



**Pre Budget Submission**  
**Budget 2014**

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## Introduction

The current economic recession is having a direct effect on women in a number of spheres. More women are unemployed and long term unemployed. In addition many women have experienced wage cuts or reduced working hours. According to a recent study carried out by the European Commission women in Ireland earn on average 13.9% less than men. In addition women are significantly more likely to head lone parent households and are also significantly more likely to be full-time carers. While the current economic climate is affecting all sectors of society, there is a differential effect on women.

Labour Women is committed to working within the Labour Party to support the party's commitment to tackling the systemic subordination of women across the economic, political, cultural and affective spheres of Irish society and to build the commitment to gender specific analysis of policy and practice within the party. To this end Labour Women has produced a pre-budget submission highlighting measures, which could be taken to move closer to a society where men and women are truly equal.

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## **Taxation**

### **Child Care – Tax Relief**

While there are concerns in relation to children in regulated childcare facilities and it is noted that the Government has agreed to address these concerns, as a result of the State's failure to provide tax relief for childcare, many women are forced to have children cared for in the black market by unqualified people in premises that are not inspected or subject to the relevant regulations. Primary carers have no choice, as for many, the costs of childcare on the regulated market, is prohibitive, without significant tax relief. A comprehensive cost analysis should be completed by the government investigating the number of children cared for on the black market. It is anticipated that the introduction of a tax relief for childcare would be almost revenue neutral, as it would eradicate the use of unregulated tax evasive practices thus assisting in ensuring that childcare service providers comply with the relevant regulations and are subject to the necessary inspections.

### **Maternity Benefit Tax Relief**

A comprehensive review should be carried out of the Finance Act 2013 provision to tax maternity benefit. Labour Women has written to the Government, setting out that this provision has a serious effect on women, in particular women on the marginal rate of tax who do not receive a top-up amount during their period of maternity leave. A serious inequality exists in Ireland in relation to the provision of paid maternity leave to women working outside of the public sector; this has a serious effect on female entrepreneurship. Women working in the private sector and self-employed women are often unfairly disadvantaged in relation to the provision of maternity benefit when compared with their counterparts in the public sector. Moves should be made to investigate the cost of incentivising private sector employers by means of tax reliefs to agree to pay full salaries to women employees during the currency of their statutory maternity leave. Self-employed

women should be afforded a “year of birth / adoption” tax credit that can be carried forward indefinitely until the credit has been used up. It is anticipated that this will be revenue neutral in the medium to long term as it will keep women in the work force and will foster enterprise in women who may otherwise be reluctant to startup businesses.

### **Agricultural Relief**

It is submitted that the reduction in the value of agricultural property from 100% to 10% for the purposes of agricultural relief is too generous. This reduction should be changed from 10% to 15%.

### **Home-sharing**

It is submitted that income received under home-sharing schemes providing care for people with intellectual and physical disabilities should be formally exempt from Income Tax on the same basis as payments to foster parents. This tax relief is already in place on an informal basis, thus it will not cost the State anything. The provision of a formal basis for the tax relief will ultimately result in an increase in the provision of home-sharing, a service that runs at a cost of approximately 10% of residential care, resulting in an often preferable service. Including a tax relief on monies received under these schemes will assist in enabling the scheme to be provided on a nationwide basis reducing care costs, improving and increasing, service provision. The majority of the host parents receiving payments under the scheme are women who may not be in a position to work in another capacity outside the home. The scheme provides a desirable low cost service and an independent income to a lot of women, ultimately the recognition would result in a net saving. In cases where this results in reduced needs for staffing in respite or residential services, staff should be re deployed to day or community services or to supporting clients availing of individualised service provision.

## Equality Proofing

In the finalisation of the legislation relating to the creation of the Irish Human Rights and Equality Commission the government should insert a provision imposing a duty on the new body to conduct an equality analysis of each provision of all elements of a budget, including all tax and spending changes setting out how each budgetary change will impact, both directly and indirectly on each of the groups protected under the nine grounds. The Government must insert a provision to ensure that where amendments are not being made to reduce the inequality created by the budgetary changes that the failure to amend, is shown to be proportionate and objectively justifiable.

## Recommendations

- Conduct a comprehensive cost analysis investigating the number of children cared for on the black market.
- Introduce tax relief for childcare.
- Review the Finance Act 2013 provision to tax maternity benefit
- Investigate the cost of incentivising private sector employers to agree to pay full salaries to women employees during statutory maternity leave through tax reliefs.
- Self-employed women should be afforded a “year of birth / adoption” tax credit that can be carried forward indefinitely until the credit has been used up.
- Income received under home-sharing schemes providing care for people with intellectual and physical disabilities should be formally exempt from Income Tax.
- Impose a duty on the new equality body to conduct an equality analysis of all provisions of the budget

## **Social Protection**

### **Pension Justice for Carers**

In 2012 changes occurred in the payment to the state contributory pension. This has resulted in a significant decrease in a full year for those individuals who have an average of 48 or fewer yearly PRSI contributions. The home makers scheme, in operation since 1994 makes it easier for individuals who have an interrupted work history to qualify for the State Pension by disregarding years spent in the home caring for children under 12 years or ill/disabled dependents. However, for workers with an interrupted career pattern e.g. because they took on caring responsibilities prior to 1994, they may not have enough social insurance contributions to get a full state contributory or transition pension and/or face a significant reduction compared to what they expected to receive. This includes individuals forced to leave the workforce due to the marriage bar. We recommend extending the home makers scheme prior to 1994.

### **Child Benefit**

The universal nature of child benefit recognises the cost to families who have children vs. those who do not have children. It also recognises the benefit and value to all of society of children who will be the workers/tax payers of future. The rises in the rate of child benefit during the celtic tiger years compensated for the failure of the State to provide for childcare or to provide support through tax credit or Vat exemption for working parents.

Means-testing is administratively cumbersome and costly. It creates a potential poverty trap and is a further disincentive to co-habitation by unmarried parents where co-habitation would be otherwise socially desirable.

There have already been significant cuts to the child benefit rates for all children and especially severe cuts for larger families with 3<sup>rd</sup> and subsequent children.

We recognise that taxation has the potential to discriminate against married couples (who can be jointly assessed as opposed to unmarried couples who are separately assessed) and working women who are the ones who are most affected by the failure of the State to subsidise childcare (as non-working mothers will be able to avail of their individualised tax credit to offset Child Benefit). There are also collection issues for the PAYE sector. Nevertheless, taxation of child benefit remains the fairest and most progressive method of achieving savings in this area.

### **Qualified Adult Dependents**

95% of qualified adults are women. This reinforces culture of dependency and acts as disincentive to register for benefits in women's own names. This in turn results in reduced of access to labour activation supports. We recommend that qualified adult dependant allowances be phased out and replaced with an individualised payment system for all social protection payments.

### **Habitual Residence Condition**

The Habitual Residence Condition is particularly discriminatory against marginalised nomadic people (Travellers and Roma) who already experience difficulty in accessing payments. It has a particular impact on domestic violence victims who may be even more reluctant to seek refuge from abuse where their access to payments is affected by this condition. As the numbers who are affected are relatively small but the effect on them disproportionately severe, this condition should be relaxed.

### **Recommendations**

- Extend the home makers scheme prior to 1994.
- Introduce a scheme to tax child benefit.
- Qualified adult dependant allowances should be phased out and replaced with an individualised payment system for all social protection payments.

- Relax the Habitual Residence Condition to reduce discrimination against marginalised nomadic people.

## **Education**

### **Primary education**

The current provision of ECCE for pre-school children has very positive social benefits. It enables women to return to work, education or training without incurring expensive childcare costs. It also benefits children in providing them with a good start in education. Moves should be made to extend this scheme to the children under 3 years old. In addition in the longer term public preschools should be developed in co-operation with primary schools with a view to eventually providing pre-school in state rather than private pre-schools. The recent investigation into private childcare provision illustrates the need for greater investment in child centred care with strict regulation and monitoring of the service being provided under the ECCE scheme.

Following the recent Primetime program relating to the standard of care in childcare facilities, the Government should implement its commitment to develop standards for childcare which include developmental and educational goals, establish a register of all childcare facilities and providers and develop a quality-mark system for childcare facilities.

### **Secondary education**

Increasing investment in science and higher-level math's in all girls' schools would encourage more females to take these subjects, which are pre-requisites for many professional and vocational careers. At present women are underrepresented in sectors such as scientific research and development, engineering, etc. The "learn to read" campaign currently being piloted in primary schools in order to promote literacy should be extended to math's. The current labour market requirements are predominately in the STEM (science, technology, engineering and math's) sectors of the economy where many employers cannot fill positions due to lack of qualified personnel. Therefore schools should be encouraged to develop strategies to

support females to take subjects that are essential for the knowledge based economy of the future.

The lack of PE in many girls' schools is having a detrimental impact on young girls' weight with 22% of those under 12 years old classed as obese. The future health implications and costs associated with obesity in women far outweigh any investment in PE in secondary schools. One reason that young women do not participate in Physical Education is the emphasis on field and team sports such as football and soccer. A feasibility study investigating expanding options for PE at secondary school level to alternative physical activities should be carried out. This study should include examining the possibility of training PE teachers to teach an expanded range of activities and look at including PE as a subject that can qualify for CAO points as is the practice in many European countries. Schools in nearby locations could share science and PE facilities to reduce costs and make more efficient use of these resources.

### **Further Education**

There has been significant growth in Further Education (FE) in recent years as many women who are unemployed seek to retrain for the future jobs market. The FE colleges have responded by developing courses that meet the needs of the labour market. However the increasing cost of PLC courses, which included the Government levy of €200, acts as a disincentive to take up these courses especially for low-income women. Moves should be made towards modularising these courses to facilitate women who have childcare or other caring obligations or part time employment to engage in training. Under current DES regulations students in PLC courses must take 8 FETAC modules for funding purposes. This acts as a major disincentive to many women with childcare and other caring roles. In addition students should have the facility to pay for their courses on a module by module basis or using an installment system to ameliorate the difficulties posed by the large upfront cost. A micro financing system should be explored which allows individuals to defer the cost of education or training until such time as they find employment.

In addition the Back to Education Initiative (BTEI) has become restrictive. It applies only to those over 21 years, who have been on social welfare support for at least 6 months. This age should be dropped in order to reduce the number of women aged between 18 and 21 who are neither employed nor accessing training. Women that have a FETAC level 5 certificates cannot take up another course at this level. Therefore their only option is to take on a level 6 courses that may be unsuitable or remain inactive which restricts their ability to gain employment in the future. Targeted career guidance should be provided to help jobseekers choose access courses, which form part of a coherent plan to return to the work force.

## **Carers**

Women that take on the role of full-time carers are not classified as unemployed and thus when they seek to retrain they are not considered for any of the current schemes such as BTEI or the Vocational Training Opportunities Scheme. Individuals in receipt of carers allowance should be able to avail of these schemes.

## **Recommendations**

- ECCE should be extended to children under 3 as it provides major social benefits for both children, women and to society in general.
- Strict regulation and monitoring of child care provision in state funded pre-schools.
- Increased investment in female participation in STEM sector. This will require initial investment in secondary schools offering higher maths and sciences in all girls' schools.
- Greater provision of PE activities in all girls' schools to reduce the future costs health care costs associated with obesity.
- PE to be counted for CAO points as in many other European countries.
- Barriers to women participation in Further Education /PLC courses to be removed. This would include increased funding for part time provision of courses.
- BTEI should be revised to enable students under 21 to access the scheme. The provision that requires students to progress for grants acts as a disincentive to retrain at lower levels.

## **Women in the Workplace**

### **Gender Pay Gap**

In 2010 the gender pay gap in Ireland stood at 13.9%. This figure is below the EU average where women earn on average 16.2% less than men for every hour worked. The gender pay gap is partly due to the fact that women are concentrated in less valued jobs and positions than men. They're also more likely to work part-time and to interrupt careers for family reasons, which impacts on pay, career advancement and accumulated pension rights.

### **Female workforce in Public Sector**

Deep public spending cuts will lead to heavy job losses for women and substantially reduce their income on retirement, according to a report published by the Trades Union Congress in March 2010. There are similar repercussions for Irish female public sector workers. Another raft of public sector job losses could leave many families with both parents out of work and affects particularly those areas devastated by private sector job losses.

Women are dominant in public sector health and education jobs where they represent around 70 per cent of workers. Across the EU female graduates outnumber male graduates by a ratio of approximately three to two. However, gender differences remain with regard to fields of study with women predominating in the health and welfare fields and men predominating in the engineering, manufacturing and construction-related fields. In Ireland the education and health sectors employ the highest proportion of women, with an 80 per cent share of the total at work in health, 85 per cent in primary education and nearly two-thirds in second level education (62 per cent).

The numbers of people employed in public administration, education and health grew by about 180 thousand between 1998 and 2007, approximately 130 thousand of those people were women working in education and health. Women comprise the great majority of public sector employees (about 70 percent in 2007

if we treat those three sectors as a rough approximation; 64 per cent in 2006 according to an analysis of the National Employment Survey. Correspondingly, the public sector accounts for a substantial proportion of all female jobs (about a third in 2007).

Based on the above facts, big spending cuts and job losses in the Public Sector will hit women, as they are twice as likely as men to work in the public sector. Women often work in the public sector because it offers relatively secure work, more flexible working patterns and a chance to build up a decent income in retirement. The gender pay gap is smaller and the public sector offers more opportunities to combine a proper career with caring responsibilities. Spending cuts inevitably threaten this – and set back the cause of gender equality.

Cuts would also make the public sector a less woman-friendly place to work. While it is right to look to increase public-sector efficiency via a reform process, unplanned job cuts will mean fewer workers doing the same amount of work, leading to stress and pressure to work even longer hours, which affect predominately women.

Public sector cuts would also hit women's pensions particularly hard. Those public-sector pensions go largely to women. About 70% of current public-sector pensions are being built up by women. Cuts to public sector pensions would also increase the gender divide in retirement income and lead to greater poverty for female pensioners.

Daniel Vaughan-Whitehead, a Senior advisor to the Conditions of Work and Employment Programme of the International Labour Organisation (ILO), and the Editor of the 2012 study Public Sector Adjustment in Europe, says that because women generally find more and better jobs in the public sector, they are particularly affected when that sector implements austerity measures. The TASC budget statement also notes the negative impact on equality in society when public sector provision is reduced.

## **Women on Boards**

The representation of women at board level in publicly listed companies in Ireland stands at 9%, in comparison to the EU average of 16%. The EU recently changed proposals to introduce mandatory quotas for the boards of Europe's publicly listed companies to a 'softer' approach that will see Europe's PLCs obliged to favour female candidates, who are equally qualified for board positions, until a 40% share is reached by 2020 or earlier.

Diversity brings a range of perspectives, experiences and expertise to discussions on company boards, helping to avoid a group-think mentality. The government should focus on ensuring that boards are encouraged to look at a wider talent pool when making appointments by introducing targets for female representation on PLCs.

## **Recommendations**

- Carry out gender impact analysis of any cuts to the public sector.
- Introduce targets for female representation on PLC boards.

## Health

### Gender Mainstreaming

The report of the *Expert Group on Resource Allocation and Financing in the Health Sector*<sup>1</sup> did not take gender-based factors in health care needs into account. For example sexual and domestic violence and the associated health needs predominantly affect women. This must be considered when planning for health care provision. In addition the current mental health strategy "Vision for Change" does not take into account gender differences in mental health needs.

### Health in all policies

Labour women advocates putting health at the center of all budget decisions including health, taxation, social welfare and capital expenditure.

### Breast Check

Ireland has an aging population and women over 64 have the second highest incidence of breast cancer in Ireland. Currently, women aged 50-64 are invited for a free mammogram on an area by area basis every two years. In order to comply with international best practice the age bracket covered by the Breast Check scheme should be extended to 69. In addition education will be extremely important to increasing uptake of the Breast check scheme. Working with existing community networks e.g. ICA etc. could be a useful means of increasing awareness

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<sup>1</sup> Expert Group on Resource Allocation and Financing in the Health Sector (2010) Report, Dublin Stationary Office

## Minimum Pricing of Alcohol

Alcohol-related problems cost Ireland an estimated €3.7 billion in 2007 - that's a cost of €3,318 on each person paying income tax in Ireland. Treating alcohol-related injuries and diseases cost the healthcare system an estimated €1.2 billion - around 8.5% of the total annual healthcare budget. Each night, 2,000 hospital beds are occupied for alcohol-related reasons. Alcohol was identified as a potential trigger for abuse in one third of domestic abuse cases. Alcohol is considered a contributory factor and stressor in domestic violence.

There is considerable evidence on the relationship between price and harm (Wagenaar *et al*, 2009; Babor *et al*, 2010). Studies have shown that the price of the cheapest type of alcohol, the floor price, is of particular importance (Gruenewald *et al*, 2006). Changing the price of more expensive types of alcohol has less effect on alcohol-related harm. We believe that minimum pricing will have a considerable benefit in reducing the harm, which comes from the consumption of the cheapest forms of alcohol. The University of Sheffield estimated that 64% of alcohol is consumed by those drinking more than 50 units (35 for women) per week. Only 9% of cheap alcohol is consumed by those who drink moderately (Meier *et al*, 2009). Minimum sales price has particular potential to reduce the consumption levels of those who drink most heavily and whose consumption leads to the greatest harm.

## Recommendations

- Ensure that health is put at the centre of all budget decisions.
- Extend the Breast Check scheme to women aged 69.
- Introduce minimum pricing of alcohol.