



Pre-Budget Submission 2016
Department of Communications, Energy and Natural Resources

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1. Introduction

Age Action was established in 1992 as the voice for older people and the 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 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.

2. Context

In early 2011, the Programme for Government committed to implementing the National Positive Ageing Strategy so that:

“older people could be supported and enabled to live independent full lives.... enhancing and protecting older people’s wellbeing and quality of life” (National Positive Ageing Strategy, 2013: 8).

Four years on, the strategy has not been implemented. Four successive austerity budgets have greatly limited older people’s ability to live independent lives.

The cumulative effect of previous budgets has had a profound impact on the lives of many older people. For those solely dependent on the State Pension and the Household Benefits Package, their income has reduced by €13.18 per week. With less money, they have struggled to meet the demands of new taxes, charges and rising energy prices.

3. Addressing Digital Exclusion amongst Older People

The National Positive Ageing Strategy (2013) commits to “promote access to a wide range of opportunities for continued learning and education for older people” (DoH, 2013: 20). Age Action plays an important role in achieving this through our Getting Started and Lifelong Learning programmes.

Digital literacy is now a necessity for accessing health and welfare information, for using online services, managing one's finances and maintaining contact with family and friends. A critical challenge for society is the pace of change towards doing the majority of our business online.

For older people, this challenge is even greater as 53 per cent of those aged 60 to 74 (more than 280,000 people) have never used the internet. Among those aged 75 and over, the figure is negligible at only 3 per cent.

The Department of Communications, Energy and Natural Resources provides 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 more than 100,000 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 and online banking.

Age Action's Getting Started Programme, funded by BenefitIT, provides tailored one-to-one training for older people. Since 2006 we have trained more than 26,000 older people in basic IT skills.

Through this training, learners gain confidence in using the internet to stay in touch with family and friends, pay bills and to keep up to date with the news.

The training provided by Age Action 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 computers and also shop online which has a direct economic impact. Getting older people online will also allow them to access e-government services.

Feedback on our programmes has been almost universally positive with 99.7 per cent of our learners saying they would recommend the course to others and 98.7 per cent of our volunteer tutors were rated as either Very Good (15 per cent) or Excellent (83.7 per cent).

There is continuing high demand from older people to learn basic skills and Age Action has more than 1,800 people waiting for classes nationwide.

I felt this course and tuition was terrific. My tutor was very patient and very helpful. The one to one training was excellent, I learned very useful skills and would be very keen to recommend it. I have recently got broadband at home so there will be no stopping me now.

Helen, Kildare

Recommendation:

1. In 2015, the Government allocated €540,000 to the Benefit Programme. We recommend maintaining this level of funding in 2016.
2. It is imperative that older people continue to use their skills outside of the classroom. Therefore the Government must roll out a comprehensive broadband strategy in rural and urban areas.

4. Addressing Energy Poverty

The experience of energy poverty among older people is particularly acute for a variety of reasons. These include:

- 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).

In addition to this, consumer behaviour among older people means they are less likely to switch providers due to brand loyalty. Lower rates of access to the internet, along with an aversion to falling into arrears,¹ can mean many older people do not benefit from increased competition in 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

¹ 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.

Authority of Ireland (SEAI) is integral to achieving this and is a buffer against energy poverty for older people. The introduction of smart metering will also encourage people to be more energy efficient.

It is imperative that home energy efficiency programmes continue to be funded and that they are targeted towards those on low-incomes and those who will experience the worst effects of living in energy poverty.

Furthermore, it is important that the original objective of the carbon tax as revenue-neutral is achieved by using the funds it raises to address the issue of energy poverty. Currently, 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.

Age Action believes that energy poverty can only be addressed effectively through a joint response from the Department of Communications, Energy and Natural Resources and the Department of Social Protection.

We have recommended to the latter Department that the Fuel Allowance scheme should be extended by three weeks in Budget 2016 and that a mechanism to receive the fuel allowance in two lump sum payments should be introduced.

We support the Society of St Vincent de Paul's (SVP)² analysis that the benefits of addressing energy poverty go much further than just keeping homes warm. In particular we note the wider benefits of tackling energy poverty outlined by SVP – reductions in health expenditure and income poverty, and an increase in employment through the retro-fitting sector. We therefore recommend that in Budget 2016 the Department of Communications, Energy and Natural Resources commit to continuing to fund energy efficiency programmes.

Recommendation:

3. Continue to fund home energy efficiency programmes, targeted towards those on low-incomes and those who will experience the worst effects of living in energy poverty.
4. 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.

² SVP (2015) *Investing in What Matters* Dublin: SVP

5. Conclusion

We would welcome the opportunity to discuss the issues raised in this submission. Please do not hesitate to contact us at the details below.

For further information please contact:

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