



Society of St. Vincent de Paul

The Society of St. Vincent De Paul

Presentation to the Joint Oireachtas Committee

on Employment Affairs and Social Protection.

12th of July 2018

The Society of St. Vincent de Paul welcomes the opportunity to make a presentation on its pre-budget submission 2019.

The negative social and economic costs arising from the recession are still apparent to members of SVP throughout Ireland. In the past 12 months, as the pervasive impact of the housing and homeless crisis intensified, our 11,000 members continued to provide support to thousands of families in need, including help with food, fuel and education costs. In 2017, one in three of the 130,000 calls to SVP for help were related to food poverty. Our experience shows that when times are tough, food is typically what families cut back. Rising housing and energy costs mean this is increasingly the case. In 2016, SVP spent over €30 million providing direct assistance to households in need.

It is clear that the costs of childcare, housing, education, utilities, transport and healthcare dramatically impact on people's ability to get out and stay out of poverty. Our 2019 pre-budget submission focuses on five priority areas;

- Housing;
- Education including early years;
- Energy and utilities;
- Income adequacy;
- Healthcare.

Ireland needs to invest significantly in these critical areas if we want to tackle inequality and social exclusion. It is therefore essential that our policy priorities for the Minister for Employment Affairs and Social Protection are read in the context of our entire pre-budget submission, which seeks a balance between investing in public services and income supports, and emphasises investment in public services and supports over reducing taxes.

Social welfare schemes are an essential form of support and are the last resort for those in difficult circumstances, and that's why we believe it is vital that all social welfare payments

are "adequate" so that people do not continue to be trapped in poverty. First and foremost, we are asking that **social welfare rates are set at a level that is sufficient to lift people out of poverty and to provide them with a Minimum Essential Standard of Living**. Recent research published by the Vincentian Partnership for Social Justice showed that Budget 2018 increases in social welfare helped some households afford a Minimum Essential Standard of Living (MESL). Yet, over 70% of urban households in their analysis do not have a sufficient income to meet a MESL. One parent families, people living in rural areas, single working-age adults, and households with older children are at the highest risk of income inadequacy. For example, social welfare income for a one parent family with two children and living in a rural area is €153 short of what they need to cover basic needs. The reality behind these figures is reflected in the work of SVP members who visit people in their homes every week.

Lone parents continue to be the largest group assisted by the SVP, as children in these households are almost four times more likely to experience consistent poverty. Since 2012, SVP has been particularly critical of the decision to abolish the features of the One Parent Family Payment which supported lone parents to take up employment and education. Research published by the ESRI last week clearly shows that the cuts and changes resulted in income losses for employed lone parents. In Budget 2019 we are asking that ***the earning disregard is increased to €161 to restore the 2010 value in terms of hours worked at National Minimum Wage***. SVP also request the ***Working Family Payment be made payable with the Jobseekers Transition Payment*** and that the ***anomalies created by the reforms which made it more difficult to access SUSI maintenance are addressed***.

The decision to cut the rate of Jobseekers Allowance for young people under the age of 26 is a potential driving factor in increased rates of poverty, deprivation, homelessness and emigration among this group. For example, between 2007 and 2015 the rate of severe deprivation among 18 to 24 year olds increased twice as much as the general population. Age segregation in the social welfare system must end, and we are requesting that ***the adult rate of Jobseekers Allowance be restored to those aged under 26 on a phased basis over the next three budgets***. We are also asking that the ***Cost of Education Allowance is extended to all recipients of the Back to Education Allowance, not just those with child dependents***.

In the last six months, nearly all energy suppliers have increased their costs as a result of increasing wholesale prices, and this is reflected in the work of our members who have seen a rise in requests for support with utility costs. There has been an average increase in energy costs of 7.6% in the past 12 months up to May 2018.

Investing in more appropriate and tailored dissemination and outreach initiatives and campaigns towards those households in energy poverty, and expanding schemes to improve energy efficiency in the private rented sector are key asks in our Budget submission to the Minister for Communications, Climate Action and Environment. Nevertheless, income

supports are vital for energy-poor households, and that is why we are asking that ***Fuel Allowance is increased to a value of €795 to restore purchasing power parity to 2010 levels.*** This can be achieved by increasing the rate to €24.85 and reintroducing the 32 weeks payment period. With more unpredictable weather patterns, we are also requesting that a ***Cold Weather Payment be introduced so that energy-poor household can have some certainty in terms of energy costs*** during prolonged periods of cold weather. ***Increasing the living alone allowance by €3*** can also provide additional protection to older people who are more vulnerable to energy poverty.

The reduction in Government spending on Exceptional Needs Payments (ENPs) (60% decrease between 2008 and 2017) and the restructuring of the service, including the closure of local offices, has imposed further hardship on low-income people. It is SVP's experience that this budget reduction is resulting in officers having to refuse payments which they would have previously approved or approving payments for lower amounts. Delays and difficulties in accessing services create unnecessary stress and strain on people when they are vulnerable. It is critical that ***frontline Department of Social Protection services are adequately funded and that the total budget available for ENPs is increased by €20 million to meet exceptional and unexpected costs faced by low-income individuals and families.***

Budget 2019 must reflect a real commitment to tackling poverty and deliver on the goals of a fairer and more inclusive society. This will require a genuine whole of government approach to budgetary decisions and assessing all public expenditure against its impact on poverty. When prioritising resources decisions should be equitable, fair and just, protect the vulnerable, address structural inequalities and promote the well-being of this and future generations.

Annex

The Society of St. Vincent de Paul

The Society of St Vincent de Paul exists to fight poverty in its various forms. We work for social justice and the creation of a more just, caring nation. Through our wide range of services, from household visitation to premises-based local services, we provide practical support to people in need. Established in 1844 we are the largest, voluntary, charitable organisation in Ireland with 11,000 members, 4,500 volunteers and 750 staff. SVP is a volunteer-based, volunteer-led organisation.

130,000 calls for assistance		
SVP's Response		
 €12.5m on food	 €5.1m on direct financial support to households	 €4.3m on fuel & electricity
 €3.7m on education	 €1m on clothing & furniture	 €0.6m on holidays & outings

Special works:

- Shops: 199, 4,500 volunteers, sales of €28 million for 2016
- Emergency accommodation: 10 units, 300 beds, 147 staff. Located in Longford, Carlow, Limerick, Wexford, Waterford, Ennis, Cork, Letterkenny
- Social housing: 1,000 units, 740 volunteers, 14 staff
- Resource centres: 7. Dublin, Ballina, Castleisland, Cavan, Carrigtowhill, Tuam, Galway
- Prison visitor centres: 3
- Children's/Young Adult Services: 6 youth clubs in Dublin, residential breaks in Sunshine House and Knockadoon, Early Childhood services in Dublin, Waterford, Lurgan, Belfast, Carrigtowhill, Castleisland.
- Day centres for older people, various meals on wheels services, Seafarer's Club in Dublin

Summary of DEASP Proposals and Estimated Costing

Proposals	Estimated Cost
Benchmark all social welfare rates at a level which is sufficient to both lift people above the poverty line and provide them with a Minimum Essential Standard of Living. Restore 2010 rates in real terms, starting with a €5 increase in Budget 2019 with proportionate increases for Qualified Adults and Children.	€150 million
Allow lone parents in employment whose children are aged between 7 and 14 to receive both Jobseekers Transition Payment and Working Family Payment.	Data not available to cost
Increase the earning disregard for the One Parent Family Payment (OFP)/ Jobseekers Transition Payment (JST) to €161 per week to allow lone-parents to take up and increase working hours.	€27 million
Address the anomaly by which lone parents in receipt of Rent Supplement and OFP/JST, who want to take up education or training, are not eligible for SUSI maintenance.	Data not available to cost
Recognise the higher costs faced by families with older children by introducing a new rate of QCI for over 12s. Begin by increasing the rate for older children by €5 per week.	€35 million
Restore full adult rate to young people under 26 years on Jobseekers Allowance on a phased basis over next three budgets.	€34 million
Increase the Living Alone Allowance by €3 to ensure income adequacy for older people living on their own.	€32 million
Increase the weekly allowance for children living in Direct Provision to the current rate for a Qualified Child including a €5 increase for over 12s, and the adult weekly allowance to €38.80 as recommended by the <i>Working Group on the Protection Process</i> .	€4 million
Adequately fund frontline Community Welfare Services to ensure that the service is accessible to those that need it and that a total budget of €50 million is available to meet the exceptional and urgent needs of low-income households.	€20 million
Increase Fuel Allowance to a value of €795 to restore purchasing power parity to 2010 levels. This can be achieved by increasing the rate to €24.85 and reintroducing the 32 weeks payment period.	€62 million
Introduce a new Cold Weather Payment scheme for those in receipt of Fuel Allowance and the Working Family Payment, providing a guaranteed extra one-week fuel allowance payment in the event of extreme weather.	€13 million
Restore the Back to School Clothing and Footwear Allowance to the 2011 level of €305 for children over 12 years, and to €200 for children under 12 years. Equalise income thresholds for one and two-parent families.	€18 million
Make child benefit payable to families with children over the age of 18 enrolled in secondary school, reflecting the higher educational costs for families with adolescents.	€62 million
Increase funding for the School Meals Programme by 10% to improve access to adequate nutrition for low-income students.	€4 million
Extend the Cost of Education Allowance to all recipients of the Back to Education Allowance.	€4 million
Total	€465 million

Lone Parent Income Disregard Indexed to Increases in the NMW

	2011	2012	2013	2014	2015	2016	2017	2018
Earnings Disregard (€ per week)	146.50	130.00	110.00	90.00	90.00	90.00	110.00	130.00
National Minimum Wage (€ per hour)	8.65	8.65	8.65	8.65	8.65	9.15	9.25	9.55
Hours of NMW Disregarded	16.9	15.0	12.7	10.4	10.4	9.8	10.8	13.6

- In 2011 the disregard equated to 16.9 hours of NMW employment
- In 2018 the €130 disregard equates to 13.6 hours of NMW employment
- Increasing to €146.50 would disregard the first 15.3 hours of NMW employment (in terms of the 2017 NMW rate)
- To restore the value of the disregard in terms of hours of NMW employment, an earnings disregard of €161.40 would be required (based on the current NMW rate)