablement home care would give people struggling at home the skills to manage and slow down their need for more intensive interventions and reduce their risk of admission to acute hospital.

Recommendations:

To ensure access to personal services that keep older people well.

24. Increase funding for vital community services to fund the adoption of a proactive and preventative approach in the allocation of home help, home care packages and interventions like short term home care enablement services, thus reducing disability, acute hospital admissions and the need for long-term care.

²⁰ Central Statistics Office (2012) *Our Bill of Health*
<http://www.cso.ie/en/media/csoie/census/documents/census2011profile8/Profile%208%20Full%20document.pdf>

4.4 Long-Term Care

	2011	2013	Target 2014
Nursing Home Support Scheme (NHSS)			
– Fair Deal			
No. of people funded	22,341	23,000	22,061
No. under subvention	2,020	920	650
Intensive Home Care Package (IHCP)			
Total no. of people in receipt			190 at any one time

Source: Health Service Executive (2013) *National Service Plan 2014*

Long-term care provision is no longer person-centred. The Nursing Home Support Scheme (NHSS) budget adjustments in 2014 are having a detrimental effect on older peoples' well-being. A budget reduction of €12.5m and the transfer of €23m to the home care and community support budget, means that there are 937 less NHSS beds available in 2014. At the end of March 2014, 2,813 applications were received under the NHSS, and 1,673 new clients were funded. This is a net decrease of 454 clients during this period. On the 18th November 2013, there were 184 people on the placement list for the Nursing Home Support Scheme and it was taking 7 days for funding to issue, from the date that the person was first placed on the list²¹. On the 29th April 2014, the number on the national placement list was 913 people and it was taking 6 weeks for funding to issue, from the date the person was first placed on the list²².

The outcomes for older people needing high supportive care are

- Longer waits in hospitals, an environment that is inappropriate and does not support well-being
- Discharge home without sufficient or appropriate care to meet their needs
- Carers, many older people themselves, will carry the burden of care impacting on their well-being

Whilst €23 million is being deducted from the NHSS, only €10m has been allocated to fund the 190 Intensive Home Care Packages (IHCP - a combination of nursing, therapy, respite, aids and appliances, home help as appropriate to the client's needs) proposed to support discharge home from acute hospital. As of 31st March, nobody was in receipt of IHCP. A total of 10 IHCPs are to be rolled out in 10 areas in April 2014 (HSE, 2014). Age Action welcomes the IHCP initiative, as it gives older people options. However it is noted that there is no overall gain, as the original home care packages are being reduced by 140, and with 937 less NHSS beds available, frail and vulnerable older people's right to the enjoyment of the highest attainable standard of physical and mental health are compromised.

Increasing cost to residents living in nursing homes.

The Age Action Information service is receiving an increasing number of calls regarding the imposition of extra charges on residents in nursing homes. Under Fair Deal, downward pressure on the maximum price nursing homes can charge has resulted in residents facing

²¹ Written response from Minister Kathleen Lynch to question in the Dáil (5th December 2013) see transcript -

<http://oireachtasdebates.oireachtas.ie/debates%20authoring/debateswebpack.nsf/takes/dail2013120500078?opendocument#WRX01650>

²² Written response from Minister Kathleen Lynch to question in the Dáil (8th May 2014) see transcript - <http://oireachtasdebates.oireachtas.ie/debates%20authoring/debateswebpack.nsf/takes/dail2014050800048?opendocument#WRU01850>

additional charges such as for social programmes. The National Treatment Purchase Fund (NTPF) defines Long Term Residential Care services (LTRCS) as bed, board, nursing and personal care appropriate to the level of care needs of the person, bedding, laundry service and basic aids and appliances necessary to assist person with activities of daily living. Therapies, continence wear and social programmes are excluded. With the required 80 per cent of income contribution towards care under Fair deal, residents are left with only 20 per cent of their income, (for person on state pension, this is €46 per week), so extra costs are beyond many residents' means. For residents' well-being, therapies, psycho-social interventions and meaningful activities are vital, especially for people with dementia, to allay boredom and maintain cognitive functioning. Access based on ability to pay is not person-centred. If charges are introduced for things such as social activities and psycho-social interventions, this will be a retrograde step, as long-term care will not be about *complete physical, mental and social well-being* but about bed and board. Residents and their families already incur substantial costs for everyday services like - hair dressing €5 – €10, chiropody €20 – €35, days out/ trips €20 – €30, toiletries €10, craft activities, renting of specialised mattress, prescription charge (Medical Card €25; Drug Payment €144), cost of medication not covered by schemes and continence wear (for those without a medical card).

Recommendations:

To ensure a person-centred approach to long-term care provision.

25. A commitment to provide nursing home beds of intensive care packages to older people in a timely manner. Seven days for funding to issue, from the date that the person was first placed on the list.
26. For residents in long-term care, the inclusion of therapies within the LTRCS or through Primary Care is essential for their well-being.
27. For those whose only income is the State pension, increase the personal allowance to 30 per cent of income under Fair Deal.

5. Access to services

5.1 Transport

The National Positive Ageing Strategy²³ identifies transport as a priority area in addressing ageing. The first goal of this Strategy is to 'Remove barriers to participation and provide more opportunities for the continued involvement of people as they age in all aspects of cultural, economic and social life in their communities according to their needs, preferences and capacities' (Department of Health, 2013: 19). The provision of an accessible and affordable transport system is identified as an objective in delivering this goal. 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' (Op.Cit).

While many older people have access to car, others are unable to drive due to health reasons or the high costs of maintaining a car. The proportion holding a drivers licence also falls off with Census 2011 highlighting that 60% of those aged 70 to 79 years and 30% of those aged 80 years and older having a drivers licence. A lower proportion to the younger age cohorts (such as 79% amongst those age 40 to 49 years). Car ownership is also lower amongst households aged 65 years and older (72%) than those younger households (89% amongst those age 45 to 49 years). The Free Travel Pass, which is a universal entitlement to those aged 66 years and over, is therefore an essential support for older people.

Table 5.1 Expenditure and Number of Travel Pass Recipients

	€000	Number of recipients
2009	73,489	678,477
2010	74,094	699,164
2011	75,597	726,412
2012	75,518	754,731

Source: Department of Social Protection, Statistical Information on Social Services (various years)

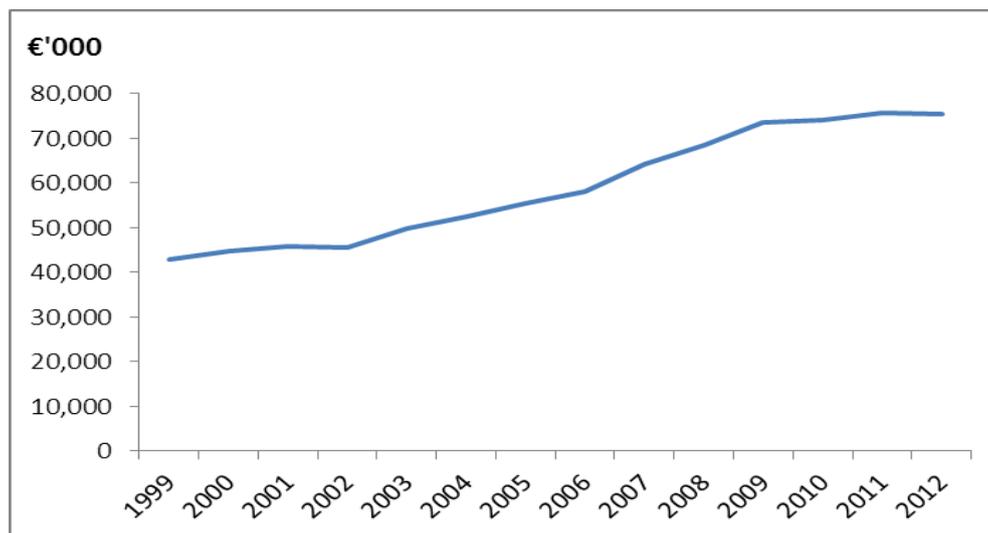
Under the Programme for National Recovery 2011 to 2014²⁴, funding for the Free Travel Scheme has been frozen at 2010 levels. This is illustrated in Table 5.1 with a corresponding growth in the number of recipients. Ultimately this has led to a situation whereby more people are using this support without a corresponding increase in funding. For instance, in 2009 the per person funding was €108 whereas this had fallen to €100 in 2012.

A working group comprised of representatives from the National Transport Authority and the Departments of Social Protection, Transport and Public Expenditure Reform is currently reviewing the scheme.

²³ Department of Health (2013) *National Positive Ageing Strategy* - <http://health.gov.ie/blog/publications/national-positive-ageing-strategy/>

²⁴ Department of Finance (2010) *The National Recovery Plan* <http://www.budget.gov.ie/The%20National%20Recovery%20Plan%202011-2014.pdf>

Figure 5.1 Expenditure on Free Travel Scheme 1999 to 2012



Source: Department of Social Protection, Statistical Information on Social Services (various years)

In order to highlight the importance of this support and to further understand how older people use their Travel Pass, Age Action has carried out a survey of our members. The Survey was distributed to members through our monthly magazine, *Ageing Matters*, and at our regional meetings held earlier this year. A total of 516 individuals replied to the survey with responses coming from 25 of the 26 counties.

Some key findings from the survey include:

- 95% of those responding to the survey had a Travel Pass
- 78% stated that they used their Pass at least once a week with 30% stating they used it on a daily basis
- Respondents took an average of 6 journeys in the week preceding their completion of the survey
- Respondents undertook a mixture of economic and social activities with their pass - 76% used it when going shopping; 72% when attending health / medical appointments; 71% when visiting family and friends and 70% when attending social or cultural events
- The most frequent modes of public transport used was Irish Rail (66%) followed by Dublin Bus (64%) and the Luas (61%)
- With regard to car ownership half of the total respondents (49%) have their own car although almost one-third (31%) indicate that they are reliant solely on their travel pass.

We also asked respondents to tell us in their own words about the importance of the Travel Pass. Box 5.1 illustrates the wide range of benefits including – addressing isolation, the economic benefits to the local community and the effects of ageing on ability or reluctance to drive.

Box 5.1 Importance of Free Travel Pass Quotes

<i>"I would be totally isolated without my bus pass"</i>
<i>"it keeps me in touch with family etc which I could not afford to meet up as often"</i>
<i>"people who use the free travel scheme are also a welcome source of income to the local economy and business owners in the places they visit"</i>
<i>"a lot of over 60s go away for bridge breaks in the West. We all have travel passes and travel by train to the hotels. If we had no passes we could not afford to travel".</i>
<i>"please note that I no longer wish to drive. I wouldn't feel safe on the road"</i>
<i>"I have a car and drive at the moment, but I do have a number of serious eye conditions will probably not be in a position to use a car in a few years time, therefore, it is vital that I have access to the Travel Pass"; along with the issue of cost "I do have a car. I only drive local. I do not drive at night and I'm thinking of giving up my car because I really can't afford to keep it".</i>
<i>"The scheme enables older people to engage in social activities, take short breaks, remain active and combat isolation. While some people own cars, with age, they become nervous, are scared to drive on busy roads and are totally dependent on public transport".</i>

Source: Free Travel Scheme - Survey of Age Action Members

The latest available information to Age Action on this review is that three options are proposed in order to create savings from the Free Travel Scheme. These are:

1. A restriction on the hours during which the pass may be used
2. A small subscription charge
3. Restricted to one mode of transport

Age Action is utterly opposed to the implementation of any of these changes to the Free Travel Scheme. The restriction of the hours of use will be problematic for older people travelling to hospital and other care appointments as these are often scheduled early in the morning. In addition, for those in remote rural areas accessing appointments later in the day this can still mean travelling on early morning peak time services in order to reach urban towns and cities. Furthermore, the National Positive Ageing Strategy notes the importance of public transport linkages to major health facilities.

Given the raft of stealth charges and reduction in key supports for older people as outlined in this submission, a subscription charge would be yet another attack on the incomes of older people. While it may be proposed that this charge would be nominal, we have already seen a substantial increase in the prescription charges and while in itself this may not be a high charge for those on a low fixed income with a range of other charges to pay it can have a detrimental impact.

The final, proposal, to restrict usage to one form of public transport (of the user's choosing), is in our view unworkable. Our survey indicated that older people use their travel pass on more than one mode of transport. Many respondents indicated that they use both Dublin based services (such as the Luas and Dublin Bus) as well inter-county connections provided through Irish Rail and Bus Eireann. Given the importance of the Travel Pass for accessing health appointments, it can be assumed that more than one mode of transport is often used to attend hospitals particularly for those outside of Dublin who may travel to Dublin on the train and then are required to take a connecting service via Dublin Bus or Luas to a hospital. Restricting older people's usage of their Travel Pass would restrict their mobility and their ability to participate in a range of activities.

Recommendations

28. Given the importance of the Free Travel Scheme to older people and the many benefits

it offers to local economies, tackling isolation and social exclusion, we strongly recommend that this support remains untouched.

29. Maintain existing services provided under the Rural Transport Initiative and ensure that these services link with existing public transport services.

5.2 Digital Inclusion

Concern has been expressed for many years about the digital divide and the gulf between young and old. Over half (53%) of those aged 60 to 74 – over 280,000 people have never used the internet and use among those aged 75 and over is negligible at only about 3%²⁵.

Age Action is addressing this divide because without interventions and training tailored to older people's needs this gap will widen. Digital literacy is now a necessity for accessing health and welfare information, for using online services, saving money as well as maintaining contact with family and friends. The latter is particularly important in light of the increase in emigration due to the economic recession and the dispersion of families across the globe

Age Action's Getting Started learning programme is designed with the challenges and barriers experienced by older learners in mind such as older people's fear of technology or feeling they are too old to learn. Since 2006 we have trained over 20,000 older people in basic IT skills by creating a supportive learning environment that is relaxed, non-formal and sociable so they do not feel intimidated by technology. All tutors are trained volunteers and work one to one with older people to support their first steps online.

Training material has been developed specifically for older people and this learner-centred approach supports the older students to learn topics that are of particular interest to them. This has proved very successful in engaging older people with the online world. Confidence in using the Internet tackles the social exclusion that many older people may feel, helping them to stay active, healthy and less isolated. Many of our learners have purchased computer and broadband and also shop online which has a direct economic impact.

There is high demand from older people to learn basic skills and Age Action has over 1,700 people waiting for classes nationwide.

Getting older people online will also allow them to access e-government services. The successful transition from face-to-face or telephone-based services to e-government is dependent on citizens having access to the internet (whether through a computer or smartphone) and possessing the skills or support to enable them to access public services online as and when they need them²⁶.

The Department of Communications, Energy and Natural Resources has provided funding to Community and Voluntary groups for computer training through its BenefitIT funding programme. Since being introduced in 2008 the BenefitIT Programme(s) have provided training directly to almost 95,000 people all over Ireland - helping people to learn new skills, use the internet and access online resources. The programme also supports wider Government objectives e.g. encouraging and helping people to use online public services

²⁵ Department of Communications, Energy and Natural Resources (2013) Doing More with Digital National Digital Strategy for Ireland Phase 1 – Digital Engagement - <http://www.dcenr.gov.ie/NR/rdonlyres/54AF1E6E-1A0D-413F-8CEB-2442C03E09BD/0/NationalDigitalStrategyforIreland.pdf>

²⁶ CARDI (2013) *Online Government – Offline Older People?* <http://www.cardi.ie/sites/default/files/attachments/Final%20egov%20summary.pdf>

and online banking. This helps them to save money and access new opportunities. The training is being very well received with 99% of the trainees happy to recommend it to a friend. 3 out of 10 trainees on this Programme say that as a result of doing the training they will buy a computer, laptop, tablet or other access device. The government want to halve the number of non-liners by 2016. This means reducing the number of 'non-liners' by 288,000 people so the Benefit funding programme needs to be continued into 2015 as it is a very cost effective programme.

Box 5.2 Getting Started Quotes

"I felt it is an excellent idea to have these classes for older people. Personally I used to feel intimidated about technology but feel much more positive about it now. The classes are very student-friendly and one-to-one means you get very personal attention. It has made a big difference. Thank You!"

Maire, Getting Started Learner, Galway

"I absolutely love the course when I started I couldn't turn on the computer now I can search for information, email and attach photos and use the RTE player, check my phone bill, death notices and lots more. Most of all I've met lovely people on the course."

Frances, Getting Started Learner, Cork

Recommendation:

30. The Department of Communications, Energy and Natural Resources has provided welcomed funding to Community and Voluntary groups for computer training through its Benefit funding programme. It needs to be continued in 2015.

6. Ageing and Development

6.1 Age Action's work of Development Issues

Age Action has an ageing and development programme whose main aim is to raise awareness about global ageing and issues older people face in developing countries with the general public, older people, politicians and development organisations. We do this through development education, producing materials, engaging in campaigns and building support among relevant stakeholders on ageing and development issues and the rights of older people, including for a new international Convention on the Rights of Older People.

6.2 Official Development Assistance

Age Action was extremely disappointed to learn of Minister Costello's announcement in March 2014 that Ireland would not be meeting its own commitment to deliver 0.7% of its national income or GNP in official development assistance (ODA) by 2015²⁷. Ireland has an excellent reputation in overseas development aid built up over many years and development aid is one of the cornerstones of Ireland's foreign policy. By reneging on its commitment the government is putting this reputation in jeopardy as inevitably its ability to deliver on its goals in One World, One Future lessens²⁸.

Commitments to assisting the world's poor must not be seen as a luxury, only for favourable economic times, particularly when the targets are based on a percentage of national income and therefore takes into account changes in the economy. This essential fairness was already built into the target so it is disappointing to hear the Minister use the economic downturn as a reason for not meeting our target.

Public support for our overseas development programme is also still at a high level despite the recession, as outlined by polls commissioned by Dóchas. Results for a poll commissioned in June 2013 found that 77% of respondents agree that even in a downturn we had an obligation to invest in overseas aid.²⁹

6.3 Prioritising Ageing in Development Programmes

Population ageing is one of the most significant trends of the 21st century and has important and far-reaching implications for all aspects of society. By 2050, there will be more over-60s worldwide than children under 15.³⁰ Population ageing is occurring faster in developing countries, which have less time to adjust to the consequences of this demographic transition. Currently, 8% of the population in developing countries are over 60, compared to 20% in developed countries.³¹ Globally, the population of older people (defined as over 60) will

²⁷ Sunday Business Post article dated 2 March 2014 uploaded here -

http://www.ideaonline.ie/sites/default/files/sbp_article_ireland_abandons_un_aid_target.pdf

²⁸ Irish Aid (2013) *One World One Future: Ireland's Policy for International Development* -

<https://www.irishaid.ie/media/irishaid/allwebsitemedia/20newsandpublications/publicationpdfsenglish/one-world-one-future-irelands-new-policy.pdf>

²⁹ See the Dóchas website here

http://www.dochas.ie/Shared/Files/2/Public_Responses_on_Ireland_Investing_in_Overseas_Aid.pdf

³⁰ UNDESA Population Division, *World Population Prospects: The 2010 Revision*. Available from

<http://esa.un.org/unpd/wpp/index.htm>

³¹ *World Population Ageing 2009*, available here

http://www.un.org/esa/population/publications/WPA2009/WPA2009_WorkingPaper.pdf

increase by 29 million each year on average between 2010 and 2050, and 80% of this increase will be in developing countries.³²

Despite this, ageing and older people were absent in Irish Aid's policy for international development One World, One Future. Age Action urges Irish Aid to prioritise ageing and older people in its development policies and programmes now and into the future to adequately plan and prepare for this demographic change. This includes ensuring data disaggregated by age (among other things, e.g. disability, gender) is gathered in all its programmes.

Ageing and older people were not included in the millennium development goals, with the result that data was only collected on people up until age 49. Our partners HelpAge International published the first ever Global AgeWatch Index in October 2013, which revealed a serious lack of data in key geographical regions including Africa, the Middle East and the Caribbean.³³

In addition to this Age Action also recommends that Irish Aid push for the 2015 framework to be human rights based with equality and non-discrimination as priority themes. All goals and targets must take account of the rights of people at all stages of their lives. The global call to "leave no one behind" in the Report of the High Level Panel on the Post-2015 Development Agenda³⁴ should be made meaningful by tackling inequality and exclusion including removing barriers to the full participation of all people in society regardless of age, disability and gender.

Recommendations

31. At a minimum, to allocate an increased percentage to the ODA target than the 0.43% allocated in Budget 2014, e.g. 0.5%, even if it cannot meet the 0.7% target
32. Set targets for when it can incrementally reach the 0.7% target, in as short a timeframe as possible.
33. Prioritise ageing and older people in Irish Aid development policies and programmes and ensure data disaggregated by age is gathered in all its programmes, as well as in the post 2015 framework.

³² Office of the High Commissioner for Human Rights, Current Status of the Social Situation, Well-Being, Participation in Development and Rights of Older Persons Worldwide, August 2010, available here

<http://www.un.org/esa/socdev/ageing/documents/publications/current-status-older-persons.pdf>

³³ The GlobalAgeWatch Index is available here <http://www.helpage.org/global-agewatch/>

³⁴ The Report of the High Level Panel on the Post-2015 Development Agenda is available here <http://www.post2015hlp.org/wp-content/uploads/2013/05/UN-Report.pdf>

7. Employment, Lifelong Learning and Positive Ageing

7.1 Employment

Much of the focus of the government's employment strategy has been on younger workers. However, data from the OECD's (2013) report for the Department of Social Protection indicates that the employment rate of older workers (aged 55 to 64 years) was 50.8% in 2011 which was slightly higher than the EU average of 47.7% but below the OECD average of 54.4%. Between 2007-2011 the unemployment rate amongst 55 to 64 year olds increased by seven percentage points. The latest data from the Quarterly National Household Survey, shows that the percentage of workers aged 60-64 years who are unemployed has remained steady for the last year at in or around 10%. Clearly more needs to be done to support and encourage workers people to work for longer and to provide incentives for employers to retain older worker.

Table 7.1 Unemployment Rates (%) by Sex, Age Group and Quarter

	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1
15 - 19 years	35.2	42.9	33.1	30.6	30.8
20 - 24 years	24.7	26	24.6	22.6	23.9
25 - 34 years	14.6	14.6	13.6	12.8	12.9
35 - 44 years	12.1	11.8	11.3	10	10.5
45 - 54 years	11.4	11.2	10.3	9.5	10.3
55 - 59 years	12	10.9	11	9.3	9.6
60 - 64 years	10.2	10.2	9.8	10.8	10.1
65 years and over	2.1	2.5	2.1	1.1	1.4

Source: Quarterly National Household Survey Statabank on www.cso.ie

Recommendation

34. Develop targeted activation programmes to get older people back to work and provide training and additional supports to assist people to stay in work, targeted not only at older people but also importantly at employers. While providing adequate income protections for those who cannot work into older age due to the nature of the sector in which they work, because of illness and / or disability or as a result of caring duties.

7.2 Education and Lifelong Learning

An objective of the National Positive Ageing Strategy (2013) is to “*promote access to a wide range of opportunities for continued learning and education for older people*” (DoH, 2013: 20). To achieve this objective we feel that greater recognition needs to be given to the importance of lifelong and intergenerational learning (formal and informal) in the development of policy, community development and in the achievement of intergenerational equality and solidarity. Lifelong learning takes place across the life-course from the moment a child is born until the end of life.

Recommendation:

35. To provide greater budgets for community based lifelong learning initiatives.

7.3 National Positive Ageing Strategy

Forecasts from the Central Statistics Office show significant increases in the ageing population. These figures draw our attention again to the lack of any implementation plan for the National Positive Ageing Strategy (2013). We welcome the fact that the Department has stated³⁵ that the development of the implementation plan for this strategy is due to be published in Quarter 2 of this year. We urge the Government to stay committed to this timeline as if, as a society, we fail to plan now, we will pay a very high price in the future.

Recommendation:

36. Publish the Implementation Plan for the National Positive Ageing Strategy in line with the timeline stated by the Department of Health.

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³⁵ The Department of Health's website states - An implementation Plan for the National Positive Ageing Strategy is being developed at present and is likely to be published in the second quarter of 2014 - <http://health.gov.ie/healthy-ireland/national-positive-ageing-strategy/> (accessed 18th June 2014).