

Section 39 funded Organisations

Opening Statement to Joint Oireachtas Committee on Health

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Mr. Brian O'Donnell, CEO, National Federation of Voluntary Bodies

Ms. Mo Flynn, Not for Profit Association

Ms. Anne Winslow, Disability Federation of Ireland

Chairman and Members

Thank you all for the opportunity to address you today on behalf of the thousands of workers in Section 39 organisations across Ireland who need your support and your intervention to achieve pay equality with their opposite numbers in Section 38 organisations and HSE services.

Thank you also on behalf of the many thousands of people who use the services being run by Section 39 organisations, as they too are suffering the effects of this failure by the Government to treat staff equally.

You have all been extensively briefed on the issue before you today. You know that the vast majority of Section 39 organisations took the same pay cuts as their Section 38 and HSE colleagues, when the FEMPI cuts were imposed. You know that they were left with no choice but to do so, as their block funding was cut on this basis.

Traditionally Section 39 funded organisations had aligned salary scales applicable to all their employees to the Department of Health Consolidated Salary Scales which operate across both the HSE and Section 38 funded organisations.

All pay cuts to the Department of Health's Consolidated Salary Scales which arose as a result of implementation of the **Financial Emergency Measures in the Public Interest (FEMPI) Act 2009** were fully implemented by the majority of Section 39 organisations following the collapse of the public finances after

2010. They also complied with the terms of both the **Haddington Road and Lansdowne Road Agreements**.

Now, pay is being restored to HSE and Section 38 workers but, as you know, there has been indifference, so far, to the pleas being made by Section 39 organisations and their workers, for equality and fairness.

One of the arguments being used by the Department of Public Expenditure and Reform to defend their refusal to fund pay restoration is that our workers are not public servants. This is true, but let me clear up something. We are not looking to be added to the public service numbers. We are not asking to be Section 38s. We are asking for fairness and equality and to be funded to restore pay to our workers.

This funding is essential to delivering the service, because our staff are essential to delivering the service.

We provide services on behalf of the state, on the basis of the annual Service Arrangement with the HSE, and we are all required to sign the annual Compliance Statements.

As employers, we are engaging in processes in the Workplace Relations Commission, and in the Labour Court. We do not resist this process, but if we are told to restore these payments, we simply cannot do so, without funding.

This unacceptable situation has given rise to a number of serious concerns for Section 39 Organisations as follows:

- A significant pay gap has now opened up. Staff employed by Section 39 organisations are now being paid circa 10% less than colleagues on similar Grades employed by Section 38 Organisations.
- Section 39 Organisations are experiencing serious difficulties in recruiting and retaining staff who are critical to the provision of essential services. It is the people using the services who are suffering most.
- Staff employed by Section 39 organisations have been balloted for Industrial action by their Trade Union SIPTU and as you know now, they have voted overwhelmingly for strike action. If this goes ahead, it will

have very serious implications for the people who use our services, especially those in residential services.

- There is now a very high attrition rate among social care workers employed by Section 39 Organisations which is leading to a concerning diminution in both the quantum and quality of services provided, leading to stress and anxiety in the people who avail of services and their families.
- We are also very concerned that, despite the level of political support which we have received for the case we are making, that there has been no satisfactory response from the Department of Public Expenditure and Reform. We hope that we will hear this today.

We appreciate the opportunity to set out our case for support to you today. Our organisations, and others in the healthcare sector, have been lobbying for the restoration of funding, which is necessary if we are to deliver services, on behalf of the state, for its most vulnerable citizens. I hope we will finally be heard.

I don't need to remind you that the organisations which we represent provide vital services for the state. Historically, we have stepped in when the state itself did not. During the recession, we took on more services, at the request of the state, during the moratorium on recruitment.

We are not-for-profit organisations, operating independently but reliant on the state for funding. We are asking for fairness, and for acknowledgement that the work we do is the same as our colleagues in the public service, and should be equally funded. Without this funding, our services will be put at risk and the people who use our services will equally be put at risk.