



COMMUNITY PLATFORM - CHALLENGING POVERTY AND INEQUALITY

a network of 32 national organisations working to address poverty, social exclusion, and inequality

Four Tests for Budget 2023

Over the past three years the Covid pandemic followed by other global crises have resulted in existing inequalities in Ireland being reinforced. Rapid inflation means that meeting the cost of living, which was already an ongoing crisis for many people, is now a reality for many more and is pushing more people into poverty. However, Ireland's economy is still doing well with growth of almost 7% predicted for 2022, employment at an all-time high and unemployment at 4.3% in August 2022.

While Budget 2023 needs to urgently respond to the cost of living crisis, it must also address ongoing structural weaknesses that create the conditions that enable inequality and poverty to become ingrained and grow in our society. This includes adequate investment in quality public services and ensuring that everyone has an adequate income for a decent life, whether they are in or out of work. It must also focus on the structures that result in the marginalisation and exclusion of many groups and communities in our society and exclude them from participation in the decisions that impact on their lives.

Community Platform members will judge Budget 2023 in terms of the following four tests.

Test 1: Will Budget 2023 redistribute income towards the poorest 20%?

The Community Platform believes the Government should:

- **Expand the tax base in a progressive and sustainable manner** closer to the EU average to ensure the fiscal capacity necessary to fund social investment including free/low-cost universal quality basic services and social protection that can deliver adequate income supports to afford a decent standard of living.
 - Support a global minimum effective **corporate tax rate** of 15%
 - Apply a standard rate **pension** tax relief
 - Consider how best to structure and implement a **wealth tax**. A 1.5% tax applied in Ireland on those with wealth above €4.36 million would raise €4.05 billion
 - **Fossil fuel subsidies** were estimated at €2.2 billion in 2020. End lower rate of excise duty for aviation, auto diesel, marked gas oil, fuel oil and kerosene – Would raise at least €1bn
 - Increase **Employers' PRSI** to the European average to generate almost €9bn a year. Even a 1% increase in PRSI would increase revenue by €850m a year
 - **Tax expenditures** should be monitored for their gender and equality impact and to ensure that public benefit is gained from public spending
- Use Budget 2023 as a starting point to **progressively implement the benchmarking of social welfare rates to a level that is adequate** to lift people above the poverty line and provide them with a Minimum Essential standard of Living (MESL). Adjust related supports so that people do not lose this increase through, for example, an increase in their differential rent.
- Increase core social welfare rates by €20 per week.
- Restore the **full rate of Jobseekers Allowance for 18-24 year olds**.
- **Extend Jobseekers Transitional Payment to lone parents in education, training or employment** until the youngest child reaches the end of second level education.
- Increase **Qualified Child payments** by €7 for children under 12 and €12 for children aged 12 and above.
- Treat child maintenance payments as **non-means-tested, non-taxable income** for children.
- Increase child benefit in line with inflation.

- Resource the implementation of the Indecon report on cost of disability and introduce a **cost of disability payment** of a minimum of €20 per week to begin with.
- Increase the **earnings disregard for Carer's Allowance** to 500(single) and €665 to €1000(couple) so that all those on average industrial incomes can qualify.
- Increase the payable period for **Fuel Allowance** to 32 weeks and ensure the rate is adequate to alleviate energy poverty.
- Extend eligibility for the **Fuel Allowance** to people in receipt of Carer's Allowance & Working Family Payment and remove the wait period for people in receipt of Jobseeker' Allowance.
- Give lone parent households who are in receipt of Fuel Allowance access to the Living Alone Allowance, Household Benefits package and Telephone Allowance.

Test 2: Will Budget 2023 strengthen access to quality employment?

The Community Platform believes the Government should:

- Set the **Living Wage** at a level based upon the cost of living as recommended by the Living Wage Technical Group. This is €12.90 in 2021/22 for a single person working full time.
- Increase the **National Minimum Wage** by €1 per hour in Budget 2023 as a step along the way to a living wage.
- **End discrimination against young workers** - abolish sub-minimum rates of the National Minimum Wage for adults under 20.
- Ensure that **employment services** developed under Pathways to Work are non-profit and adopt a holistic, person centred approach with targeted measures to address the barriers facing communities and groups most distant from the labour market including people from communities experiencing socio-economic disadvantage, qualified adults, lone parents, Travellers, carers and disabled people.
- Increase the rate of **maternity, paternity and parental benefit** to €280 per week to bring it more in line with EU norms.
- Increase the duration of **paid Parents Leave** to 9 weeks per parent (18 weeks for lone parents) as a step further in having paid leave cover the first year of a child's life.
- Ensure childcare supports and part time and remote opportunities are available to **participants seeking active labour market supports**.
- Increase the **SUSI maintenance grant** and raise the income threshold in line with inflation.

Test 3: Will Budget 2023 invest in and strengthen public services which are of particular importance to people on low income?

The Community Platform believes the Government should:

- Prioritise and accelerate the **implementation of Sláintecare** by providing adequate funding while ensuring a focus on reducing health inequalities.
- Continue to progress **free GP care** by an extension of the age-range to all under 12s.
- Provide ring-fenced funding for the National Traveller Health Action Plan, including expansion of Traveller Primary Healthcare Projects and pathways into specialist services where needed.
- Invest in a major **State-led housing programme** for provision of public, affordable and cost rental homes and accommodation to mitigate against the high cost of housing – double investment to €3bn.
- Increase **Housing Assistance Payments** to bring them in line with market rent, reviewing and increasing accordingly thereafter.
- Invest in **homeless prevention services** which prevent homelessness occurring in the first instance to reduce the number of adults and children entering homelessness.

- Establish and fully resource a national **Traveller accommodation authority** which will oversee and monitor the planning and delivery of Traveller accommodation to alleviate Traveller homelessness, poor conditions and chronic overcrowding and address the lack of delivery of Traveller specific accommodation.
- Fully resource work to implement the White Paper on **ending Direct Provision**.
- Deliver a universal, public childcare model including by **increasing investment in early years to 1% of National Income** by no later than 2030, starting with an additional investment of €250m in 2023 to address affordability for low-income families and workforce pay.
- Develop and invest in **universal social care services** for disabled and older people across the lifespan by 0.4% of national income on a phased basis.
- Increase funding for that **Personal Assistance Services** as a move towards providing a statutory right to a Personal Assistance Service for disabled people.
- Prioritise **rural and urban public transport infrastructure**, including cycling, over roads building. Increase the Local Link allocation. Provide free school buses for all children who live more than 1km away from school. Develop a cost-benefit analysis of introducing free public transport.

Test 4: Will the impact of Budget 2023 be assessed to ensure that all provisions reduce poverty and inequality?

The Community Platform believes the Government should:

- Commit to the full inclusion of socio-economic status and poverty as part of the remit for **equality budgeting**.
- Improve the implementation of effective and transparent **ex-ante Poverty Impact Assessment**.
- **Provide opportunities for regular engagement with members of the community and voluntary sector** with expertise on poverty, socio-economic status, gender and disability, for the purposes of informing pilot initiatives of equality budgeting.
- Significantly increase investment in **autonomous community development** including further expanding the Community Development Pilot Programme.

NOTE: Details of Community Platform proposals are in the Pre-Budget submissions of the Platform members.

The Community Platform

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The Community Platform is an alliance of 32 national networks and organisations in the community and voluntary sector working to address poverty, social exclusion and inequality.

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| • Age Action Ireland | • Focus Ireland | • Irish Traveller Movement | • Sign Language Interpreting Service |
| • All Together in Dignity (ATD) Ireland | • Immigrant Council of Ireland | • Migrant Rights Centre Ireland | • Simon Communities of Ireland |
| • Community Action Network | • Independent Living Movement Ireland | • National Adult Literacy Agency | • TASC |
| • Community Work Ireland | • Irish National Organisation of the Unemployed | • National Traveller Women's Forum | • Threshold |
| • Cairde | • Irish Penal Reform Trust | • National Women's Council | • Treoir |
| • Debt and Development Coalition | • Irish Refugee Council | • One Family | • Vincentian Partnership for Social Justice |
| • European Anti-Poverty Network (EAPN) Ireland | • Irish Rural Link | • Pavee Point | • Women's Aid |
| • Family Resource Centre National Forum | | • Rape Crisis Network Ireland | • Women's Collective Ireland |
| | | • Safe Ireland | |