

IRISH NURSES ORGANISATION

Pre-Budget Submission

Budget 2005

***A
Remedial Action Plan
for
An Ailing Health Service
in a
Healthy Economy***

November 2004

1. INTRODUCTION AND CONTEXT

This pre-budget submission, from the Irish Nurses Organisation (INO) has been formulated in the context of the following internal and external factors:

- the very much better than expected economic background;
- the excellent state of the public finances;
- the current partnership agreement entitled Sustaining Progress;
- the government's own Health Strategy and Health Service Reform programme;
- increasing evidence of an international economic upturn particularly in such major countries as the United States, Germany and the United Kingdom.

There is now consensus, amongst economic commentators, including, the ESRI, that Ireland will maintain high growth rates, from now through to 2010, and that full employment will be sustained during this period. Many of these predictions also conclude that the expected growth rate, at approximately 5% per annum, represents a far more sustainable growth trend, than the very high levels achieved in recent years. However, all commentators warn that this can only be realised through planned, and efficient, infrastructural investment so that the whole economy can be in a position to benefit from the expected international upturn.

Against this analysis it is imperative that, in the forthcoming budget, the government allocate all of the necessary resources to address the continuing deficits in our health, education, public transport and other social services in order to address obvious inequities in our society. Ireland is listed second only to the United States as being the most unequal society in the developed world as identified by the human poverty index [HP1-2] (OECD measure).

A measure of any society is the quality of, and ease of access to, its health service. The INO believes that this country has, and will continue to have, the necessary resources which, subject to the right choices and priorities being made, allow us to develop, over a five year period, a world class health service supporting a more equitable society.

The state of the public finances now allows us to deliver on this objective by:

- reversing the mass emigration of Irish trained nurses to other countries because Ireland does not value them properly;
- retaining all graduating nurses/midwives in our public health service;
- increasing our bed capacity and primary care services in line with the Health Strategy;
- improving the take home pay of PAYE workers by increasing tax bands and credits;
- improving the relative position of those on social welfare;
- ensuring the wealthy pay their fair share through the elimination of tax shelters and other avoidance schemes.

We will now outline the changes/initiatives that we believe are necessary to ensure that the benefits of our roaring economy will help our ailing health service and deliver improved public services and a more equitable society.

2. HEALTH

2.1 THE CRISIS ARISING FROM NURSING/MIDWIFERY SHORTAGES

2.1.1 This government must accept that this crisis arises from this country's total failure to retain Irish trained nurses/midwives in our public health service.

The critical issue here, which must be recognised, is that the problem is one of retention, and not supply. It must therefore be addressed by the government and health employers accepting that this country does not value graduate nurses/midwives equally with all other health professionals.

2005 is particularly problematic as we have no graduating nurses due to the move from a three to a four year degree programme in 2002. This will mean we will not have 1,500 newly qualified nurses available to the service. This fact alone makes it imperative that we retain all current staff through the rolling out of targeted pay related and other initiatives.

2.1.2 Notwithstanding the contradictory and illogical pronouncements, of health service employers, recent years have seen bed closures and reductions in community nursing services solely because our public health service cannot recruit and retain sufficient numbers of nurses/midwives.

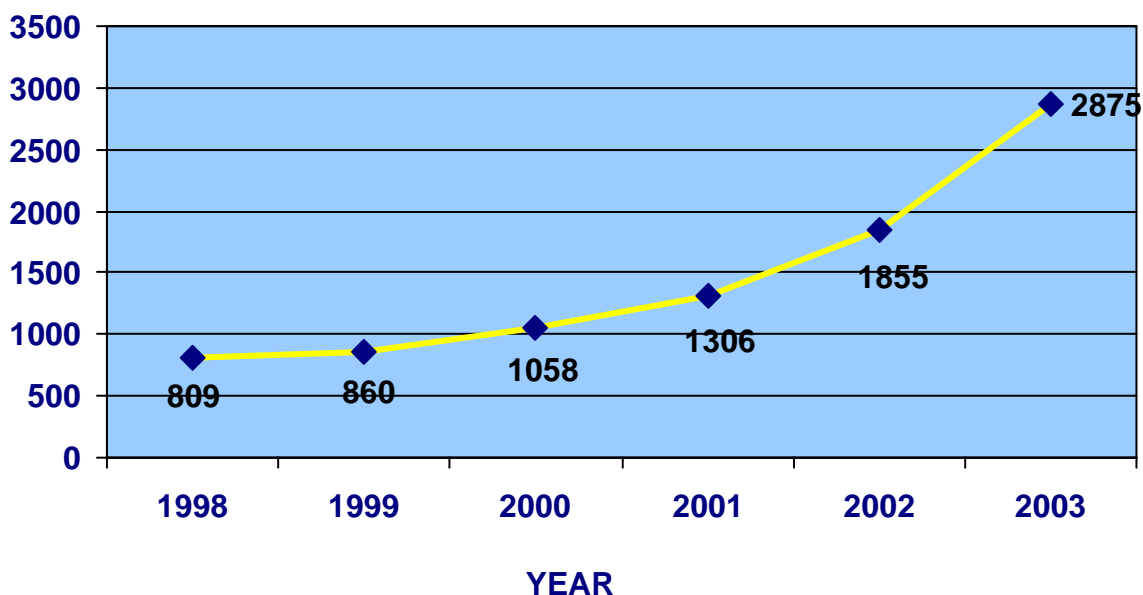
2.1.3 This crisis is perhaps best illustrated, and confirmed, by referring you to the attached table which demonstrates the numbers of Irish trained nurses leaving Ireland to work abroad in the period 1998 to 2003.

In particular you are asked to note the following:

- the numbers leaving each year has increased from **809**, in 1998, to **2,875** in 2003. Almost **9,000** Irish trained nurses have left this country in the past six years to work abroad (see table 1 below);

Table 1

**Number of Nurses Qualified in Ireland Leaving Ireland to Work Abroad
(Verifications requested from An Bord Altranais)
From 1998 to 2003**



** Data sourced from An Bord Altranais website, 3rd November 2004*

- during this period we have had Irish health employers travelling the world, to recruit nurses, with the result that over 5,000 nurses, from outside the EU, have registered in this country;
- evidence is growing that these newly arrived professionals are already being induced, by better pay and conditions, to move on to the United States, Australia and the United Kingdom;
- latest figures confirm that this immigration trend is slowing down, due to the competitive international labour market for English speaking nurses, as only 800 non-EU nurses registered, in Ireland, in 2003.

The net result of all of these statistics confirms that Ireland is failing completely to retain Irish trained nurses, in our health services, and has now

become reliant upon overseas trained nurses to maintain thousands of beds throughout our healthcare system.

This is very poor manpower planning and does not ensure the supply, into the future, of sufficient numbers of nurses/midwives, to develop and expand this country's health service in line with our needs.

2.1.4 It must also be remembered, in the context of framing this Budget, that Ireland is competing for nurses with other developed economies i.e. United States, Australia, UK and Nordic European countries.

Without exception these economies either pay significantly more in salaries and/or have very much improved conditions of employment to offer the nurses that they are actively recruiting.

Against this background, when compared to these other developed economies, the relative pay and conditions, offered to Irish trained nurses in Ireland simply does not compete with these countries. The net result is that we are losing the retention battle and, therefore, we will continue to suffer:

- bed closures;
- cancellation of elective admissions;
- curtailment of community nursing services;
- minimal growth of primary care services.

In summary we will not be able to implement the proposed health strategy, incorporating the primary care strategy, over the medium term without radical initiatives to arrest this haemorrhage of Irish nurse/midwives out of our health system.

Action No. 1

Measures that are therefore required to immediately address this crisis are as follows:

- (i) an immediate independent review of the pay anomaly which sees registered nurses paid up to €5000 less per annum than social care workers who may hold no qualification;**
- (ii) the introduction of a standard 35-hour week for Nursing and Midwifery staff, in line with all other professional staff in the health service;**
- (iii) the introduction of a retention allowance, paid annually to all nursing/midwifery staff, who remain with a public service health agency;**
- (iv) the immediate removal of the first two points of the Staff Nurse/Midwife scale - this would assist in retaining newly qualified Nursing/Midwifery staff and can be introduced without consequential demands from other staff and/or interfering with basic pay parameters;**
- (v) the government to reverse its policy and allow for discussions on, the introduction of a Dublin living allowance in recognition of the additional costs arising from working in the capital - we again point out to government that this proposal is supported by employers, in the greater Dublin area, and should be implemented, due to the crisis which currently exists in our capital, vis-à-vis Nursing and Midwifery shortages, without delay;**
- (vi) make provision for targeted initiatives, which will provide for the following:**
 - the immediate elimination of the practice where nurses/midwives, undertaking post-basic midwifery and paediatric programmes, are paid on the minimum of the staff nurse scale and therefore not given recognition for previous experience. This foregoes at €10,000 in salary over two years;**
 - paid sabbaticals, for a period of six months, after five years of service, in agreed designated areas of the health service;**

- (vii) **significant investment in, and fast tracking of, Nurse/Midwife Specialist and Practitioner posts, resulting in the creation of a much improved clinical career ladder for Nurses/Midwives thus improving retention practices;**
- (viii) **enhanced staffing levels, through the appropriate mix of qualified Nursing/Midwifery personnel and support staff, to more effectively manage existing activity levels and reduce excessive workloads;**
- (ix) **the transfer of midwifery, paediatric and post-basic nurse education into the third level education sector, in September 2005, to complete the transition to third level based education commenced in September 2002.**
- (x) **five days study leave, for continuing career development, to form part of the contract of employment of Nurses and Midwives.**
- (xi) **the allocation of additional resources to provide for the full implementation of all recommendations contained in the Commission on Nursing report before the end of 2005 including the passing into legislation of a new Nurses and Midwives Act with greatly enhanced powers of clinical practice for nurses and midwives.**

All of these specific and targeted measures are necessary to address the continuing exodus of newly qualified, and highly skilled, Nursing and Midwifery staff from the health service. The evidence available to all stakeholders confirms the seriousness of our retention problem. We repeat again 3,000 Irish nurses left the health service in 2003 and 8,000 have left over the past six years.

This blight on our health service can only be addressed, through radical collective actions, and should not be subject to the restrictive clauses of Sustaining Progress. This agreement continues to be used, by employers, as a reason to ignore this manpower crisis thus lowering the quantum and quality of care available to patients/clients. **This is not sustaining progress in our health service.**

2.2 HEALTH - FUNDING/OPERATIONAL IMPERATIVES

2.2.1 In view of the consistent under funding, over many years, of this country's health service and the resulting inadequate capacity of the health service this Budget must, as a priority, allocate the required level of resources to adequately address existing shortcomings within the system.

2.2.2 This Budget must therefore eliminate the spectre of:

- patients on trolleys, on a daily basis, in A&E Departments;
- repeated cancellation of elected admissions;
- inadequate or complete absence of services for the mentally ill and persons with an intellectual disability;
- community based services reduced or eliminated completely due to lack of funds;
- increasing, and excessive, workloads on front line staff generally.

2.2.3 To achieve these objectives the government, through this Budget, must agree to the following:

Action No. 2 - Funding Imperative

The government must commit itself, as part of Budget 2005, to maintain a level of funding, for the health service, at 10% of GDP, for the next ten years;

and

Action No. 3 - Operational Imperatives

- **that overcrowding in A&E Departments is significantly reduced before the end of 2005;**

- **that need, and not ability to pay, should be the sole criteria to determine access to all services and this should be reflected in a standard, fully inclusive, waiting list for treatment.**
- **that the arbitrary employment ceiling is removed from the health service;**
- **that there is a reintroduction, for the full year, of an adequate subvention arrangement to ensure all available, and appropriate, non-acute/nursing home/rehabilitation/respice beds are utilised throughout 2005;**
- **that the necessary funds for the building and equipping of additional services including:**
 - **acute beds including the beginning of the process to build a large acute hospital in West Dublin - 500 additional acute beds should be provided in 2005;**
 - **non-acute beds in the form of nurse-led rehab/extended care beds - 500 of these beds should also be provided in 2005.**
- **further develop GP out of hours services to allow patients be treated other than in A&E Departments;**
- **that medical cards are made universally available to all children under the age of 18;**
- **the eligibility criteria, for medical card provision, is significantly increased.**

2.3 HEALTH STRATEGY

- 2.3.1 In this Budget the government must demonstrate its renewed commitment to implementing, over the remaining five year period, all actions contained in its own health strategy published in November 2001.

2.3.2 This strategy, which quite clearly requires both capital and recurring investment, clearly identified the need for greatly enhanced bed capacity and primary care services to meet the needs of this country's growing population.

To achieve this strategic objective the government should, in 2005, initiate the following:

Action No. 4

- **the establishment of Nurse/Midwifery led units, in elderly and maternity care services as appropriate, which will help to immediately alleviate the demand for beds in acute facilities while ensuring a more focused and high quality, patient centred model of care;**
- **a comprehensive, and radical, reform of the current medical model, which dominates all areas of our existing health service, including a full and comprehensive review of the existing common contract for Consultants, leading to a Consultant delivered service where warranted, and the greater empowerment of Nurses, Midwives and other health professionals throughout the service;**
- **the provision, on an incremental/per annum basis over five years, of 10,000 additional Nursing/Midwifery posts, to meet the extra bed capacity and enhanced primary care services detailed in the Health Strategy;**
- **arising from the reform of the existing common contract, and a resultant adjustment to current rosters and hours of work, the creation of 1,000 additional Consultant posts over five years;**
- **further provision, from the initial ten pilot sites, from the required investment in community/primary health care structures which will provide for, before the end of 2005, enhanced "out of hours" community nursing services and walk in small injury (24-hour) units;**

- the establishment, and/or recommencement, of community midwifery initiatives thus promoting choice for women in the context of the availability of professional services outside the obstetric department;
- the provision of additional resources to further improve services for the disabled, including those with a learning disability;
- resources must continue to be allocated, in adequate volumes, for targeted health education and health awareness programmes. These should address such issues as proper dieting, healthy lifestyles and moderation in alcohol consumption;
- the allocation of the required resources to allow proper, and full, enforcement of existing legislation on underage drinking, drink driving, drug trafficking, under age smoking and speeding.

2.4 HEALTH REFORM PROGRAMME

2.4.1 This reform programme which has the potential to delayer management structures, speed up decision making and empower front line health professionals, including Nurses and Midwives, offers a real opportunity for a significantly improved health service which is more responsive to patient/client need.

2.4.2 However the government must understand that the reform programme, of itself, cannot be used as an alternative to adequately funding the existing health service.

Action No. 5

The government must implement with adequate resources its health service reform programme throughout 2005, thus empowering front line professionals to provide quality care.

3. PERSONAL TAXATION

3.1.1 The INO submission, under this heading, is framed in the context of the commitments on taxation and social inclusion contained in Sustaining Progress. This Budget must deliver improved living standards through a combination of tax and social welfare measures.

3.1.2 This Budget must therefore make the following changes/adjustments:

- tax credits and tax bands must be increased and index linked (to wage movements) to ensure they retain their value;
- the removal of 100% of minimum wage earners from the tax net;
- that 80% of PAYE workers pay tax at the standard rate;
- the introduction of measures which will introduce affordable childcare services. Such measures could include:
 - the introduction of a tax credit which would be payable to all working parents who have costs arising from childcare;
 - the introduction of a tax exemption, on childcare fees paid, to an individual providing room or rooms in their principal private residence for the purposes of childcare;
 - the allocation of dedicated funding, to individual public employers, i.e. health agencies for the provision of crèches, which would be subsidised, thus assisting in attracting and retaining the required personnel to the Irish health service.

- the introduction of a parental leave benefit to further assist in maintaining an appropriate work/life balance as it will allow parents the right to leave to care for their children;
- the introduction of three days paid paternity leave, safeguarded by statute, and including a PRSI based paternity benefit;
- the tax relief on trade union subscriptions to be increased to €200.

3.2 SOCIAL WELFARE

3.2.1 Under this broad heading the INO is seeking the following specific initiatives:

- the incremental attainment, beginning in 2005, of the NAPS benchmark of payments at not less than €150 by 2007 (in 2002) terms;
- child benefit should be increased to:
 - €150 per month for the first two children;
 - €185 per month for the third and subsequent children;
- maternity benefit should be increased by restoring it to 80% of reckonable earnings (which should be €452 per week);
- a comprehensive review of the existing Mother and Infant Welfare Scheme (including payment systems) for the purpose of reconstructing the scheme to fully recognise, value and provide for Midwifery led care;
- the INO is again seeking that the role of caring, be formally recognised and that payment is made in respect of carers of all persons requiring long-term, full or part-time care. This should begin by the implementation of the recommendation to introduce a non-means tested continual care payment, for all carers, in Budget 2005;

- the state old age pension should be increased, in line with the NPPI target of 34% of average industrial earnings, through the progressive implementation of the previously stated government's commitment to improve the basic state pension to €200 by 2007.

Action No. 6

The government must improve the living standards of PAYE workers and those relying upon social welfare payments.

4. EQUITABLE TAXATION CRITERIA

4.1 The government, in framing this Budget, should seek to target additional revenue, away from the PAYE sector, by accepting the ICTU call for:

“A review of policy towards business taxation and levies in the context of emerging EU policy, and to ensure that all sectors pay a fair share and that sectors such as the financial sector pay appropriate levels of tax on their profits”.

4.2 In specific terms the government should, in Budget 2005, introduce the following:

- a new “windfall tax” should be introduced on profits of landowners/developers arising from the rezoning of land for development purposes;
- a local authority levy should be introduced on the added value of land arising from the development/improvement of local infrastructure e.g. transport systems such as improved/new motorways or the LUAS;
- legislation should be introduced to allow local authorities combine the public auction of development rights with a licensing system to ensure development actually occurs;
- the elimination of tax breaks for the well off including:
 - tighter legislative powers covering directorships;
 - tighter monitoring of VAT refunds;
 - the elimination of a wide range of tax breaks particularly in the area of property based tax incentives, which no longer have any relevance and effectively only amount to tax shelters for the very wealthy.

Action No. 7

The government must widen the tax base to ensure all members of society pay their fair share to provide for quality public services.

5. OVERALL SUMMARY

In formulating this pre-budget submission the INO has concentrated upon the need to allocate funds, and initiate radical new employment practices, in the health sector. These will both alleviate the deepening crisis, arising from nursing and midwifery shortages, and allow for the expansion of the health service in line with the health strategy and reform programmes.

It is not acceptable that we have an economy, which the government presents, at every opportunity, as being a shining example of successful economic policy when, at the same time, we have a health service which is unable to meet the demands being placed upon it and which, in effect, is wholly inadequate. To address these problems the government must show a willingness to flexibly apply employment and pay related initiatives, which will deal with the haemorrhage of Irish trained nurses from the Irish health service.

Social partnership is not leading to social cohesion when it results in an inflexible and blunt process which does not allow blatant anomalies, obstacles to service enhancement and barriers to staff retention be addressed except every three to four years. This is not the hallmark of a flexible, responsive and modern economy.

In addition we have also, in this Budget submission, tried to extract, from the government, overt commitments with regard to the following:

- the protection of the income levels of PAYE earners and those relying upon the social welfare system;
- the elimination of tax breaks so that the very wealthy pay their fair share.

A successful economy, on its own, does not bring about a cohesive and balanced community. We require investment in our health, education, social and public service infrastructure. We now have the resources to move significantly on these

objectives and the government should delay no longer in investing in our human and capital infrastructure.

In summary this government now has the resources and there are no excuses for not addressing known inadequacies. This reborn Celtic Tiger must give immediate sustenance to our ailing health service.