



NYCI Pre-Budget Submission 2012

“Real Needs & Essential Services”

Comhairle Náisiúnta Na nÓg
National Youth Council of Ireland

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Dublin 2

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Economic Context

There is still a significant deficit between exchequer receipts and spending despite the large cuts to public spending in the last three years. As a result of the agreement with the EU, ECB and IMF, Ireland has committed to a further round of cuts and austerity measures.

In March 2011 a new coalition Fine Gael/Labour Government was elected and since then has engaged in a Comprehensive Review of Expenditure (CRE) to inform where to reduce public spending and influence Budget 2012.

The CRE is a root and branch review of all Government spending. It has three main objectives:

- To meet overall fiscal consolidation objectives (re. spending and number reduction targets),
- Re-align spending with Programme for Government priorities,
- To consider new ways of achieving Government objectives in the context of public sector reform.

The ESRI in its Quarterly Economic Commentary predicts the economy in Ireland is likely to remain depressed for the remainder of the year with GNP growing by 0.2 per cent and GDP growing by 1.8 per cent. Unemployment is expected to remain high, with the expectation that the unemployment rate will average 14.3 per cent this year (ESRI, September 2011).

An extremely uncertain and fragile economy prevails across Europe and internationally. We are cognisant of the difficulties Government face at the present time and it is against this context that NYCI makes its submission.

We are conscious now more than ever Government must make savings but we strongly recommend the protection of services and income supports for those who care for children and young people. Decisions about cutting budgets, however, need to be evaluated to assess the impact on recipients of programmes or benefits. This impact assessment should be done on an on-going basis to ensure that the most vulnerable are not disproportionately affected.

The decision of Government to establish the new Department of Children and Youth Affairs is a welcome development. While we believe it represents a renewed commitment by the State to children and young people, without sustained funding of services and supports to children and young people this development will be counterproductive. Furthermore in the context of the forthcoming Children's Rights referendum next year, it is vital that funding to services and infrastructure for children and young people continues to be paramount if we are to fully realise the full cost of affording our young their rights.

This submission

The areas of particular concern to NYCI are cuts relating to youth work services, and the education and health sector. We are also concerned about a broad range of reductions in funding allocations to other government agencies responsible for delivering services to children and young people. Recognising the need to highlight areas of service provision most in need, our Pre-Budget submission has outlined priority areas in need of sustained public expenditure.

Our submission focuses on the following areas;

1. Youth Work Funding
2. Education & Training Activation Measures
3. Youth Unemployment
4. Reducing Child Poverty
5. Reducing Alcohol Related Harm

The Impact of Further Cuts in Youth Work Funding

As outlined on page 7 of the submission, the cuts to Youth Work services to date have had a major impact on the children and young people who use them. To add to the loss of supports and services, to date the youth sector has experienced significant losses in terms redundancies, reduction in volunteers, and closure of projects. We are proposing that Government invest €3m to restore youth work funding to the levels which applied in 2008. This revenue can be generated by requiring retailers who are selling significant levels of alcohol to make a fairer contribution to the social costs of alcohol related harm and misuse as outlined on page 11.

The Impact of Further Funding Cuts in the Youth Sector



The diagram above outlines the result of sustained funding cuts on the youth sector in terms of its impact on the individual, society and the user of the services.

Generating Revenue

In terms of generating revenue, section 5 of the submission outlines an income generating proposal. We propose that **alcohol retailers pay the excise licence duty on the basis of sales rather than at a flat rate**. At present off-licence retailers pay the same excise licence duty irrespective of how much alcohol they sell. The off-trade (supermarkets, convenience stores, general off-licences) now accounts for over 50% of alcohol sales by volume, yet they only pay €3.1m in excise licence duty compared to €6.5m paid by the on-trade (publicans). This policy measure, if implemented, would serve two purposes. It would ensure those retailers; particularly large supermarkets who gain significantly from alcohol sales are making a greater contribution to reduce alcohol misuse. It would help to support youth organisations to address alcohol related harm by young people.

Summary of Recommendations

In this submission, NYCI outlines what we believe to be priorities for Government action and spending:

1. Youth Work Funding

- Assist the youth work sector to support the most vulnerable and marginalised young people through the recession by increasing funding by €3m. (See proposal for sourcing this increase item 5)

2. Education, Training and Activation Measures.

- Increase the number of places on Youthreach by 500.

3. Youth Unemployment

- Increase the number of Employment Support Officers.
- Increase scrutiny, monitoring and evaluation of JobBridge.

4. Child Poverty

- Maintain the current rate of Child Benefit for 2012.
- Maintain the real value of the Qualified Child Increase for 2012.

5. Reducing Alcohol Related Harm

- Reform excise licence duty so off-trade alcohol retailers pay duty based on sales like on-trade rather than at a flat rate. We estimate this would raise €3m for the exchequer.

Subject	1. YOUTH WORK FUNDING
Proposal	➤ Assist the youth work sector to support the most vulnerable and marginalised young people through the recession by increasing funding by €3m. (See proposal for sourcing this increase item 5)
Rationale	<p>Youth work is an important activity in developing young people socially to reach their potential and make a positive contribution to their own communities. It also represents huge value for money and makes a vital contribution to the education of our young people. By giving young people the opportunity to participate in a range of non-formal, but structured activities, youth work fosters the social and personal skills that young people need to face key challenges in the transition from childhood to adulthood. More than 55 national youth organisations operate in Ireland. These organisations are run by a combination of paid staff and volunteer leaders. Currently the ratio is some 1,000 paid staff to 40,000 volunteers.</p> <p>The main budget line for youth services has been reduced by almost 20% in the last 3 years from €43.7m in 2008 to €35.8m in 2011. These cuts have had a significant impact on youth work around the country and have led to the reduction in activities and services to young people and the closure of some youth initiatives and projects. The withdrawal of services and supports for young people are not without consequences and policy makers must be aware that cuts now could lead to greater economic and social costs in future years. These cuts represent a reduction in supports to some of the most vulnerable young people. In addition to this, many youth organisations have incurred cuts from other funding sources such as the HSE, Department of Justice & Law Reform, and etc.</p> <p>Youth organisations have worked very hard to minimise the impact of previous cuts on young people participating in their activities and services by trimming programme costs to the bare minimum. Further cuts would jeopardise the work of the over 180 projects in the Special Projects for Youth Scheme (SPY) which funds organisations and groups for specific projects designed to address the needs of young people who are disadvantaged due to a combination of factors e.g., social isolation, substance misuse, homelessness, early school leaving and unemployment. It is very likely that further cuts in funding in 2012 will result in the closure of more youth projects and initiatives across the country because organisations cannot afford to run projects and do not have the capacity to raise sufficient funds to meet the deficit.</p> <p>It is vital that Government maintain the infrastructure of youth work and the important progress made in implementing the Youth Work Act 2001. In that context we call on Government to increase funding by €3m to assist youth organisations to meet the growing needs. We outline on page 11 where this additional revenue can be sourced.</p>
Cost	Increase funding to address growing needs €3m
Responsibility	Department for Children and Youth Affairs

Subject	2. EDUCATION AND TRAINING	
Proposal	➤ Increase the number of places on Youthreach by 500	
Rationale	<p>There are at present 16,421 young people under 25 on the live register for 2 years or more. (Dáil Question 225/226 October 11th 2011) Government needs to provide options for young jobseekers that are long term unemployed.</p> <p>We welcome the developments in recent months to address the needs of jobseekers with initiatives such as the JobBridge national internship scheme, and the launch of the Springboard initiative to provide college places for the unemployed. There has also been an increase in the number of places on Post Leaving Certificate (PLC) courses. The number of places on other programmes such as Youthreach, which addresses the training needs of the most educationally disadvantaged young people, has not been increased sufficiently to meet the growing demand.</p> <p>The Youthreach programme is a programme that provides a model of best practice. Youthreach is directed at unemployed young early school leavers aged 15-20 years of age. It offers participants the opportunity to identify and pursue viable options, and provides them with opportunities to acquire certification. It operates on a full-time, year-round basis. The programme acts as a launch pad for many young people who have left the formal education system early and are not well placed to access other education and training options available to other jobseekers.</p> <p>There are 6,000 places available nationwide in Youthreach. Almost 3,700 of these places are provided by VECs in Youthreach centres, approximately 2,100 are provided by FÁS in Community Training Centres and the remainder are provided in Justice Workshops through funding from the Department of Justice and Equality. (Dáil Question 128 October 11th 2011).</p> <p>We are aware, however, that many of the Youthreach centres have waiting lists indicating the demand and success of the programme. In light of the demand for Youthreach courses we believe the Government should provide an additional €10m to fund 500 extra places (Dáil Question July 7th 2010).</p>	
Cost	Increase number of places on Youthreach by 500	€10m
	Total	€10m
Responsibility	Department of Education & Skills	

Subject	3. YOUTH UNEMPLOYMENT -						
	<ul style="list-style-type: none"> ➤ Increase the number of Employment Support Officers ➤ Introduce measures to ensure greater scrutiny, monitoring and evaluation of JobBridge <p>National Employment and Entitlement Service (NEES) The public employment service has received criticism for being over stretched and not meeting the needs of jobseekers. As outlined in the NYCI Report <i>The Forgotten Generation</i>, many young jobseekers found the service was not fit for purpose. Young people in particular are most acutely affected by this lack of human resources, because they require greater advice and guidance at the start of their career. A key feature of the employment services is meaningful engagement by public employment staff with jobseekers.</p> <p>The proposed establishment of the NEES offers an opportunity to design a completely different service based on the needs of the jobseekers. To ensure the provision of a better level of customer service and to tailor the system offered to individual client requirements, additional staff is required to deal with the demand. These post holders require specialised training to ensure the provision of a quality service which meet the demand of the service user. The current number of employment officers in the NEES should be increased by 200 either through recruitment or by re-assigning staff from other areas of the public service to engage in job counselling and support.</p> <p>JobBridge JobBridge is a new National Internship Scheme. It provides jobseekers with the opportunity to gain valuable work experience placements as interns and with qualifications. The allowance of €50 per week on top of their existing social welfare entitlement provides some level of support to those on the scheme. The scheme, if properly implemented can assist many jobseekers currently unable to get a job without experience (either as new entrants to the labour market after education or training or as unemployed workers wishing to learn new skills). The scheme currently provides up to 5,000 places. Since the launch of the scheme in July 2011, 2,578 places have been advertised and many more are likely to come on board in the autumn 2011 (Department of Social Protection, August 2011).</p> <p>NYCI supports the scheme however we believe that three changes need to be made to ensure the scheme is working effectively and meeting the intended objectives:</p> <ol style="list-style-type: none"> 1. All proposals for internships should be subject to greater scrutiny to ensure they meet the criteria of the scheme and the principle of internships. 2. All employers in the scheme should be subject to unannounced inspections to ensure obligations are being met. 3. The scheme should be subject to an external evaluation by latest July 2012. 						
Cost	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Increase Number of Employment Support Officers</td> <td style="text-align: right;">€10m</td> </tr> <tr> <td>Greater scrutiny, monitoring and evaluation of JobBridge Scheme</td> <td style="text-align: right;">€1m</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">€11 m</td> </tr> </table>	Increase Number of Employment Support Officers	€10m	Greater scrutiny, monitoring and evaluation of JobBridge Scheme	€1m	Total	€11 m
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Total	€11 m						
Responsibility	Department of Social Protection.						

Subject	4. REDUCING CHILD POVERTY
Proposal	<ul style="list-style-type: none"> ➤ Maintain the current rate of Child Benefit for 2012 ➤ Maintain the real value of the Qualified Child Increase for 2012
Rationale	<p>Child poverty has a fundamental influence on a child's life chances. For example, poor children are more likely to have a low birth weight, leave school early and start smoking and drinking at a young age. The longer a child is poor, the greater the impact on the life chances of the child and subsequent deprivation in later life.</p> <p>The consistent child poverty rate had fallen from 11% in 2005, in parallel with significant increases in Child Benefit, but this trend has since reversed due largely to rising unemployment and cuts in incomes and social welfare.(CSO, '(SILC) 2009', November 2010).</p> <p>Balance of Investment in Income Supports and Services To eliminate child poverty it is essential that there is a combination of child and adult income supports and access to quality public services. NYCI calls on Government to ensure that any changes to the social welfare system are both child and poverty proofed before implementation to ensure that children are not adversely affected by any change. Furthermore investment in quality public services must continue.</p> <p>Child Income Supports Child income supports, in particular Child Benefit and the targeted Qualified Child Increase, are crucial to assisting families with the costs of child rearing.</p> <p>To that end NYCI calls on the Government to:</p> <ul style="list-style-type: none"> • Maintain the current rate of Child Benefit for 2012, • Maintain the real value of the Qualified Child Increase for 2012. <p>It is imperative that Budget 2012 protects the most vulnerable in our society. Reducing the incomes of low income families will only serve to exacerbate the problem of children poverty.</p>
Cost	No cost implications
Responsibility	Department of Social Protection

Subject	5. REDUCING ALCOHOL RELATED HARM
Proposal	➤ Require off-trade retailers to pay excise licence based on sales like on-trade rather than at a flat rate and therefore ensure they make fairer contribution to addressing alcohol related harm particularly among young people.
Rationale	<p>The Liquor Licensing Act, 2000, dramatically changed the nature of how and where alcohol was bought and consumed in Ireland. This legislation led to a significant growth in off-licences, particularly in mixed trading premises such as supermarkets, petrol stations and convenience stores. There was a 161% increase in the number of off-licences between 1998 and 2010 and over the same time period the number of pub licences decreased by 19%.</p> <p>The enactment of this legislation serves to enhance sales in the off trade to such an extent that it was the first time that the off-trade sold more alcohol by volume than the on-trade (publicans) (INIA, 2009). In 2008 the off-licence sector (off-trade) accounted for 38% of total expenditure on alcohol in Ireland, which represented approximately 52% of sales by volume. Anecdotal evidence suggests that young people find it easier to access alcohol from off-trade outlets where there is less control and supervision.</p> <p>Ireland has one of the highest levels of alcohol consumption and binge drinking among young people in Europe. The Irish Health Behaviour in School-Aged Children Study, 2006 found that;</p> <ul style="list-style-type: none"> • Up to 37% of boys 15-17 admitted to being drunk in the last month • Up to 41% of girls 15-17 admitted to being drunk in the last month • Up to 12% of girls 12-14 admitted to being drunk in the last month • 32% of children admitted to being “really drunk” (HBSC, 2006). <p>A graduated rate of excise duty applies in the on-trade. Currently the on-trade (publicans) is required to pay for their spirit licence on the basis of turnover ranging from a fee of €250 for a turnover of €190,500 to a fee of €3805 for a turnover of €1.27m or more. In contrast, a flat rate applies to the off-trade retail sector regardless of the volume of alcohol sold. The maximum amount payable for an off-trade licence to sell beer, wine and spirits is €500 each or €1,500 for all three licences. Therefore large stores selling large quantities of alcohol are paying the same levy as small shops who sell a fraction of these sales. Despite the off-trade accounting for over 50% of the volume of sales, the total licence fee receipts are €3.1m compared to €6.5m for the on-trade (Dáil questions 93/94 11th Oct 2011). We believe all off-trade retailers should pay a minimum of €1,500 but that higher levels on a sliding scale should apply to those selling larger quantities of alcohol so that they make a fairer contribution to the costs of alcohol related harm. We estimate this would raise at least €3m.</p> <p>We propose that the revenues raised from this increase in excise duties should be channelled to fund the youth work and the youth sector. Youth work and the youth sector work to address many of the consequences of alcohol related harm among young people created by the cheap sales of alcohol particularly by the large retailers and supermarkets.</p>
Revenue raised for the Exchequer	<p>Total</p> <p>Off-trade to pay excise licence duty equal to on-trade €3m</p>
Responsibility	Department of Finance

