SOCIAL JUSTICE IRELAND

*working to build a just society*

# Budget 2019
## Analysis & Critique

OCTOBER 2018

CONTENTS:




Social Justice Ireland
Arena House, Arena Road
Sandyford, Dublin 18



ISSN: 1649-4954



Phone: 01 213 0724
**www.socialjustice.ie**


# Budget 2019 lacks energy in tackling entrenched inequality

Budget 2019 fails to make any notable impact on Ireland's entrenched inequalities and fails to tackle any of the major challenges the country currently faces.

This Budget pays lip service to social investment, but skewed priorities and a reluctance to support much needed tax increases to fund public spending mean inequality in Irish society will remain fundamentally unchanged.

Currently Ireland has 780,000 people in poverty, a quarter of a million of whom are children and over 100,000 of whom have jobs. Ireland also has 700,000 people on healthcare waiting lists, 110,000 households waiting for social housing and hundreds of thousands of people without adequate broadband in rural Ireland.

Budget 2019 fails to provide resources on the scale required to address any of these challenges effectively.

*Social Justice Ireland* is glad that Ireland's economy is growing, that unemployment is low and that emigrants are returning. But when most economic indicators are on a positive upward trend, Ireland should be looking at how it can relieve the burden on its most vulnerable and improve the quality of life for all.

Times of prosperity are the times to build a more equal, and therefore stronger, society. We need to extend our understanding of fiscal policy beyond economic growth alone and give equal weight to just taxation, decent services and infrastructure, good governance and sustainability. A buoyant economy alone will not deliver a more equal, fairer Ireland.

### Investment and Taxation

We need to take heed of the shocking social exclusion being experienced by so many Irish people and invest in solutions. Investment requires funding and this will only be delivered by increasing our total tax take.

This additional revenue and increased investment can be delivered without risk to the economy, without adding to the national debt and without sacrificing the goal of a budgetary surplus. While politically unpopular, with real political leadership this can be achieved by progressive taxation: which has already been done in some of the most successful and stable economies in the world.

Inequality is a disease of society that has many distressing consequences. Treating it means taking a long term view of what is best for our society and economy.

Ireland's Budgets need to start to move the needle on equality as a priority, not least because a rich country should not have 780,000 people living in poverty; but also because the data shows that, unless we do this, we will pay eventually in lower


Continued on page 2


**Welcome**

- Increases in Social Welfare and Direct Provision rates
- VAT changes
- Increase in minimum wage
- Increase in betting tax
- That the Budget is balanced

**Regret**

- Provision of inadequate resources to address the social housing shortage
- Unfair choices in income tax/USC package
- The lack of transparency in areas such as the healthcare budget
- Lack of action on climate change and carbon emissions

# Failing to grasp the nettle of real reform

economic growth, poorer levels of education, reduced economic output, severe health issues, ongoing housing crises and reduced competitiveness on the international stage.

Paying for the level of social investment we need is the issue. We can only borrow so much and, as Minister Paschal Donohoe pointed out in his Budget speech, our national debt is already at a dizzying level.

While Ireland's income tax system is progressive, further progressivity on the wider tax front is the route to a broader tax base and resulting funds for social investment. We need to find the courage to take that route for the long term health and sustainability of our society and economy (pp.10-11)

**Tax changes could be much fairer**

Even if policymakers felt they had to make some tax cuts, the ones chosen are unfair. Low-paid workers gained €26.52 a year as a result of the tax changes while those with higher incomes gained up to ten times that amount. (p.6)

For the same amount of resources Government allocated to income tax/USC changes all single workers and one-job couples could have gained €85 a year while all couples with 2 earners could have benefitted by €170. This would have been the outcome if *Social Justice Ireland*'s proposals to make tax credits refundable and to increase the personal tax credit for all earners were followed by Govt. (p.4) It would have been a much fairer outcome.

**Low total tax-take is not sustainable**

An increase in Ireland's overall level of taxation is unavoidable in the years to come; even to maintain current levels of public services and supports, more revenue will need to be collected. Consequently, an increase in the tax-take is a question of how, rather than if, and we believe it should be of a scale appropriate to maintain current public service provisions while providing the resources to build a better society.

The Budget has introduced changes in taxing the capital gain on assets which are transferred overseas which will now be taxed at a low rate of 12.5%. This rate is substantially lower than the regular capital gains tax rate of 33%.

*Social Justice Ireland* believes that the issue of corporate tax contributions is principally one of fairness. Profitable firms with substantial profits should make a contribution to society rather than pursue various schemes and methods to avoid these contributions.

We believe that Government should introduce a minimum effective rate of tax on corporate profits. We have proposed a rate of 6% and regret that Budget 2019 did not do this.

**Greater public investment required**

Budget 2019 provides a welcome increase in the levels of public investment. However, the approach taken in Budget 2019, towards addressing the need for a substantial programme of building social housing, is totally inadequate. We spell this out in detail on page 5.

**Transparency - Obscuring facts?**

*Social Justice Ireland*'s analysis of the Budget documents supplied by Government raises some questions about transparency. For example, we do not believe that the information and back-up figures on the healthcare budget are really transparent. These numbers don't appear to us to add up.

While welcome new initiatives and increased overall expenditure on health have been announced we do not believe it will be possible to maintain the existing level of service and implement the new initiatives with the budget provided.

**Budget proofing**

The response to the economic crisis has had a devastating impact on poor and vulnerable people. There is an urgent need to ensure that the annual Budget does not increase inequality, but rather reduces it - in particular that it reduces poverty among all groups and that it reduces socio-economic divisions and addresses issues such as disability.

There has been some small progress on gender proofing. However, Budget 2019 has not taken any significant initiative to measure whether or not poverty and inequality will fall or rise as a result of the overall impact of the decisions taken or whether any of the other areas listed above are impacted by budgetary decisions.

Budget proofing should be an integral part of all future Budgets in Ireland. While we welcome the allocation to study the impact of disability, far greater resources and commitment are required if this is to be part of the annual Budget process.

**Conclusion**

Drafting a Budget involves Government in major decision-making about the direction of society and of how the available resources can best be used to address the challenges currently being faced by society while moving towards a desirable and just future.

Budget 2019 included a number of welcome initiatives such as increasing social welfare rates and the minimum wage. However, its failure to address some of the major challenges Irish people currently face, such as the housing crisis or climate change, on anything like the scale required, is very disappointing.

***We need to extend our understanding of fiscal policy beyond economic growth alone and give equal weight to just taxation, decent services and infrastructure, good governance and sustainability.***

# Welfare: €5 increase is not enough

Welfare payments target those most in need within Irish society. They also play a central role in alleviating poverty.

Budget 2019 delivered a €5 increase to most welfare rates although this increase has been delayed until late March 2019. A delay that contrasts with the changes to taxes which take effect from January 1st.

*Social Justice Ireland* welcomes this increase. In particular we welcome that it has been distributed across all those dependent on these payments rather than a select few. The Budget increase will bring the rate of payment for Jobseekers to €203 a week from March.

As we detailed in our pre-Budget document, *Budget Choices*, a lesson from past experiences of economic recovery and growth is that the weakest in our society get left behind unless welfare increases keep track with increases elsewhere in the economy. In the broader context of widespread pay increases and tax cuts there is potential for the relative position of welfare recipients to disimprove. If divides open up, as in the late 1990s, poverty for this group will rise.

We called for an increase of €6.50 per week in all weekly minimum welfare payments to ensure that their value was benchmarked to movements in average earnings. We regret that this was not fully delivered. We also regret that the Budget did not equalise the rate of jobseekers payments for those under 26 years with the rest of the population.

Other Budget increases in the Qualified Child payment, the Fuel Allowance and Direct Provision payments are welcome. These assist low income vulnerable groups in our society.

# Brexit and other Crises

In his Budget 2019 speech the Minister for Finance rightly warned of the potential challenges that lie ahead for the Irish economy and Irish society. Despite the headline economic indicators, there are a series of significant socio-economic issues that possess the potential to dramatically destabilise our society in the next few years. These include:

- the nature of the UK's exit from the European Union (Brexit);
- the potential for a disruption to international trade;
- the unsustainability of corporate tax revenues and corporate tax driven activity among a handful of multinational companies operating in Ireland;
- the predictable worsening of the housing crisis;
- the further concentration of economic development in the Dublin region in the absence of greater progress in other regions.

Budget 2019 has made limited progress to address and prepare for these threats. While some initiatives are welcome, it is of concern that greater attention is not being given to the possible effects these crises will have on the most vulnerable in our society. In most cases it is low income individuals and households that are on the frontline. Brexit, whose final nature will emerge over the next few months, may hit rural Ireland and those living in the Border region the hardest. A corporate tax adjustment, or a trade war, may see public services and welfare benefits targeted once again as taxation income suddenly declines.

In the uncertain times that lie ahead, we must protect those in our society who are weakest and least able to absorb any sudden changes that might arise.

# Budget 2019 and the 780,000 Living in Poverty

Life on a low income is the norm for a large proportion of our society.

One in every six people in Ireland lives with an income below the poverty line (16.5% of the population). Based on the latest CSO data, this corresponds to approximately 780,000 people.

Poverty levels reached their lowest point in Ireland in 2009 when 14.1 per cent of the population were classified as poor. Since then the rate has increased; although the rate of increase has slowed in recent years following Budgetary policies which increased core welfare payments.

Budget 2019 has included some welcome initiatives that will assist those living below the poverty line. In particular the increases in welfare payments will target many of those in poverty and assist in stabilising the poverty numbers and rates for the year ahead.

However, the Budget lacked any serious initiatives to begin to significantly reduce poverty. At rates of near full employment, the simple policy solution to 'create more jobs' no longer stands. Instead what is required are targeted measures aimed at high risk poverty groups including children, those with an illness and disability and those trapped in long-term unemployment. Budget 2019 has failed to commence this overdue process.

| **Table 3.1: Risk of each group being in Poverty** | |
|---|---|
| At work | 5.6% |
| Unemployed | 41.9% |
| Students/school | 30.3% |
| On home duties | 25.7% |
| Retired | 11.8% |
| Ill/disabled | 39.1% |
| Children (0-17 years) | 19.3% |
| **Overall population** | **16.5%** |

# Fairer Income Tax Choices were Possible

The Budget included an income tax package with a full year cost of €356m (€123m on USC reductions, €161m on income tax reductions and €72m on credit increases).

As we show elsewhere in this document (see pages 6-7) these changes are skewed and provide larger gains to those on higher incomes compared to those on lower incomes. For example, a single person earning €25,000 gains €26.62 per annum while a single person on €75,000 gains almost 11 times more (€289.23 per annum).

For the same commitment of resources that the Government allocated to reforming these income taxes (€356m) Government could have chosen a much fairer set of alternatives. These include:

- Refunding the unused proportion of PAYE and personal tax credits to those who are active in the labour market but earn insufficient income to use up all these tax credits (i.e. introduce a system of refundable tax credits): ***full year cost of €140m***
- Increase the personal tax credit for all earners by €85 per annum: ***full year cost of €216m***

Our costings for these measures are based on a previous *Social Justice Ireland* study on refundable tax credits (see p5 of our pre-Budget *Budget Choices* document) and the recently released Revenue Commissioners *Ready Reckoner for Budget 2019*.

The costing of the €85 per annum increase in the personal tax credit also assumes a commensurate increase in the married persons, widowed persons and lone parent credit. The full year cost of this increase according to the Revenue Commissioners is €216m. The distributive impact of this alternative policy choice is outlined in Chart 4.1.

It provides an increase of €85 per annum to all single earners and couples with one earner. Couples with two earners gain twice this amount, €170 per annum. In contrast to the Budget outcomes (see p6-7):

- a single person earning €25,000 gains €85 per annum;
- a single person earning €75,000 also gains €85 per annum.

Below €16,500 single earners experience further gains due to a refund of unused tax credits.

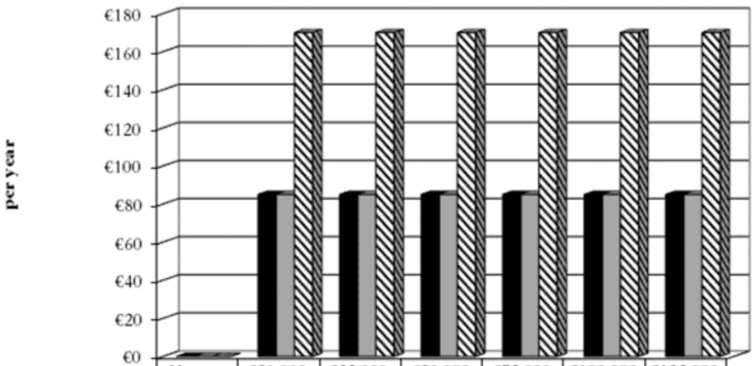
As the chart shows, a fairer tax package could have delivered the same amount of income gains to all single earners above €16,500.

Proportionally, such a gain is greater for lower income earners reflecting a more progressive distribution of budget income tax resources.

As our analysis shows, for the same allocation of resources, the Government could have chosen a fairer and more equitable income tax package in this Budget. We regret that Government ignored this option.

The skewed outcome of the income tax measures in Budget 2019 could have been avoided. A fairer alternative was available.

**Chart 4.1: Distributive Effects of an Alternative Budget 2019 Income Tax Package**




| | Unemp | €20,000 | €25,000 | €50,000 | €75,000 | €100,000 | €125,000 |
|---|---|---|---|---|---|---|---|
| Single | - | 85 | 85 | 85 | 85 | 85 | 85 |
| Couple 1 Earner | - | 85 | 85 | 85 | 85 | 85 | 85 |
| Couple 2 Earners | - | 170 | 170 | 170 | 170 | 170 | 170 |

## Tax: VAT welcome & Carbon regret

***9% VAT rate for the Accommodation Sector***

We welcome the decision in Budget 2019 to restore the VAT rate for the accommodation sector. During the recession a second reduced rate of VAT of 9 per cent was introduced for specific sectors of the economy. In particular, this reform was targeted at the hospitality sector and was a response to a downturn in activity and visitor numbers. As the Minister for Finance noted in his speech, and as we have pointed out in our pre-Budget document *Budget Choices,* irrespective of the merits of this policy at the time, the argument that the accommodation sector continues to need fiscal support is limited.

We welcome that the Budget has made progress in this area. The reform was overdue and will provide an additional €560m of tax revenue in a full year. Among other things that revenue will also fund additional resources to promote tourism outside of Dublin. The reform also signals an important policy point, that short-term interventions can and should be reversed when they have achieved their objectives.

***Carbon Taxes***

Ireland's record in environmental pollution remains poor when compared to other states in the EU. While there have been positive initiatives, from plastic bag levies to the Waste Electrical and Electronic Equipment (WEEE) recycling scheme to landfill levies and weight-based refuse charges, the fact remains that a lot more needs to occur if Ireland is to meet its international commitments to reducing pollution levels.

While Budget 2019 adopted a number of small, and welcome, initiatives to address these issues it failed to make any serious and necessary progress. Increasing carbon taxes should have been among these measures and we regret that this opportunity was missed.

# Housing Supply—Where's the Emergency?

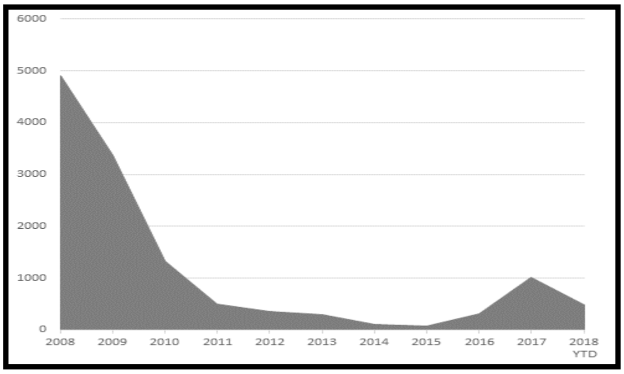
*Social Justice Ireland* welcomes the allocation of €2.4bn for housing in Budget 2019. This breaks down to €966m in current expenditure and €1.33bn in capital.

Of this capital allocation, €1.25bn has been allocated for the delivery of just 10,000 new social homes through a combination of construction, acquisition and leasing. In the midst of a housing crisis which sees 110,000 households in need of social housing and 10,000 homeless, this simply is not enough.

According to the Department of Housing, Planning and Local Government, just 12,743 social homes have been made available through local authority builds in the past decade (see Chart 5.1).

**Chart 5.1: Local Authority Builds 2008-2018**

*Source: Department of Housing, Planning and Local Government, Housing Statistics*




As this figure includes rapid builds, transitional construction, turnkey developments, Part Vs and regenerations, the real number of social homes actually built by local authorities, rather than outsourced, is far lower, increasing the cost of housing provision to the Exchequer. Last year, there were just over 1,000 'builds' —less than 1% of social housing need, albeit from a low of 75 homes in 2015.

**Affordable Housing or Affordable Home Loans?**

In his Budget statement, the Minister for Finance announced that more new homes would be built in 2019 than in any year in the past decade. With construction during this time peaking at just 14,435 in 2017, below even the lowest estimates of annual housing construction need of between 16,000 and 35,000 new homes per year, this pronouncement is easy to make.

So too, are promises to increase the provision of affordable homes. According to the Department's own data, there has been no affordable housing provision since 2014, when just 32 affordable homes were provided under Part V and 9 under the 1999 Scheme. The number of people eligible for affordable housing may increase, however with a maximum provision of 6,000 homes over three years provided with the support of the Serviced Site Fund, demand will continue to outstrip supply.

In his post-Budget release, Minister Murphy announced that 1,134 applications had been recommended for approval under the Rebuilding Ireland Affordable Home Loan. This loan, aimed at first time buyers buying properties with a maximum value of between €250,000 and €320,000, has been available since February 2018 and already 'inconsistencies' in decision making have been identified. The latest figures from the Department indicate that over 44 per cent of local authority mortgages are in arrears. The underwriting process is critical to ensure that unsustainable loans are not provided as a response to a social housing need.

# Private Sector Reliance

The Government's reliance on the private rented sector as a response to the housing crisis continues in Budget 2019. Up to the end of 2018, an estimated 49,700 private tenancies will have been subsidised through the Housing Assistance Payment (HAP), over 70 per cent of all 'housing solutions' provided under Rebuilding Ireland. The increased HAP allocation of €121m in Budget 2019, means the total expected spend on this subsidy will be €423m in 2019. This policy is deeply flawed as HAP tenants are left to source accommodation on the open market at a time of continued rent hikes. Given that the HAP tenants are subject to rent limits of a maximum of €1,300 per month (for a family with three children renting in Dublin) and the average rent nationally is €1,261 (in Dublin, average rents range from €1,651 to €2,052), these are precarious tenancies.

Budget 2019 also reinstated the 100 per cent rate of mortgage interest tax relief on rented properties for landlords.

*Social Justice Ireland* welcomes the proposed increase in tenant protections, particularly in areas of increased property inspections and a closing of the loopholes in the Rent Pressure Zone legislation. These are coming from a low base, where the property rights of landlords have taken precedence over the basic rights of tenants.

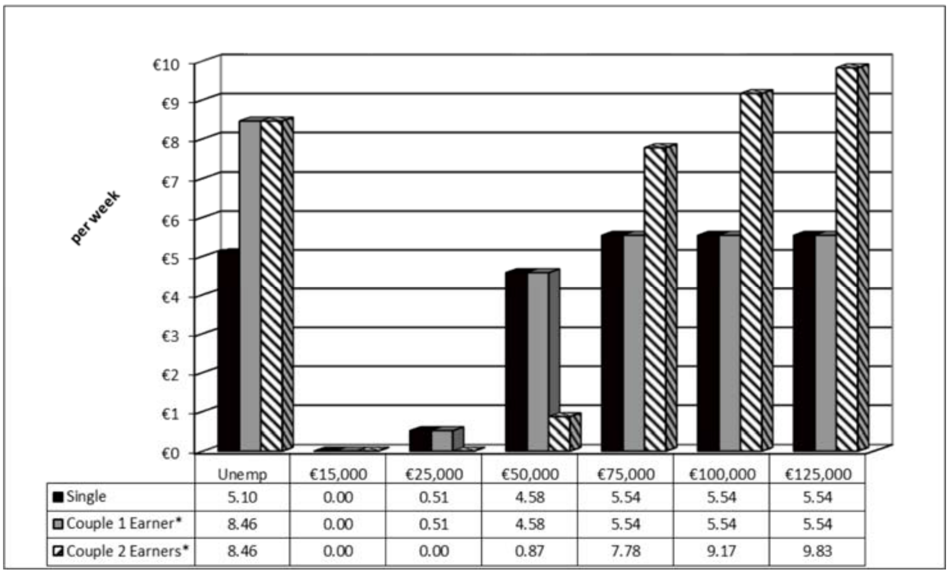
# Homes not Hubs

Access to adequate shelter is a human right. The Irish Human Rights and Equality Commission, in their report earlier this year, expressed concern about the long-term impact of Family Hubs on the families with no alternative but to live there, and recommended that maximum time limits be imposed to secure more permanent, and appropriate, accommodation. With Budget 2019, Government has clearly chosen to ignore these recommendations, and by extension the human rights of homeless families, by allocating an additional €60m primarily for the provision of Family Hubs and emergency accommodation, rather than scaling up the recently launched Housing First initiative.

Family homelessness has increased by 336% since December 2014, from 407 to 1,778. The real number is likely to be higher when families temporarily supported in local authority owned stock (some 865 people, including 384 adults and 491 dependents) and those staying with friends and family are included. The impact of homelessness on these families will be felt for generations to come.

While *Social Justice Ireland* acknowledges the need to support those in emergency accommodation, and welcomes the allocation of an additional €30m for homelessness services, more could have been made available to provide sustainable homes for the almost1,800 homeless families in need.

**Chart 6.1: Impact of Tax and Headline Welfare Payment Changes from Budget 2019**

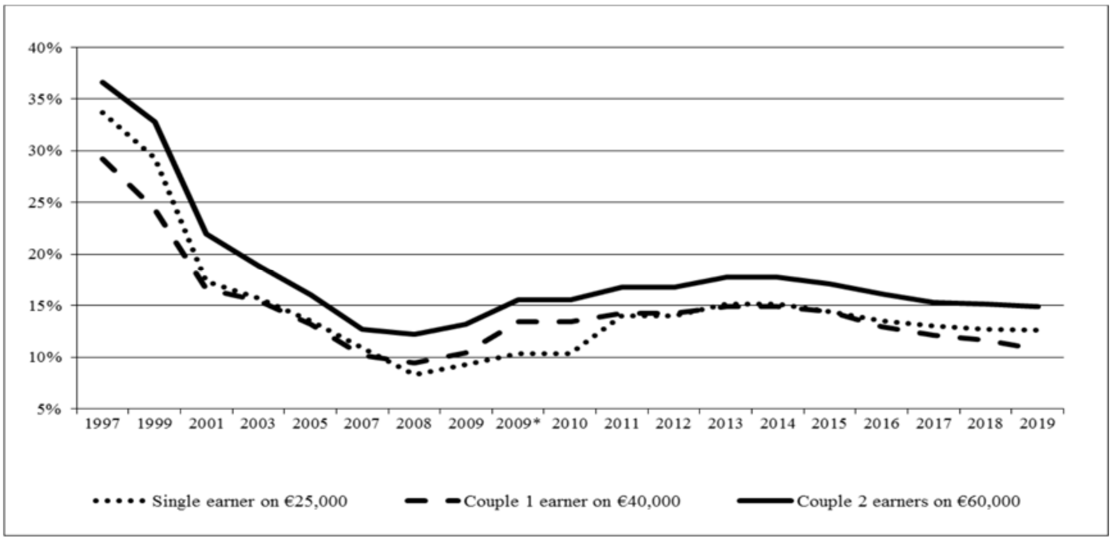



**Notes:** * Except in case of the unemployed where there is no earner. Unemployed aged 26 years plus. All other earners have PAYE income. Couple with 2 earners are assumed to have a 65%/35% income division. Lower income earners may also benefit from an increase in the minimum wage.

| **Table 6.1: Effective Tax Rates following Budget's 2000/ 2008/ 2019** | | | |
|---|---|---|---|
| **Income Level** | **Single Person** | **Couple 1 Earner** | **Couple 2 Earners** |
| €15,000 | 13.9% / 0.0% / 0.8% | 2.5% / 0.0% / 0.8% | 0.8% / 0.0% / 0.0% |
| €20,000 | 13.9% / 4.4% / 6.9% | 8.3% / 2.7% / 3.4% | 6.1% / 0.0% / 0.0% |
| €25,000 | 24.0% / 8.3% / 12.6% | 12.3% / 2.9% / 5.8% | 11.0% / 0.0% / 0.6% |
| €30,000 | 28.4% / 12.9% / 15.2% | 15.0% / 5.1% / 6.2% | 14.6% / 1.7% / 1.9% |
| €40,000 | 33.3% / 18.6% / 20.9% | 20.2% / 9.4% / 10.7% | 17.5% / 3.6% / 7.6% |
| €60,000 | 37.7% / 27.5% / 30.1% | 29.0% /19.8% / 21.9% | 28.0% /12.2% / 14.9% |
| €100,000 | 41.1% / 33.8% / 38.5% | 35.9% /29.2% / 33.6% | 35.9% /23.8% / 26.4% |
| €120,000 | 41.9% / 35.4% / 40.8% | 37.6% /31.6% / 36.6% | 37.7% /27.2% / 30.3% |

**Notes:** Total of income tax, levies and PRSI as a % total income. Couples assume: 65%/35% income division. PAYE earners.

**Chart 6.2: Effective Tax Rates in Ireland, 1997-2019**




**Notes:** Total of income tax, levies and PRSI as a % total income. Couples assume a 65%/35% income division. PAYE earners.

# Income Gains from Budget 2019

When assessing the change in people's incomes following any Budget, it is important that tax changes be included as well as changes to basic social welfare payments. In our calculations we have not included any changes to other welfare allowances and secondary benefits as these payments do not flow to all households. Similarly, we have not included changes to other taxes (including indirect taxes and property taxes) as these are also experienced differently by households. Chart 6.1 (page 6) sets out the implications of the Budget announcements on various household groupings in 2019.

**Single people** who are unemployed will benefit from the weekly increase from March and the Christmas bonus increase which equates to €5.10 a week (€265 a year). Those on €25,000 a year will see an increase of €0.51 a week (€27 a year) in their take-home pay while those on €50,000 will be €4.58 a week (€239 a year) better off in the coming year and those on €75,000 a year will be €5.54 a week (€289 a year) better-off.

**Couples with one income** on €25,000 a year will be €0.51 a week (€27 a year) better-off while those on €50,000 will be €4.58 a week (€239 a year) better off.

**Couples with two incomes** on €25,000 a year will not be better off while those on €50,000 will be €0.87 a week (€45 a year) better-off in the coming year.

Some **lower income earners** may also benefit from the increase in the minimum wage. This is not factored into these calculations as most lower income earners earn more than the minimum hourly rate albeit for a limited number of hours per week and therefore will not benefit from the 25c per hour increase in the minimum wage.

# Effective Tax Rates after Budget 2019

Central to a thorough understanding of income taxation in Ireland are effective tax rates. These rates are calculated by comparing the total amount of income tax a person pays with their pre-tax income. For example, a person earning €50,000 who pays €10,000 in taxation (after all their credits and allowances) will have an effective tax rate of 20 per cent. Calculating the scale of income taxation in this way provides a more accurate reflection of the scale of income taxation faced by earners.

Following Budget 2019 we have calculated effective tax rates for a single person, a single income couple and a couple with two earners. Table 6.1 (p6) presents the results of this analysis. For comparative purposes, it also presents the effective tax rates which existed for people with the same income levels in 2000 and 2008.

In 2019, for a single person with an income of €15,000 the effective tax rate will be 0.8 %, rising to 12.6 % of an income of €25,000 and 40.8 % of an income of €120,000. A single income couple will have an effective tax rate of 0.8 % at an income of €15,000, rising to 5.8 % at €25,000, 21.9 % at €60,000 and 36.6 % at an income of €120,000. In the case of a couple where both are earning and their combined income is €40,000 their effective tax rate is 7.6 %, rising to 30.3% for combined earnings of €120,000.

As chart 6.2 (p6) shows, despite increases during the recent economic crisis, these effective tax rates have decreased considerably over the past two decades for all earners.

# Ireland's Overall Tax Take Remains Inadequate

Data accompanying Budget 2019 outlines Government's plans for taxation and spending over the next 5 years (to 2023). Over that period, assuming the policies signalled by Government are followed, overall tax receipts will climb from €55bn in 2018 to €70bn in 2023.

Despite significant increases in the tax-take from households (both directly and indirectly) over the crisis period, Ireland remains a low tax economy with its tax take among the lowest in the EU.

*Social Justice Ireland* believes that over the next few years policy should focus on increasing Ireland's tax take.

Over the past year we have researched and proposed a new tax take target set on a per-capita (or per-person) basis; an approach which minimises some of the distortionary effects associated with targets linked to national income. The target we propose is:

***Ireland's overall level of taxation should reach a level equivalent to €15,000 per capita in 2017 terms. This target should increase each year in line with growth in GNI*.***

In our pre-Budget *Budget Choices* document we estimated that the yield from such an increase would average €2.6 billion per annum in additional taxation revenue over the period 2017-2019. Increasing overall taxation revenue to meet this new target would represent a small overall increase in taxation levels and one which is unlikely to have any significant negative impact on the economy.

As a policy objective, Ireland should remain a low-tax economy, but not one incapable of adequately supporting necessary economic, social and infrastructural requirements. Judged in that manner the current low tax model is not sustainable and we regret that Budget 2019 did not take greater steps to address this.

# Impact of Tax & Benefit Changes, 2017-2019

Budget 2019 marks the third Budget of the current Government. On this page we track the cumulative impact of changes to income taxation and welfare over the Government's three Budgets.

***Our analysis tracks the cumulative impact of changes to income taxation and welfare in Budgets 2017, 2018 & 2019***

At the outset it is important to stress that our analysis does not take account of other budgetary changes, most particularly to indirect taxes (VAT and excise), other charges (such as prescription charges) and property taxes. Similarly, it does not capture the impact of changes to the provision of public services. As the impact of these measures differs between households it is impossible to quantify precise household impacts and include them here. However, as we have demonstrated in previous editions of our *Budget Analysis and Critique*, these changes impact hardest on households with the lowest incomes.

The households we examine are spread across all areas of society and capture those with a job, families with children (under 12 years), those unemployed and pensioner households. Within those households that have income from a job, we include workers on the minimum wage, on the living wage, workers on average earnings and multiples of this benchmark, and families with incomes ranging from €25,000 to €200,000.

In the case of working households, the analysis is focused on PAYE earners only and therefore does not capture the changes in Budgets 2017-19 targeted at the self-employed. The analysis complements our assessments of the current Budget on pages 6 and 7.

Over the years examined all household types record an increase in disposable income.

Among households with jobs (see chart 8.2), the gains experienced range from €4.22 per week (for single workers on €25,000) to almost nine times as much, €37.19 per week, for a couple with 2 earners on €200,000. Overall, across these households the main gains have flowed to those on the highest incomes.

Among households dependent on welfare, the gains have ranged from €15.04 per week (to single unemployed individuals) to €32.52 per week to unemployed couples with two children - see chart 8.1.

Our analysis points towards the choices and priorities the Government has made. Overall these choices have given least to single welfare-dependent households and those on the lowest earnings.

**Chart 8.1 Overall Impact 2017-2019 on Welfare Dependent Households**

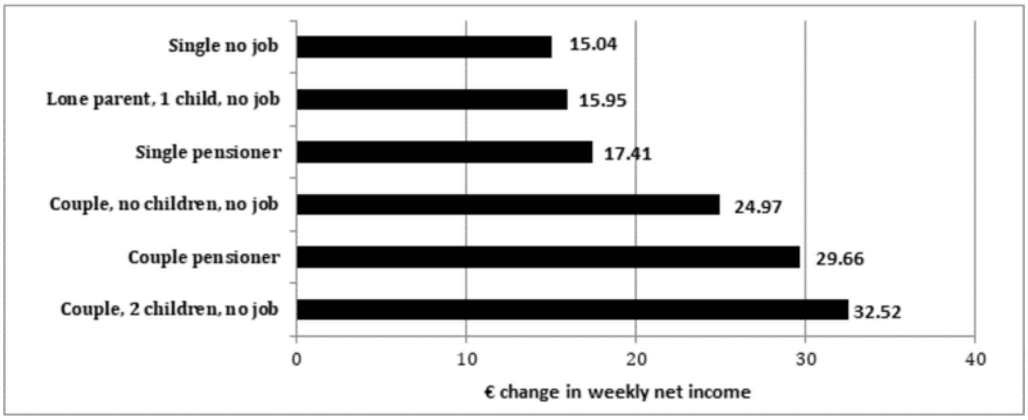
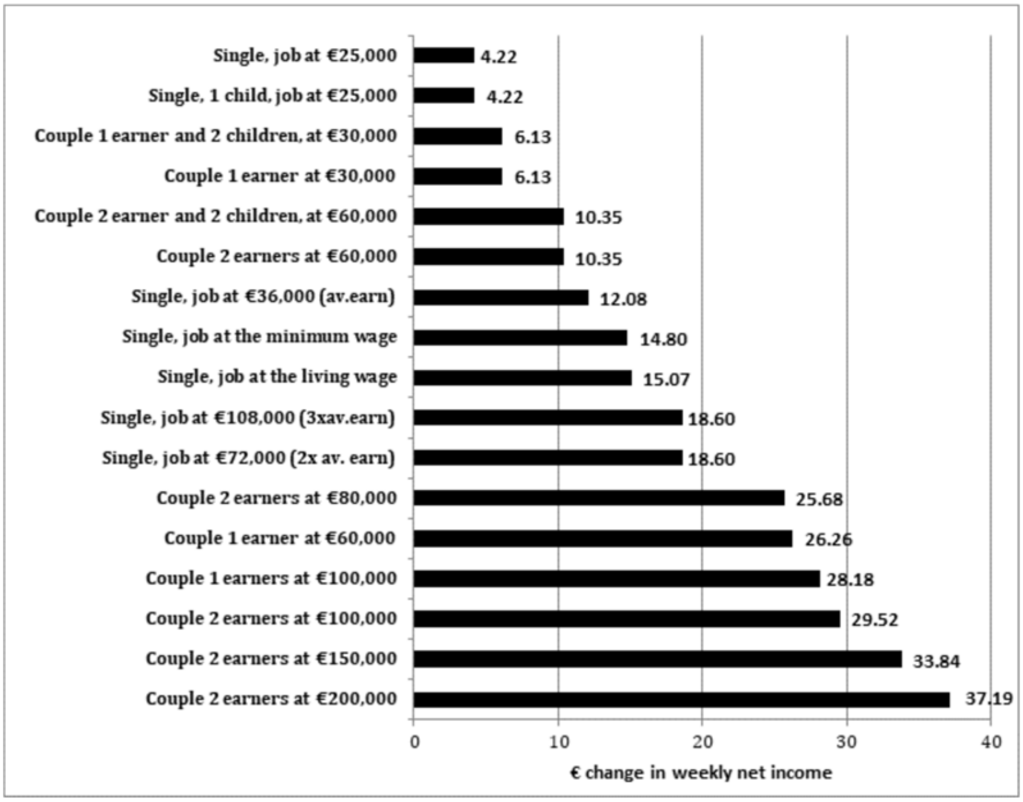



**Chart 8.2 Overall Impact 2017-2019 on Households with Jobs**



## Child Poverty Target

*Social Justice Ireland* regrets that Budget 2019 did not contain additional measures to ensure that Ireland meets its child poverty target of lifting 70,000 children out of consistent poverty by 2020 (a reduction of at least two thirds on the 2011 figure). The 2011 figure for children in consistent poverty was 107,000, the 2016 figure was 142,000. Ireland has a very considerable distance to go to reach the 70,000 target. We welcome the increase of €33m in funding for Tusla, the introduction of two additional weeks paid parental leave and increased resources for the Affordable Childcare Scheme including adjustments to income thresholds. The Budget also included an increase in the weekly payment for qualified children (under 12 = €2.20, over 12 = €5.20), changes to the earnings disregards for One-Parent Family and Jobseekers Transition recipients and the introduction of a maintenance disregard for the Working Family Payment. While welcome, these measures are not enough to ensure Ireland meets its 2020 Child Poverty Target.

## Minimum Wage & Low Pay

As part of Budget 2019 the Government have announced an increase to the minimum wage of 25c per hour - effective from January 2019. This increase will give a full-time worker on the minimum wage an additional €9.75 per week in gross pay.

Addressing low pay, which is experienced by at least one in every five workers, remains a key challenge for Irish society. However, the new hourly minimum wage rate is €2.10 below the living wage of €11.90 per hour. The Living Wage provides a benchmark for minimum living standards for full-time workers.

**Chart 9.1 The Low Pay Gap**


## Older People

According to the CSO's 2016 *Census Results* there were 637,567 people aged over 65 years in Ireland in 2016. The CSO noted that this age group experienced the largest increase in the population since the previous Census in 2011 (+100,000 individuals). Projections indicate this trend will continue and will exceed 1 million people by 2031. Of those in this age group, more than a quarter live alone comprising almost 98,000 women and 59,000 men. When poverty is analysed by age group the 2016 figures show that 10.7 per cent of those aged above 65 years live on an income below the poverty line.

While Budget 2019 has made welcome moves on the old age pension rate, Christmas bonus, prescription charges and fuel allowance, it has taken limited steps to commence planning for future health and care needs of this group. There are significant and unavoidable public policy challenges ahead and a comprehensive plan is long overdue.

## Disability

Disability is strongly associated with poverty in Ireland. Among people who are unable to work due to illness or disability more than one in three (39.1%) live on an income below the poverty line. Among those who are able to work many people with a disability are unemployed; more than four in ten of these are in poverty (see page 3). Research from the National Disability Authority highlights the challenges people with disabilities have in finding employment and remaining in a job given the daily challenges many face.

Budget 2019 has taken some steps to improve services and funding for this area. We welcome that in Budget 2019 Government commits to undertaking a cost of disability study. If people with a disability are to be equal participants in society, the extra costs generated by their disability should not be borne by them alone. Progress on this issue is long overdue.

## Sustainability, the Environment and Rural Communities

*Social Justice Ireland* is profoundly disappointed that Budget 2019 contains little to ensure that Ireland will meet our international climate commitments in 2020 or to achieve carbon neutrality by 2050. Inexplicably, Government continues to pursue policies that ensure Ireland will exceed our limits in terms of emissions targets as soon as 2020 leading to significant fines of up to €1.4bn.

An increase in carbon tax combined with an appropriate mitigation and transition programme for low income households and rural communities should have been introduced in Budget 2019. A programme similar to that outlined in *Budget Choices* could have included:

- Increased financing for the rural transport scheme;
- Retrofitting programme for houses and community buildings;
- Investment in community energy advisors and programmes;
- Development of the circular economy;
- Increased funding for renewable energy schemes

We welcome the additional allocation of €62m to the Department of Rural and Community Development, of which the largest portion will go to the Rural Regeneration and Development Fund. However a considerable increase in this level of investment is required if Government is to meet it's own commitments in the Action Plan for Rural Development.

The success of the action plan is reliant on adequate and ongoing public investment and the delivery of broadband. For rural Ireland Budget 2019 demonstrates neither ambition, leadership or commitment.

# Taxation

## The Context

- Taxation plays a key role in shaping Irish society through funding public services, supporting economic activity, and redistributing resources to enhance the fairness of society. Consequently, it is crucial that clarity exists with regard to both the objectives and instruments aimed at achieving these goals.
- Ireland's overall tax-take remains notably below that of most of our EU peer countries. Our per capita tax-take in 2016 was €13,855, leaving us 10th in the EU15. *Social Justice Ireland* believes government should aim for a per capita tax-take of €15,000. Even at this rate, our ranking would remain 10th — among the lowest taxed economies in Europe.
- Ireland can remain a low-tax economy, but should not do so at the expense of being able to adequately support our economic, social and infrastructural requirements.
- Government decisions to raise or reduce overall taxation revenue must be linked to the demands on its resources. Existing demands that are urgent include housing, health and education. Water, broadband, transport and other infrastructures need to be developed. For the future, our taxation system must fund the healthcare and pension needs of our ageing population.
- Ireland's overall level of taxation will have to rise significantly in the years to come – a reality Irish society and the political system need come to terms with. Given that Ireland's overall tax take is consistently below the EU average, a phased increase in the overall tax-take is more than feasible.

## The Budget

**USC**

- For 2019 the rates will be:

- Up to €13,000: exempt. Otherwise:
- €0 to €12,012: 0.5%
- €12,012 to €19,874: 2%
- €19,874 to €70,044: 4.5%
- €70,044+ : 8%.

For self-employed income over €100,000: 3% surcharge.

- The cost of the USC changes in a full year: €123m.

**Income Tax**

- The threshold at which income tax is levied at 40 per cent was increased by:

- €750 to €35,300 p.a. for single people
- €750 to €44,300 p.a. for couples with one earner
- €1,500 to €70,600 p.a. for couples with two incomes.

- The Home Carer Tax Credit was increased by €300 to €1,500 p.a.
- The Earned Income Credit for the self-employed was increased by €200 to €1,350 p.a.
- The share-based remuneration scheme (KEEP) , which was introduced last year for unquoted SMEs to enable them to attract key employees was enhanced in three different ways.
- Income averaging for farmers was extended by removing restrictions on farmers with off-farm income.
- Farmer stock relief was extended to 2021.
- The cost of the Income Tax changes: €271.5m.

**VAT**

- VAT on tourism-related activities increased from 9% to 13.5%.
- VAT on e-publishing reduced from 23% to 9%.
- Net yield from VAT changes: €552m.

**Excise duties**

- The excise duty on a packet of 20 cigarettes was increased by 50 cents with pro rata increases on other tobacco products; there will be an additional 25 cents on roll your own tobacco.
- Yield from excise changes: €61.8m.

**Betting duty**

- Betting duty increased for all bookmakers from 1% to 2%.
- Yield on commissions earned by betting intermediaries increased from 15% to 25%.
- Yield from betting duty changes: €51.6m.

**Vehicle Registration Tax**

- A 1% surcharge was introduced on diesel engine passenger vehicles registering in the State.
- VRT relief for conventional hybrids and plug-in electric hybrids extended to end-2019.
- Extension of BIK rate of 0% for three years.
- Net yield from VRT changes: €6m.

**Stamp duty**

- Stamp duty relief for young trained farmers was extended.
- Cost: €15m.

**Corporation Tax**

- Film Relief was extended to 2024 and a short-term regional uplift was introduced in designated areas
- Three year start up relief was extended to 2021.
- Introduced an Exit tax on of 12.5% on transfer of assets overseas.
- Cost of Corporation Tax measures: €11.3m.

**Employer contribution to National Training Fund levy**

- Increased by 0.1% to 0.9%. Yield: €77m.

**Revenue compliance**

- Yield: €50m.

**Capital Acquisitions Tax**

- Increase in Class A threshold from €310,000 to €320,000. Cost €8.1m.

# Taxation

## Our Response

- In *Budget Choices*, published in June 2018, *Social Justice Ireland* asked Government, among other things, to:

⇒ Increase the PAYE tax credit and make it refundable to benefit low-income workers.

⇒ Standard rate to 20% discretionary tax reliefs, so that low income workers can benefit equally with those on higher incomes.

⇒ Move to a single-rate universal state pension financed mainly by standard-rating the taxation of pension contributions.

⇒ Reform the R&D tax credit and introduce a minimum effective tax rate of 6% on corporation profits made here.

⇒ Tax empty houses and impose a site value tax on undeveloped land.

⇒ Equalise the excise duty on petrol and diesel.

⇒ Increase betting duty.

⇒ Increase VAT on tourism-related activities.

- Budget 2019 increased betting duty and raised VAT on tourism-related activities.
- Budget 2019 did not implement any of the other proposals.
- Instead, Government introduced minor changes to USC and income tax which will give little benefit to those on low pay.
- Opportunities to use the tax system to increase the supply of housing or contribute to reducing greenhouse emissions were spurned.

# Education

## The Context

- Ireland continues to face significant demographic pressures at all levels of the education system. Significant and sustainable increases in capital and current expenditure at primary, second level and further and higher education are required in the medium and long term.
- This increased investment is required to meet both current and future demand and to address persistent under funding within the education system. This is particularly apparent in early childhood education and lifelong learning – the very areas that are most vital in terms of greater equity and fairness.
- Higher education is also facing a significant funding shortfall and future resourcing of this sector is a key challenge currently facing Government.

## The Budget

- Increased school capitation grants by 5%.
- Over 1300 additional posts in schools including:

⇒ 950 Special Needs Assistants Posts

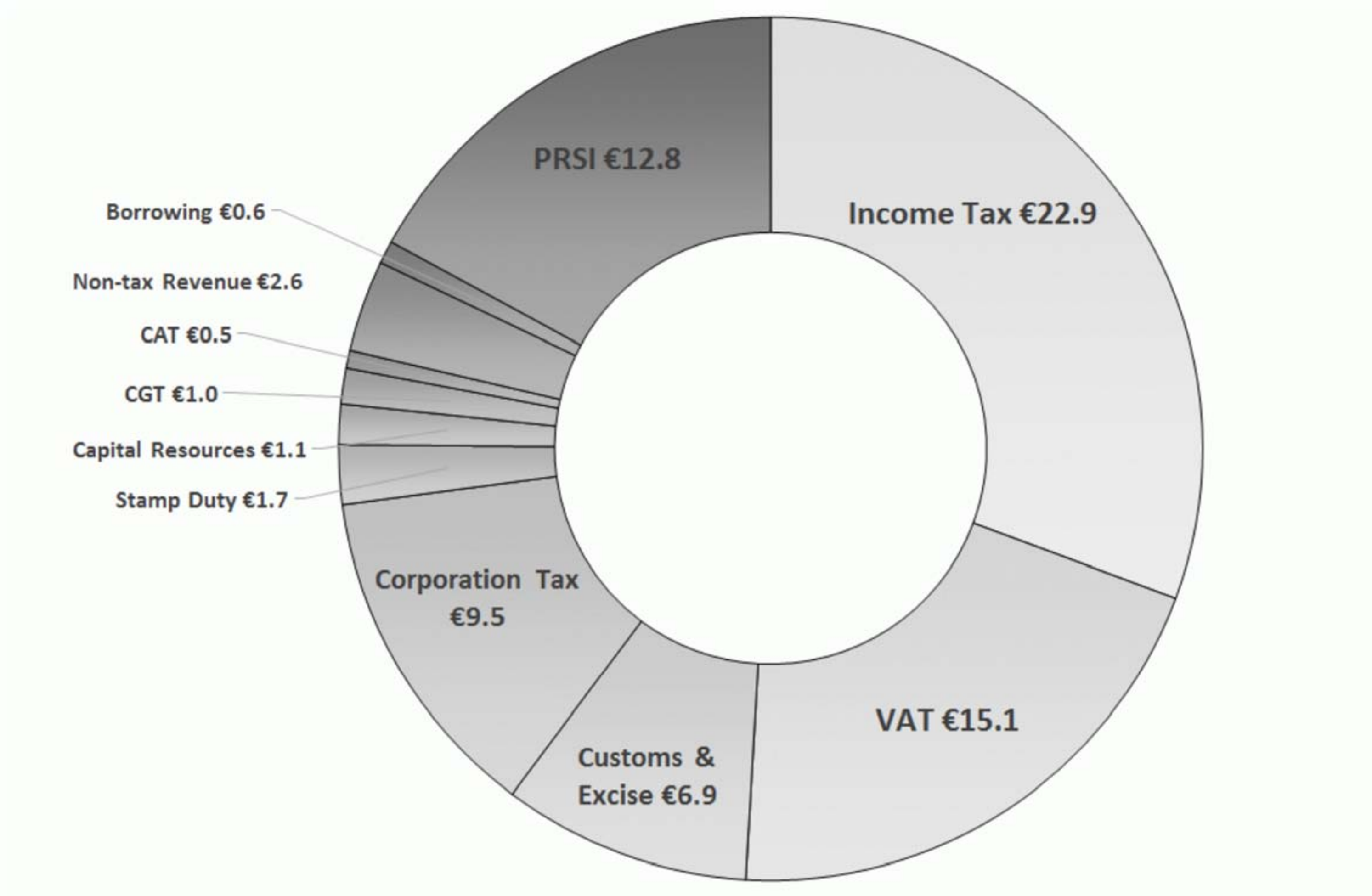
⇒ 271 net additional teachers and 101 teachers in special classes.

- Allocated an additional €85.3m to further and higher education and training.
- Launched 10 new apprenticeship schemes.
- Increased employer contribution to National Training Fund by 0.1%.
- Launched a Human Capital Initiative of €300m from 2020-2024.

## Our Response

- *Social Justice Ireland* welcomes the €57.5m to provide for demographic growth in the education system. This will support 271 net additional teaching posts in schools and an additional 3,500 places in Higher Education.
- The 5% increase in capitation grant funding for schools is welcome, but schools still face a significant shortfall in capitation funding as a result of cumulative cuts between 2011 and 2015. It is important that capitation resourcing is sufficient to reflect both demographic pressures and the impact of reductions since 2011.
- The €0.5m increase in the School Excellence Fund is insufficient to fully support the seven priorities of this fund including DEIS and STEM.
- We regret that Budget 2019 ignores the fundamental issue of the future resourcing of higher education. The Report of the Expert Group on Funding Higher Education was published in March 2016 and yet no progress has been made on the issue of the long-term resourcing of the sector.
- We welcome the 0.1% increase in the employer contribution to the National Training Fund.
- We regret that there is no provision in Budget 2019 to support part-time students in higher education at undergraduate and postgraduate level through the maintenance grant system.
- We welcome the increase funding for Skillnet Ireland, and the expansion of the apprenticeship and traineeship schemes.
- We regret that Budget 2019 has made no additional allocation for community and vocational education and no additional allocation for adult literacy.

# Main Sources of Government Revenue - Budget 2019 €bn




**Source:** Data on pages 12 and 13 of this document are from various Budget documents published by the Department of Finance and the Department of Public Expenditure and Reform. The diagrams outline the main areas of income and expenditure for the coming year.

## Year-to-year Revenue Changes, €bn

Here we compared the expected revenue from last years Budget to that proposed on this occasion. The comparison is not perfect as it does not capture unexpected increases or decreases in revenue during the current year or during next year. However it does provide an insight into the direction of policy choices and their outcomes.

**Income Tax ↑ €1.5bn**

**VAT ↑ €1.1bn**

**Corporation Tax ↑ €1.0bn**

**PRSI ↑ €0.3bn**

**Key Government Revenue Sources in 2019**

**Income tax** = 31% of all revenue

**VAT** = 20% of all revenue

**Corporation tax** = 12% of all revenue

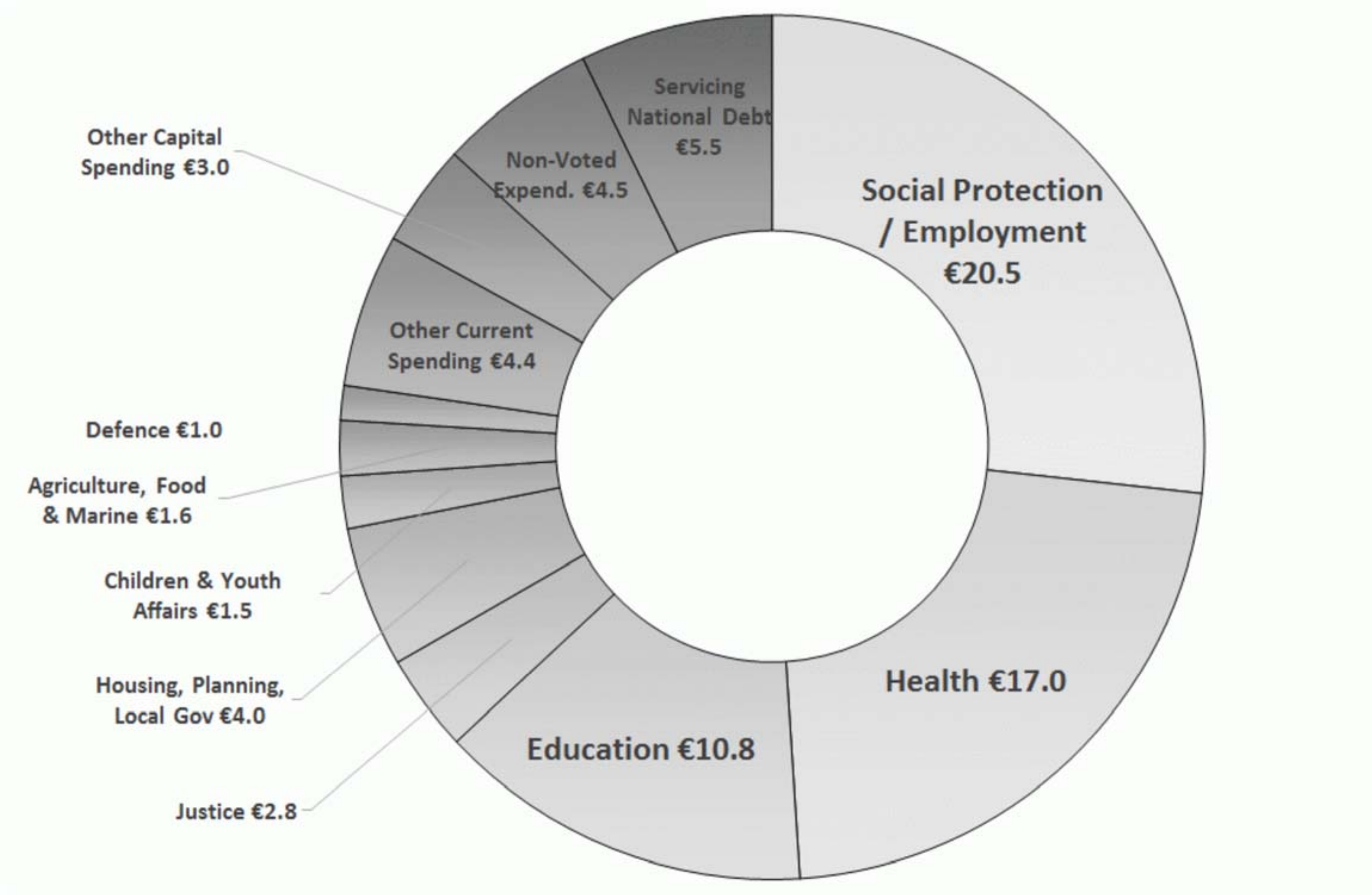
**Social Insurance** = 18% of all revenue

**Main Revenue Changes for 2019**

- Increased VAT rate for tourism activities to 13.5%.
- Reduced the 4.75% USC rate to 4.5%.
- Increased betting duty by1% for all bookmakers.
- Increased excise duty on cigarettes and other tobacco products.

*See pages 10 and 11 for further details and our response*

# Main Sources of Government Expenditure - Budget 2019 €bn




**Other Current Spending** includes: Foreign Affairs (including overseas aid): €781m; Transport, Tourism and Sport: €755m. **Other Capital Spending** includes: Housing, Planning and Local Government: €2.1bn; Transport, Tourism and Sport: €1.6bn. **Non-voted expenditure** includes a transfer to the Rainy Day Fund of €500m and EU contributions of €2.6bn.

## Year-to-year Expenditure Changes €bn

Here we compared the current expenditure allocations in Budget 2019 with those in Budget 2018 for a number of the main areas of expenditure. The comparison is not perfect as there may be over-spends and underspends within various Budgets during the current year or during next year.

**Social Protection ↑ €0.5bn**

**Health ↑ €1.5bn**

**Education ↑ €0.7 bn**

**Debt Servicing ↓ €0.8bn**

**Notable Expenditure Developments for 2019**

- The **Social Protection** budget includes an increase to account for a €5 per week increase in the maximum rate of all weekly social welfare payments. Pensions make up the biggest portion of this budget at €8bn, followed by Illness, Disability and Carers at €4.4bn.
- The **Health** budget in 2019 includes investment in the integration of Slaintecare and mental health services.
- The **Education** budget in 2019 includes increased funding for over 1,300 additional posts.
- The **Foreign Affairs** budget for 2019 includes additional resources for Overseas Development Aid (see p23).
- A legacy of the economic crash is that Ireland carries a very high national debt. Although interest rates are low, **debt servicing** costs will amount to €5.5bn in 2019.

*Each of these areas of expenditure, and others, are analysed in more detail throughout this document.*

# Social Protection

## The Context

- The persistence of high rates of poverty and income inequality in Ireland requires greater attention than they currently receive. The most recent data on Ireland's income distribution, from the 2016 SILC survey shows that:

⇒ 16.5% of the population are 'at risk of poverty';

⇒ Children are the largest group of the population who are poor with children under 16 accounting for 26.5% of those 'at risk of poverty';

⇒ 21% of the population is experiencing deprivation.

⇒ 8.3% of the population are living in 'consistent poverty';

- There is a significant distance to go to reach Government's National Reform Programme targets of reducing consistent poverty to 2% by 2020 and lifting over 70,000 children out of consistent poverty by 2020 (a reduction of at least two-thirds on the 2011 level).
- Without the social welfare system 44.9% of the Irish population would have been living in poverty in 2016. Such an underlying poverty rate suggests a deeply unequal distribution of direct income.
- Tackling high rates of poverty and inequality effectively requires action on many fronts, ranging from healthcare and education to accommodation and employment.
- However the most important requirement in tackling poverty is the provision of sufficient income to enable people to live life with dignity. It is vital that the National Action Plan for Social Inclusion 2018-2021 (which has yet to be released) is underpinned by an effective approach to addressing low incomes.

## The Budget

- Further increased all primary social welfare rates by €5 weekly — proportional increases for qualified adults and those on reduced rates of payment (March 2019).
- Extended entitlement to Jobseeker's Benefit to those who are self-employed.
- Increased the Contributory and Non-Contributory State Pension rates by €5 weekly.

⇒ Increased funding to Free TV license Scheme (€5m).

- Increased funding for the Free Travel Scheme (€5m).
- Adjusted Qualified Child Increase (QCI) by €2 .20 per week to €34 for children under 12, and by €5.20 per week to €37 for children between 12 and 18yrs.

⇒ Continued investment in ECCE Pre-School Programme, the ongoing development of the Affordable Childcare Scheme and TUSLA.

- Extended the Fuel Allowance from 27 weeks to 28 weeks, an annual increase of €22.50.
- Restored the Christmas Bonus, to 100% of weekly payments, for long-term social welfare recipients.
- Introduced a maintenance disregard for Working Family Payment.
- Restored the earnings disregard for One-Parent Family Payment and Jobseekers Transition Payment from €130 to €150.
- Increased Daily Expenses Allowance (formerly Direct Provision Allowance).
- Introduced a new paid parental leave scheme (November 2019).
- Increased Back to School Clothing and Footwear Allowance by €25 annually (September 2019).

## Our Response

- *Social Justice Ireland (SJI)* welcomes the increase to primary social welfare rates, whilst not sufficient to restore the proportional relationship with average earnings, builds on the steps taken in earlier Budgets.

⇒ *SJI* acknowledges that Jobseeker's Benefit was extended to the self-employed, but regrets that their PRSI payments were not brought closer to those in the PAYE sector.

⇒ It is regrettable that there was no effort made to restore Jobseeker's rates for u26s, in line with other age groups.

- *SJI* welcomes the following measures aimed at tackling child poverty, but regrets that these will not be sufficient to enable Ireland to meet our 2020 targets.

⇒ The adjustment to the QCI, which is a recognition of the higher costs associated with older children

⇒ Investment in early learning and childcare (€90m) and TUSLA (€30m).

- *SJI* notes the extension of the Fuel Allowance by one week, an approximate increase of 84c per week. This increase will not meet the rising cost of household energy and is much less than the €6.50 that *SJI* recommended.
- *SJI* welcomes the increase to state pensions of €5 weekly.

⇒ *SJI* regrets that there was no move towards implementing a Universal State Pension Scheme.

⇒ It is regrettable that there were no targeted supports for elderly people living alone, who are struggling with a single-income.

- *SJI* welcomes the increase to the Daily Expenses Allowance (Direct Provision) of €17.20 for adults and €8.20 for children per week.

# Work, Unemployment, Job Creation

## The Context

- Jobs growth is perhaps the greatest good-news story of Ireland's recovery, and the positive trend in headline employment rates continues. Employment increased by 3.4 per cent in the 12 months to end Q2 2018; a total of more than 74,000 net new jobs. The unemployment rate stood at 5.4 per cent at the end of September, down from 9.6 only three short years before.
- While the increased number of jobs is most welcome, job-growth has been unevenly spread. The greater Dublin area has benefitted to a notably greater extent than other regions, and more even job-creation distribution is imperative.
- There is an unacceptably high instance of low paid employment in Ireland, as well as an increase in precarious working practices. One in ten workers in Ireland earns the National Minimum Wage (NMW) and approximately one quarter earn below the Living Wage. More than 100,000 people are living in poverty despite having a job, while more than 230,000 people at work are experiencing deprivation.
- People with a disability are less than half as likely as those without to have a job, while 35 per cent of people with a disability haven't had a job in more than four years, despite more than 80 per cent having been employed at some point .
- Ensuring sufficient resources for the up-skilling of those who are unemployed and at risk of becoming unemployed through integrating training and labour market programmes should be a crucial part of the policy response.
- In particular the needs of older workers, people with a disability, and those in rural areas must be addressed.

## The Budget

- Allocated €950m to the Department of Business, Enterprise and Innovation—a 9 per cent increase on last year.
- Confirmed the Increase in the National Minimum Wage of 25c per hour, from €9.55 to €9.80.
- Increased the Earned Income Tax Credit (availed of by the self-employed) by €200 per annum.
- Increased Jobseekers payments by €5 per week from March 2019, and increased the earnings disregard for One Parent Families from €130 to €150.
- Extended Jobseekers entitlements to the self-employed.
- Increased the weekly threshold for the higher rate of employer's PRSI from €376 to €386.
- Increased the National Training Fund levy from 0.8 per cent to 0.9 per cent, and indicated that this will increase by a further 0.1 per cent in 2020.
- Created over 1,200 craft and earn-as-you-learn places, as well as 1,100 traineeships.
- Increased the number of places in Skillnet Ireland and Springboard by 8,000 to reskill and upskill people not in employment.
- Announced 5,000 new lifelong and flexible learning opportunities.
- Announced the launch of a Future Growth Loan Scheme for SMEs and the agriculture and food sector, to provide loans to a total of €300m.
- Announced an additional €110m in Brexit mitigation funding.
- Forecast unemployment rate of 5.2 per cent on average in 2019.

## Our Response

- *Social Justice Ireland* welcomes the increase in the National Minimum Wage (NMW) to €9.80 per hour. However we note that this is still significantly lower than the Living Wage which currently is €11.90 .
- Given that the Living Wage has increased by 20c per hour since last year, the gap between the NMW and Living Wage has closed by just 5 cents. The Living Wage remains more than 20 per cent higher than the NMW.
- The increase to the Earned Income Tax Credit is welcomed, as it ensures that self-employed workers are not left behind relative to others in Budget 2019.
- We welcome the increased allocation to apprenticeships and to other training opportunities for people who are not in employment. It is important that all available approaches are taken to support people to up-skill and re-skill.
- We note that the increased threshold for employer's PRSI should ensure that there is no incentive to reduce working hours for a full-time minimum wage worker.
- We regret that while Jobseekers entitlements were extended to the self-employed—a positive move—there was no corresponding increase in the contribution made by this cohort.
- We regret that government did not consider implementing a system of refundable tax credits that would have a significant effect on in-work poverty.
- Minister Donohoe noted in his speech that he considers Brexit to be "the political, economic, and diplomatic challenge of our generation". *Social Justice Ireland* considers the response to this challenge thus far lacks urgency.

# Healthcare

## The Context

- Ireland's population is growing and ageing. CSO population forecasts imply that the population will increase by 15% by 2031, with a projected increase in the number of people aged 60 and over of 51%.
- One clear implication of this will be additional demand for healthcare services and facilities.
- Support for people to remain in their own homes is a key and appropriate policy objective and coincides with the wish of older people.
- *Social Justice Ireland* is seriously concerned that adequate funding is not being provided to address the ageing of the population that will result in a steady increase in older people and people with disabilities accessing services.
- The acute hospital system, which is already under some considerable pressure, will be unable to operate effectively unless there is a greater shift towards primary and community services as a principal means of meeting patient needs.
- This is particularly so in the areas of home support and continuing care, and enabling older people to live in the community for as long as possible.
- The amount of funding required for home care and social care will have to gradually increase over time to meet the needs of our growing and ageing population.
- Sufficient funding must be provided to both maintain the existing level of service and implement new initiatives. Failure to do so is resulting in a situation where there are ongoing problems with overruns in HSE budgets and difficulties meeting targets.

## The Budget

- Allocated €17.2bn, which consists of €8,444.5m for pay and pensions (49.6%), €7,915.6m for non-pay (46.5%) and €667.3m capital (3.9%).
- The allocation for current expenditure (€16,360m) represents an addition of €1,398m, consisting of:

⇒ €625m 2018 adjustment.

⇒ €50m carryover of Budget 2018 measures.

⇒ €169m allocation from Central Pay Agreement.

⇒ €554m allocation of additional resources.

Some details were supplied in respect of the following selected measures characterised as Slaintecare implementation (Dept. of Finance Expenditure Estimates):

⇒ +€20m for 'integration' fund to implement Slaintecare.

⇒ +€55m for mental health services.

⇒ +€2.5m for therapists for disabled children (€6m, full year); +€12m for disabled school-leavers.

⇒ Increased income threshold by €25 p/week for GP visit card.

⇒ Reduction, 50c, in prescription charges for medical card holders, 70+.

⇒ Reduction of €10 in monthly Drugs Payment Scheme threshold.

⇒ Increased allocation to National Treatment Purchase fund, +€20m.

⇒ Allocations not specified for new GP contract and investment in General Practice, redesign of care pathways, and Children's hospital.

- **Other Measures:**

⇒ Cervical Check, +€9m.

⇒ Termination of Pregnancy, +€12m.

⇒ New Entrant Pay Rates, +€14m.

## Our Response

- *Social Justice Ireland* welcomes several initiatives, including allocations for mental health services and for younger disabled people.
- *Social Justice Ireland* also welcomes

  reductions in prescription charges for those aged 70+, reduced threshold for the Drugs Repayment Scheme, and increased income threshold for doctor-only medical cards.
- Of potential significance is the commitment to *Slaintecare*. *Social Justice Ireland* has long argued for a more community-based model. However, the amount allocated to the proposed 'integration' fund falls far short of what we asked for.
- The details set out in the Budget on healthcare lack transparency and don't appear to us to add up.
- While there is a focus on GPs, it is essential that the Primary Care Networks be fully integrated into the primary care system to secure a reformed structure.
- Furthermore, other investments that *Social Justice Ireland* asked for have not been made, including:

⇒ Statutory scheme for homecare;

⇒ Roll out 96 Primary Care teams with investments in services of GPs, Nurses, and Allied Health Professionals;

⇒ Capital investment in community nursing facilities;

⇒ Additional investment in preventing obesity, and chronic disease (financed through the sugar tax);

⇒ Investment to meet demographic pressures and introduction of cost of disability payment.

# Public Finances 2019 — 2021

Below we outline the government finances for 2019 and the following two years. The current budget comprises the income (or receipts) and expenditure associated with the day-to-day running of the country. Income includes revenue from taxation and flows of funds to the government from other sources including the Central Bank and the National Lottery. Collectively these give a figure for the total income expected by the government. Expenditure includes interest payments on the national debt, contributions to the European Union, and the costs associated with the day-to-day running of Ireland's economic and social services.

When transfers to the social insurance fund (PRSI) and unspent resources from previous years are excluded, a figure for ***net current expenditure*** planned for next year is reached. The ***current budget balance*** indicates how much day-to-day income exceeds (if positive), or falls short of (if negative), day-to-day spending. The capital budget captures government investment. Collectively the current budget balance and capital budget balance combine to give the Exchequer Balance. Finally, the General Government Balance measures the fiscal performance of all arms of Government, thus providing an accurate assessment of the fiscal performance of a more complete "government" sector. This is the measure used by the European Central Bank and other institutions when assessing compliance under the Stability and Growth Pact.

| *Rounding may impact on totals* | **2019** | **2020** | **2021** |
|---|---|---|---|
| **CURRENT BUDGET** | €m | €m | €m |
| **Expenditure** | | | |
| Gross Voted Current Expenditure | 59,260 | 60,705 | 62,145 |
| Non-Voted Current Expenditure (Central Fund) | 8,435 | 8,480 | 8,030 |
| **Gross Current Expenditure** | **67,695** | **69,190** | **70,180** |
| less Receipts and Balances (including PRSI) | 12,735 | 12,890 | 13,045 |
| **Net Current Expenditure** | **54,960** | **56,295** | **57,130** |
| **Receipts** | | | |
| Tax Revenue | 57,945 | 60,950 | 63,795 |
| Non-Tax Revenue | 2,550 | 1,430 | 1,280 |
| **Net Current Revenue** | **60,495** | **62,380** | **65,075** |
| **CURRENT BUDGET BALANCE** | **5,535** | **6,080** | **7,945** |
| **CAPITAL BUDGET** | | | |
| **Expenditure** | | | |
| Gross Voted Capital Expenditure | 7,300 | 8,050 | 8,665 |
| Non-Voted Capital Expenditure | 1,130 | 1,145 | 1,125 |
| **Gross Capital Expenditure** | **8,430** | **9,195** | **9,795** |
| less Capital Receipts | 20 | 20 | 20 |
| **Net Capital Expenditure** | **8,410** | **9,175** | **9,770** |
| **Capital Resources** | **1,125** | **2,920** | **3,140** |
| **CAPITAL BUDGET BALANCE** | **-7,285** | **-6,255** | **-6,630** |
| Rainy Day Fund | 500 | 500 | 500 |
| **EXCHEQUER BALANCE** | **-2,250** | **-670** | **810** |
| **GENERAL GOVERNMENT BALANCE** | **-75** | **1,065** | **1,615** |
| *% of GDP* | 0.0% | 0.3% | 0.4% |

## SOCIAL WELFARE: Social Insurance weekly rates from end March 2019

| | Present Rate | New Rate | Change |
|---|---|---|---|
| | € | € | € |
| **Jobseekers Benefit** | | | |
| Personal rate | 198.00 | 203.00 | 5.00 |
| Person with qualified adult | 329.40 | 337.70 | 8.30 |
| **State Pension (Contributory)** | | | |
| Personal rate | 243.30 | 248.30 | 5.00 |
| Person with qualified adult (under 66) | 405.40 | 413.70 | 8.30 |
| Person with qualified adult (66 or over) | 461.30 | 470.80 | 9.50 |
| Personal rate (aged 80 or over) | 253.30 | 258.30 | 5.00 |
| Person (aged 80 or over) with qualified adult (under 66) | 415.40 | 423.70 | 8.30 |
| Person (aged 80 or over) with qualified adult (66 or over) | 471.30 | 480.80 | 9.50 |
| **Widow's/Widower's Contributory Pension** | | | |
| Personal rate (under 66) | 203.50 | 208.50 | 5.00 |
| Personal rate (66 - 79) | 243.30 | 248.30 | 5.00 |
| Personal rate (80 or over) | 253.30 | 258.30 | 5.00 |
| **Invalidity Pension:** | | | |
| Personal rate | 203.50 | 208.50 | 5.00 |
| Person with qualified adult | 348.80 | 357.40 | 8.60 |
| **Carer's Benefit** | | | |
| Personal rate (caring for one person) | 215.00 | 220.00 | 5.00 |
| **Maternity Benefit** | | | |
| Personal rate | 240.00 | 245.00 | 5.00 |
| **Occupational Injuries Benefit - Death Benefit Pension** | | | |
| Personal rate (under 66) | 228.50 | 233.50 | 5.00 |
| Personal rate (66 - 79) | 247.70 | 252.70 | 5.00 |
| Personal rate (80 or over) | 257.70 | 262.70 | 5.00 |
| **Occupational Injuries Benefit - Disablement Benefit** | | | |
| Personal rate (maximum) | 229.00 | 234.00 | 5.00 |
| **Illness Benefit** | | | |
| Personal rate | 198.00 | 203.00 | 5.00 |
| Person with qualified adult | 329.40 | 337.70 | 8.30 |
| **Injury Benefit/Health and Safety Benefit** | | | |
| Personal rate | 198.00 | 203.00 | 5.00 |
| Person with qualified adult | 329.40 | 337.70 | 8.30 |
| **Guardian's Payment (Contributory)** | | | |
| Personal rate | 181.00 | 186.00 | 5.00 |
| **Increases for a qualified child** | | | |
| All schemes in respect of children under 12 | 31.80 | 34.00 | 2.20 |
| All schemes in respect of children over 12 | 31.80 | 37.00 | 5.20 |
| **Child Benefit** | | | |
| Rate per child (all children) | 140.00 | 140.00 | 0.00 |

## SOCIAL WELFARE: Social Assistance weekly rates from end March 2019

| | Present Rate | New Rate | Change |
|---|---|---|---|
| | € | € | € |
| **Jobseeker's Allowance** | | | |
| Personal rate (18 to 24 years) | 107.70 | 112.70 | 5.00 |
| Person with qualified adult | 215.40 | 225.40 | 10.00 |
| Personal rate (25 years) | 152.80 | 157.80 | 5.00 |
| Person with qualified adult | 284.20 | 292.50 | 8.30 |
| Personal rate (aged 26 and over) | 198.00 | 203.00 | 5.00 |
| Person with qualified adult | 329.40 | 337.70 | 8.30 |
| **State Pension (Non-Contributory)** | | | |
| Personal rate | 232.00 | 237.00 | 5.00 |
| Person with qualified adult (under 66) | 385.30 | 393.60 | 8.30 |
| Personal rate (aged 80 or over) | 242.00 | 247.00 | 5.00 |
| Person (aged 80 or over) with qualified adult (under 66) | 395.30 | 403.60 | 8.30 |
| **Widow(er)'s Non-Contributory Pension** | | | |
| Personal rate | 198.00 | 203.00 | 5.00 |
| **Carer's Allowance** | | | |
| Aged under 66 (caring for one person) | 214.00 | 219.00 | 5.00 |
| Aged 66 or over (caring for one person) | 252.00 | 257.00 | 5.00 |
| **Disability Allowance** | | | |
| Personal rate | 198.00 | 203.00 | 5.00 |
| Person with qualified adult | 329.40 | 337.70 | 8.30 |
| **Farm Assist** | | | |
| Personal rate | 198.00 | 203.00 | 5.00 |
| Person with qualified adult | 329.40 | 337.70 | 8.30 |
| **Guardian's Payment (Non-Contributory)** | | | |
| Personal rate | 181.00 | 186.00 | 5.00 |
| **Living Alone Allowance** | | | |
| Weekly | 9.00 | 9.00 | 0.00 |
| **One-Parent Family Payment** | | | |
| Personal rate with one qualified child (up to age 18) | 229.80 | 237.00 | 7.20 |
| **Increases for a qualified child** | | | |
| All schemes in respect of children under 12 | 31.80 | 34.00 | 2.20 |
| All schemes in respect of children over 12 | 31.80 | 37.00 | 5.20 |

# The Socio-Economic Context of Budget 2019

| Table 20.1: Ireland's Social and Economic Context - Budget 2019 | | | |
|---|---|---|---|
| **Population** | | **Housing** | |
| Population (April 2018) | 4.86 million | Local Authority Waiting List | 85,799 households |
| % of population older than 65 in 2016/2036 | 13.3% / 20.6% | On waiting list more than 7 years (%/num) | 24.2% / 20,803 |
| % of population older than 80 in 2016/2036 | 1.5% / 3.2% | Homeless adults (August 2016 / 2018) | 4,248 / 5,834 |
| Net migration (year to April 2017 / year to April 2018) | 19,800 / 34,000 | Homeless children (August 2016 / 2018) | 2,363/ 3,693 |
| Net migration (year to April 2017 / year to April 2018) of Irish nationals | -3,400 / 100 | Adult/child homelessness (24 month change) | +37% / +56% |
| **Income Levels **** | | **Labour Market** **(all figures Q2 2018, unless otherwise stated)** | |
| Average Weekly Gross Household Income (2014/2015 | €1,080 / €1,121 | Labour Force (Number / change last 12 months) | 2.4 mill / +57,900 |
| Average Weekly Disposable Household Income (2014/2015) | €836 / €868 | Employment (Number / % change last 12 months) | 2.25 mill / +74,100 |
| **Poverty and Inequality **** | | Unemployment (Number / fall in last 12 months) | 144,300 / -16,200 |
| Poverty line, 1 Adult (week/year) | €249 / €13,022 | Long-term Unemployment (Number / rate) | 48,900 / 2% |
| Poverty line, 2 Adults (week/year) | €414 / €21,616 | Youth Unemployment Rate | 15.4% |
| Poverty line, 1 Adult + 1 Child (week/year) | €331 / €17,319 | % of workers earning the Minimum Wage | 10.1% |
| Poverty line, 2 Adults + 2 Children (wk/yr) | €578 / €30,210 | National Minimum Wage 2018 (per hour / 39 hr week) | €9.55 / €372 |
| Living in poverty in 2016 (% / number) | 16.5% / 790,000 | National Minimum Wage 2019 (per hour / 39 hr week) | €9.80/ €382 |
| Children in poverty in 2016 (% / number) | 20% / 250,000 | Living Wage (per hour / 39 hr week) | €11.90 / €464 |
| Experiencing deprivation in 2007/2016 | 11.8% / 21% | % of employees on less than Living Wage | 25% (estimate) |
| Gini coefficient 2009 / 2013 / 2016 | 29.3 / 32 / 30.6 | **Miscellaneous** | |
| Ratio of bottom 20% to top 20% (2009/2016) | 4.3 / 4.7 | Median equivalised disposable income (2016) (South & East / BMW) | €21,455 / €17,369 |
| **Social Welfare Rates** | | ODA as a % of: GNP in 2008 / GNI* in 2019 | 0.59 / 0.39 |
| Jobseekers Benefit personal rate / Increase for qualified adult | €203 / €134.70 | Estimated best / worse case environmental fine (under EU 2020) if Ireland remains on current course | €700m / €1,400m |
| Jobseekers Allowance Maximum Personal Rate aged 26 and over/aged 25/aged 18-24 | €203 / €157.80 / €112.70 | CSO annual CPI inflation rate (year to August 2018) | 0.7% |
| State Pension: contributory / non-contrib (from March 2019) | €248.30 / €237 | CPI—Services sub index (year to August 2018) | 1.1% |
| Child Benefit (flat rate for all children) | €140 per month | Ireland's total revenue as % of GDP vs Eurostat's mark for a "low-tax economy" | 25% vs 34.9% |

**Sources:** CSO population projections; CSO SILC data; CSO QNHS survey; Department of Housing, Planning and Local Government; Housing Agency; NERI; Irish Aid annual reports; Comprehensive Expenditure Report; Central Bank; ESRI; OECD Literacy Survey; CSO Environment Indicators; Various other Government Departments and Agencies
**Notes:** * = projection; ** = CSO SILC data; ^ = latest available figure

# Budget 2019 — Key Numbers, Data & Trends

To accompany Budget 2019, the Departments of Finance and Public Expenditure and Reform have published a series of documents detailing the changes announced in the Budget. Throughout this *Analysis and Critique,* we have examined various aspects of these changes.

The table below brings together some of the key figures from the published Budget documents. It presents the Department of Finance's expectations of National Income next year, and for the following two years.

It outlines expectations of national income growth next year and in subsequent years.

It also outlines the projected exchequer budgetary position over that period. Expectations of future changes to employment, unemployment and inflation are also detailed.

Included is information on the taxation system following the implementation of Budgetary changes, and details Government projections in inflation, the labour market, and the size of budgetary adjustments.

The table also outlines the Department of Finance's calculations regarding full year costs of tax and social welfare changes announced in Budget 2019.

**Table 21.1: The Budget in Numbers - Key Data from Budget 2019**

| | | | |
|---|---|---|---|
| **National Income (nominal)** | | **Inflation and the Labour Market** | |
| GDP/GNI* in 2019 (€ billion) | 341.5 / 207.6 | Inflation in 2019 (HICP) | 1.5% |
| GDP/GNI* in 2020 (€ billion) | 360.0 / 218.4 | Inflation 2019-2021 (HICP, average) | 2% |
| GDP/GNI* in 2021 (€ billion) | 375.8 / 227.7 | Unemployment rate in 2019 (average) | 5.2% |
| Projected GDP growth 2019-2021 (average) | 3.43% | Employment growth in 2019 | 2.8% |
| Projected GNP growth 2019-2021 (average) | 3.16% | Unemployment rate 2019-2021 (average) | 5.0% |
| **Exchequer Budgetary Position** | | Employment growth 2019-2021 (average) | 2.2% |
| Current Budget Balance, 2019 (€m) | 5,535 | **Taxation** | |
| Current Budget Balance, 2020 (€m) | 6,080 | Income Taxation - lower rate / higher rate | 20% / 40% |
| Current Budget Balance, 2021 (€m) | 7,945 | Employer PRSI / Employee PRSI | 11.95% / 4% |
| Net Capital Investment, 2019 (€m) | 8,410 | USC on incomes of €13,000 or less: | Exempt |
| Net Capital Investment, 2020 (€m) | 9,175 | USC, €0-€12,012 | 0.5% |
| Net Capital Investment, 2021 (€m) | 9,770 | USC, €12,012-€19,874 | 2% |
| Underlying General Govt. Balance 2019 (€m) | -75 | USC, €19,874-€70,044 | 4.5% |
| Underlying General Govt. Balance (% GDP) | -0.0% | USC, €70,044-€100,000 | 8% |
| Interest on National Debt 2019 (€ billion) | 5.3 | USC, €100,000+ (PAYE / Self employed) | 8% / 11% |
| Average Interest on National Debt 2019-2021 | 4.8 | %Tax on €25,000 income (single / 2 earners) | 12.6% / 0.6% |
| Debt to GDP/GNI* ratio 2019 | 61.4 / 101% | %Tax on €60,000 income (single / 2 earners) | 30.1% / 14.9% |
| **Size of Budgetary Changes** | | %Tax on €100,000 income (single / 2 earners) | 38.5% / 26.4% |
| Yield in 2019 of Tax changes (€m) | -365 | Capital Gains Tax Rate | 10%* / 33% |
| Value in 2019 of Expenditure changes (€m) | 1,415 | Corporation Tax Rate | 12.5% |

**Sources:** Various tables throughout Budgetary publications, and our own calculations. *This special CGT rate applies to new start-ups with a €10m cap on gains. **If you are aged 70 or over or a medical card holder aged under 70 and your aggregate income for the year is €60,000 or less you pay a reduced rate of USC.

# Acknowledging progress on policy proposals

We have been analysing and critiquing the Government's annual budget since 1988, outlining proposals in advance and providing detailed analysis when the Budget is announced.

Since 2011 *Social Justice Ireland* has been presenting fully costed budgetary proposals which would help to deliver a fair and just society.

We have strongly advocated on economic and social issues and consistently highlighted fair and progressive options that are available to Government within the Budgetary process. Below we draw attention to some of the policy areas we have consistently highlighted in our budgetary proposals and where progress has been made.

It is important to acknowledge progress on policy issues. It is equally important to highlight those policy areas that are not seeing adequate progress or investment. We will continue to present fully costed, fair and progressive budgetary proposals to Government.

## Investment and tax-cuts

The current Programme for Government committed to cut taxes by €1 for every €2 spent on investment. We've consistently argued that the bulk of available resources should go on investment to address the country's deficits. We welcome the current ratio of less than €1 for every €10 invested.

## Social Welfare Payments

We have constantly argued that social welfare payments be benchmarked in parallel with rises in average incomes. While this has not been done, the welfare increases are coming closer to that target.

## Direct Provision Payments

We proposed that the rate of direct provision payments be increased to €39 per week for adults and €30 per week for children. We welcome Budget 2019's progress in this regard.

## VAT

We proposed that the VAT break given to the hospitality industry at the peak of the crisis should be ended. We welcome Budget 2019's moves in this direction.

## Capitation Grant

We argued for a reversal in cuts to capitation grants in schools. While progress on this has been slow, we are glad to see it is moving in the right direction.

## Sugar Sweetened Drinks

*Social Justice Ireland* and the Irish Heart Foundation produced research arguing for the introduction of a tax on sugar sweetened drinks. While it took a number of years, we were glad to see this introduced in Budget 2018.

## Vacant Site Levy

There has been an urgent need for a Vacant Site Levy for quite some time. Budget 2018 took some steps towards our proposals in this area. We continue to urge Government to extend this levy to residential units.

## Gambling tax

We proposed that taxation on in-shop and online betting be increased to 3%. We welcome Budget 2019's progress in this regard.

## Home Care

While there has been some welcome recent Budgetary improvements in this area we continue to highlight the need for significant increased investment in the area of home care. This becomes more urgent given our growing and ageing population.

## Minimum Wage

More than 100,000 people have a job but are living in poverty. We have argued that the minimum wage should be increased and welcome the increases which commenced in Budget 2017. As a member of the Living Wage Technical Group we continue to advocate for the introduction of a Living Wage which is a weekly rate that should provide employees with sufficient income to achieve an acceptable minimum standard of living.

## Rural Programme

Rural Ireland suffered greatly over the past ten years. There has been some increased funding for rural programmes in recent Budgets which we welcome.

Today, however, rural Ireland is still experiencing serious exclusion due to the lack of effective broadband. We continue to highlight that the Action Plan For Rural Ireland depends on significant and ongoing public investment and the delivery of broadband to rural areas.

## Childcare Package

Ireland has an under resourced childcare sector. The Affordable Childcare Scheme is a positive move towards delivering quality, accessible and affordable childcare options to families. We welcome the introduction of paid paternity leave subsequent increases in paid parental leave. However much remains to be done including implementation in full of the recommendations of the Inter-Departmental Working Group on Future Investment in Childcare in Ireland.

# Budget 2019: Implications for PPNs

Public Participation Networks (PPNs) are a collective of member organisations from the community, environment and social inclusion sectors that come together to engage in deliberative democracy on behalf of their members. They provide a voice for local communities at local, regional and national level.

In this briefing we have looked at the impact of Budget 2019 on many headline issues. As PPN worker, representative or member of a PPN, the following Budget lines may also be of interest to you. While *Social Justice Ireland* welcomes the increases in many of these areas, these are mostly small to moderate increases which will struggle to meet increased demand.

| Budget Line | Allocation 2019 (,000) | Change 2018/2019 |
|---|---|---|
| **Health (Physical and Mental)** | | |
| Healthy Ireland Fund | 5,000 | - |
| Drugs Initiative | 6,987 | - |
| Primary Care Reimbursement Services and Community Demand led schemes | 2,942,872 | 1% |
| **Economy and Resources** | | |
| Jobs and Enterprise Development | 466,370 | 8% |
| Innovation | 397,884 | 12% |
| Skills Development | 436,892 | 16% |
| Higher Education | 1,619,903 | 1% |
| **Social and Community Development** | | |
| Rural Development and Regional Affairs | 141,370 | 51% |
| Community Development | 147,226 | 10% |
| Sports and Recreation Services | 126,070 | 13% |
| Land Transport | 1,933,243 | 16% |
| Children and Family Support Programmes | 819,347 | 4% |
| Sectoral Programmes for Children and Young People | 660,978 | 16% |

| Budget Line | Allocation 2019 (,000) | Change 2018/2019 |
|---|---|---|
| **Participation, Democracy and Good Governance** | | |
| Local Government | 212,362 | 45% |
| Standards in Public Office Commission | 2,234 | 8% |
| Charities Regulatory Authority | 4,606 | 1% |
| Gardaí (Working with Communities to Protect | 1,760,076 | 7% |
| Access to Justice for All | 55,440 | 3% |
| **Values, Culture and Meaning** | | |
| Human Rights and Equality Commission | 6,751 | 1% |
| Culture | 189,958 | 14% |
| Heritage | 54,331 | 15% |
| An Efficient Responsive and Fair Immigration, Asylum and Citizenship | 158,217 | 6% |
| Work on Poverty and Hunger Reduction (ODA) | 544,926 | 9% |
| **Environment and Sustainability** | | |
| Natural Resources | 26,179 | -1% |
| Environment and Waste Management | 70,404 | 8% |

# Overseas Development Aid

Budget 2019 allocated €817m to Ireland's Official Development Assistance (ODA) programme; an increase of approximately €110m on Budget 2018.

*Social Justice Ireland* welcomes this increase as being significant in nominal monetary terms. Approximately €545m was allocated through the Department of Foreign Affairs and Trade, with another €272m through other government departments.

ODA committed in Budget 2018 amounted to approximately 0.36 per cent of new modified GNI (GNI*) - perhaps the best measure of Ireland's national income. In our Budget Choices Briefing, *Social Justice Ireland* urged Government to make a commitment to increase the aid budget over the four years to 2022 in order to reach 0.59 per cent of national income, matching our pre-recession peak. This would serve as a staging post from which Ireland could then progress to reach the UN-agreed target of 0.7 per cent by 2025.

We estimate that the increase in ODA in Budget 2019 will bring the total ODA allocation to 0.39 per cent of projected GNI* in 2019.

*Social Justice Ireland* welcomes this increase in ODA as a proportion of national income as being a firm step in the right direction.

Ireland is regularly commended by the OECD Development Assistance Committee Peer Review for the effectiveness of our aid programme. We can be justifiably proud of our record of providing high quality, untied, grant-based aid. However, many other countries have taken a leadership role in moving towards the 0.7 per cent target, and Ireland's record in this regard has historically been very poor. Budget 2019 will hopefully be seen in hindsight as a turning point.

However, Ireland still lacks a strategy for reaching the 0.7 per cent target and *Social Justice Ireland* calls on government to develop such a strategy with a view to reaching this target by 2025. Ireland's improving economic situation should be seen as an opportunity to recover lost ground in relation to our ODA commitments.

# SDGs failure means Ireland still lags behind

The Sustainable Development Goals (SDGs) are a collection of 17 global goals agreed by the United Nations General Assembly. They are a blueprint to achieve a better and more sustainable future for all people in all the countries across the world.

The SDGs address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, peace and justice. The Goals interconnect and all need to be achieved if no one is to be left behind. 2030 has been agreed as the target date for achieving each Goal and target.

Ireland is performing in the bottom half of 15 similar European countries on a range of these goals. A recent study published by *Social Justice Ireland* (*Measuring Progress: Economy, Society and Environment in Ireland 2018*) analysed the country's performance on these indicators across the Economy, Environment and Society and compares Ireland with the EU-15, our peer countries.

Ireland's overall ranking in the Sustainable Progress Index was 11th. out of the 15 countries analysed. It does worst on Environment, Gender Equality, Responsible Consumption and Production, Climate Action, Affordable Clean Energy, Reducing Inequality, and International Partnership on Sustainable Development Goals (SDGs).

The report highlights Ireland's particularly poor performance on low pay, household debt, and GHG (greenhouse gas) emissions, suggesting Ireland needs to drastically change its waste-based consumption patterns and recognise that short term economic growth policies are unsustainable.

Consequently, *Social Justice Ireland* regrets the failure of Government to address these issues on the scale required in Budget 2019.

Despite the recent study from a number of eminent scientists warning of the rapid increase in global warming with its dire consequences, the only response of Budget 2019 was "*to put in place a long-term trajectory for Carbon Tax increases out to 2030*". Budget 2019 should have taken a first step on this journey.

We are also disappointed that our proposal for an additional funding allocation to the CSO to measure progress towards Ireland's SDG targets was not implemented.

## Recent Publications and Research from *Social Justice Ireland*

**Fairness and Changing Income Taxes** - (September 2018)

**National Social Monitor, Autumn 2018** - (September 2018)

**Employment Monitor** - (July 2018)

**Budget Choices 2019**—(June 2018)

**Social Justice Matters - 2018 Guide to a fairer Irish Society** - (April 2018)

**Measuring Progress: Economy, Society and Environment in Ireland** - (February 2018)

*All of these are available on our website at www.socialjustice.ie*


### Acknowledgement

The work is partly supported by the Department of Rural and Community Development via the Scheme to Support National Organisations

Department of Rural and Community Development

An Roinn Forbartha Tuaithe agus Pobail

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***Social Justice Ireland*** is an independent think tank and justice advocacy organisation that advances the lives of people and communities through providing independent social analysis and effective policy development to create a sustainable future for every member of society and for societies as a whole.


*Social Justice Ireland*

Email: secretary@socialjustice.ie

CHY number 19486

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