



Budget Choices

Pre-Budget Submission, Budget 2022

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Making choices on how to allocate available resources in Budget 2022 presents Government with major difficulties. The range of challenges Ireland faces are substantial and additional resources will be required on different fronts.

- A detailed plan, 'Housing for All', has been published aimed at tackling the housing crisis.
- A Climate Action Plan is expected before Budget Day which will also require substantial resources.
- The revised National Development Plan is also scheduled for publication soon.

Each of these plans are focused on addressing challenges that existed prior to Covid's arrival. These initiatives will require additional resources, perhaps even more than currently proposed if they are to achieve their goals. *Social Justice Ireland* has, for example, calculated that major additional investment beyond what's included in the housing plan will be necessary if we're to really get close to achieving housing for all.

The choices Government makes must be focused on building a future that is prosperous, sustainable and fair. They should be socially progressive, promote wellbeing and be focused on building a future where nobody is left behind.

It is vital that the fiscal stance adopted by Ireland in this post-Covid-19 world supports an economic recovery, rather than preventing one and causing permanent damage to our long-term economic capacity and, more importantly, to the well-being of our citizens.

At this time the fiscal stance adopted by Ireland should not focus primarily on reducing the debt and deficit. Such an approach would permanent-

ly destroy the economic capacity of the country.

Instead, the objective must be to support demand by:

- supporting the incomes of citizens; and
- through Government capital expenditure.

Overall, despite the immediate uncertainty, Budget 2022 should embrace the need for new approaches to how we as a society prioritise choices. People, well-being, public services and a widespread and fair recovery must come first.

Ireland stands at a major moment of change and looks to a future beyond Covid-19. The pandemic has changed our views on the way we were and on the way we want to be. It exposed a range of issues that were not being adequately addressed. It has also changed many people's priorities as we face the future.

Budget 2022 also offers an opportunity for Government to reform some aspects of the current taxation system in the interest of enhancing fairness and sustainability. It is an opportunity to make some overdue changes which will also provide some additional revenue. Tackling tax expenditures is one such area.

Challenges

Ireland's housing crisis continues with the possibility of purchasing a home moving further and further away from the vast majority of the population, as costs escalate dramatically. Homelessness has been slightly reduced but both current and planned social housing provision is far less than what is required. Rents continue to be exorbitant.

One in eight people in Ireland lives in poverty. Of these more than 15%



Budgetary Stance and Proposals

Continued from Page 1

have a job while more than a quarter are children. This scandalous situation persists despite the reduction in poverty rates in recent years.

The pandemic showed many of Ireland's lowest-paid workers were providing essential services, thus again highlighting the need for an adequate Living Wage.

Unemployment, especially among young people, is a major challenge that needs to be addressed.

Healthcare has seen a dramatic increase in its Budget but the two-tier system and long waiting lists still remain.

Rural Ireland faces many challenges, including an older population, higher rates of part-time employment, lower median incomes, distance from everyday services and higher poverty rates than the national average.

Likewise, Budget 2022 must ensure that our investment strategy supports the ambition of the climate action plan, a just transition to a green economy, and the emission reductions that are required in a vibrant society and economy.

These are some of the main challenges that need to be addressed by Government as it makes choices in Budget 2022 and they are all impacted by developments such as Brexit and digitisation also require attention.

Expanding the Role of the State

One thing we have learned from Ireland's response to the pandemic is that the State may need to expand so as to deal effectively with these challenges. In responding to Covid-19, Government made the changes required to protect both society and the economy. The common good featured prominently in planning and delivery. The State, the only institution with the required capacity to address the pandemic, expanded to meet the challenge. Yes, mistakes were made in responding to Covid. But lessons were learned; protecting jobs, services and a minimum standard of living were priorities. Now is the time to build on this learning as Budget 2022 is prepared

Another thing we learned during the pandemic is that when we want to really tackle big challenges we can do so at speed. That is a lesson most Irish people want Government to act on in the period immediately ahead.

A New Social Contract

Proceeding as we did before the pandemic will not address the challenges Ireland faces, challenges that existed before the arrival of COVID-19. A new Social Contract is needed. This new Social Contract should be focused on building a sustainable and resilient economic recovery that delivers for everyone. To achieve this outcome, a new Social Contract should have five core goals: to deliver a vibrant economy, decent services and infrastructure, just taxation, good governance and sustainability.

Crucially, however, these five outcomes must be addressed simultaneously. It is not sufficient to prioritise economic development with the argument that this will produce the resources to achieve the other four outcomes.

A new Social Contract should have five core goals: to deliver a vibrant economy, decent services and infrastructure, just taxation, good governance and sustainability.

We need investment in infrastructure and services to develop a thriving economy. We need just taxation to fund this investment. We need good governance to ensure people have a say in shaping the decisions that impact them. We also need to ensure that everything that is done is sustainable; environmentally, economically and socially. These all need to be developed, focusing on how to improve the wellbeing of every person in Ireland and using the UN's Sustainable Development Goals to ensure nobody is left behind.

Budget 2022 needs to have this new Social Contract at its core.

Major investment is essential

During the last economic crisis Ireland's austerity approach led to insufficient investment in social services, such as childcare and education, and in infrastructure such as social housing, public transport and rural broadband. Investment is essential for a number of reasons: a) to secure economic development; b) to protect communities; c) to keep unemployment as low as possible (with initiatives such as a substantial state-led childcare programme); d) to ensure critical infrastructure deficits are addressed; and e) to tackle climate change at the level required, and ensure that the transition to a low-carbon economy is just and fair. Budget 2022 should act on this basis.

Packages Proposed for Budget 2022

In the following pages *Social Justice Ireland* sets out a series of proposals to address all the issues identified here. Details and costings of these proposals are set out in the relevant pages in the text as well as the main reasons we are making these proposals. A summary of all the proposals and total costs/income are set out on page 18. These are the choices we believe Government should make in Budget 2022.

All the proposals contained in this publication are focused on building a prosperous, sustainable and fair future and doing so in a fiscally prudent manner. The major packages proposed are:

- Health, Disability and Carers - €1,177m
- Sustainability - €239.5m
- Housing - €4,529.2m
- Rural, Regional and Community - €458m
- Education - €274.3m
- Children and Families, incl. Direct Provision - €734.1m
- Pensions and Older People - €1,041m
- Other taxation and revenue-raising - €1,428.2m

Fiscal Stance



Despite significant progress over the past few months, Ireland remains in a period of enormous uncertainty. Optimistic assumptions point towards a rebound in economic activity and employment from late 2021 or early 2022. Conversely, pessimistic assumptions fear ongoing public health related disruptions and a slow emergence from the Covid-19 crisis. Most likely, the reality lies somewhere in between - but there are limited clues as to where.

Budget 2022 is being framed in the context of this ongoing uncertainty. Like Budget 2021, it will have to include a provision for possible additional public expenditure that may or may not be needed in the months ahead. It will also have to include plans to boost economic activity and support people, families, businesses and communities when the public health environment allows.

To date, the efforts to support household income in Ireland by Government through the Pandemic Unemployment Payment and Employee Wage Subsidy Scheme have played a key role in sustaining households and businesses.

As we outline throughout this document, the Covid-19 pandemic has the potential to leave significant scars on the labour market, on young people, women and health services. It has also revealed the role of the state as the provider of an economic and social safety net to all people and sectors in society; an aspect of the social contract implicit in welfare states such as ours by overlooked for some time. Its revelation highlights a need for new thinking on how public services are funded, provided and distributed.

Extraordinary measures required

Given the scale of disruption, it must be recognised that extraordinary Government expenditure will be required to sustain demand and to support incomes through the immediate crisis and emergence from the public health restrictions, through the recovery period, and through the return to a new, sustainable, long-term trajectory for the economy.

In Ireland, over the past decade and more, we have become accustomed to being guided by an overall budget target that has adjusted to changing realities over time. After the crash of 2008 the focus was on reducing borrowing. Then it moved on to focusing on balancing income and expenditure. More recently, as we were more or less paying our way, the focus had been shifting towards reducing the national debt. The post-Covid-19 world changes all that.

In the years ahead, as we move through the public health restrictions and into a recovery period, the fiscal stance adopted by Ireland must have a different focus. The objective must be to support demand by:

- [a] supporting the incomes of citizens; and
- [b] through Government capital expenditure rather than achieving some arbitrary deficit target.

Support economic recovery, don't prevent it

It is vital that the fiscal stance adopted by Ireland in response to the Covid-19 crisis supports an economic recovery, rather than preventing one and causing permanent damage to our long-term economic capacity and, more importantly, to the well-being of our citizens.

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The importance of supporting economic activity has been recognised by the European Commission; in its Multiannual Financial Framework (MFF) 2021-2027, the Commission have recognised both that additional fiscal resources are necessary and that they should be frontloaded to 2020-2022.

Social Justice Ireland's proposed stance

There will, we acknowledge, be significant differences in the criteria used to determine the country's fiscal stance as we emerge from the Covid-19 public health restrictions.

Social Justice Ireland proposes that:

- For the years 2021-2023, or until Ireland reaches full employment (if earlier than 2023), the fiscal stance adopted by Ireland should be determined by an unemployment target, rather than a deficit target, in recognition of the role domestic demand plays in sustaining domestic employment; and,
- The State should begin to plan now for the additional tax measures necessary, over the long-term, to finance the Government expenditure required to finance universal services and income supports for our citizens.

It is acknowledged that the adoption of an unemployment rate target for 2021-2023 would represent a shift in the fiscal policy framework, and a temporary departure from the EU fiscal rules.

It is also acknowledged that this policy depends on the ongoing accommodating stance adopted by the ECB.

However, at present it is clear the Commission are willing to suspend the fiscal rules and the ECB are willing to do what is required to support economic recovery.

As the increase in unemployment in Ireland has been entirely caused by a temporary collapse in demand for labour, the adoption of a short-term demand management policy represents the most effective means to restore economic activity. The goal is not to allow a potentially temporary situation develop into a long-term crisis.

Austerity with the simple objective of reducing the debt and deficit would be a serious mistake, and would, over time, undermine the very objective it seeks to achieve by permanently destroying the economic capacity of the country.

Overall, despite the immediate uncertainty, Budget 2022 must embrace the need for new approaches to how we as a society prioritise choices. People, well-being, public services and a widespread and fair recovery must come first.

Distribution of Tax and Benefit Changes, 2017-2021



Social Justice Ireland's income model tracks the distributive impact of annual budgets on households across Irish society. As different priorities can be articulated for each Budget, it is useful to bring together the cumulative effect of policy changes across a number of years. On this page we consider the cumulative impact of changes to taxation and welfare over the four Budgets delivered by the last Government (Budgets 2017-20) and the first by the current (Budget 2021).

The households we examine are spread across all areas of society and capture those with a job, families with children (under 12), those unemployed, and pensioners. 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 €25k to €200k.

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 (e.g. prescription charges) and property taxes. Similarly, it does not capture the impact of changes to the provision of public services or to the many emergency measures that have been introduced to respond to the Covid-19 emergency. As the impact of these measures differs between households it is impossible to quantify precise household impacts and include them.

Over the years examined, all household types record an increase in disposable income. Among those with jobs (see Chart 2), the gains experienced range from €4.61 per week (for single workers on €25k) to over eight times as much, €37.97 per week, for a couple with 2 earners on €200k. 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 €16.19 per week (single unemployed) to €43.55 per week (unemployed couples with 2 children) - Chart 1.

The gains experienced by welfare dependent households explain much of the reasons why the levels of income inequality and poverty have fallen in recent years. *Social Justice Ireland* has consistently argued for the prioritisation of low income welfare dependent

families in Budgetary policy and welcome these outcomes. However, we are concerned that recent Budgets have shifted away from this approach.

welfare increases have driven recent falls in income inequality and poverty - progress we should aim to keep not erode

Chart 1 Overall Impact 2017-2021 on Welfare Dependent Households

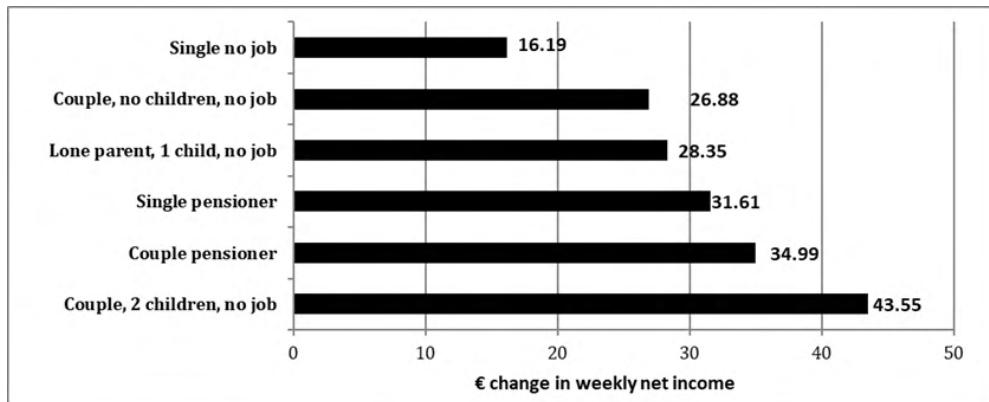
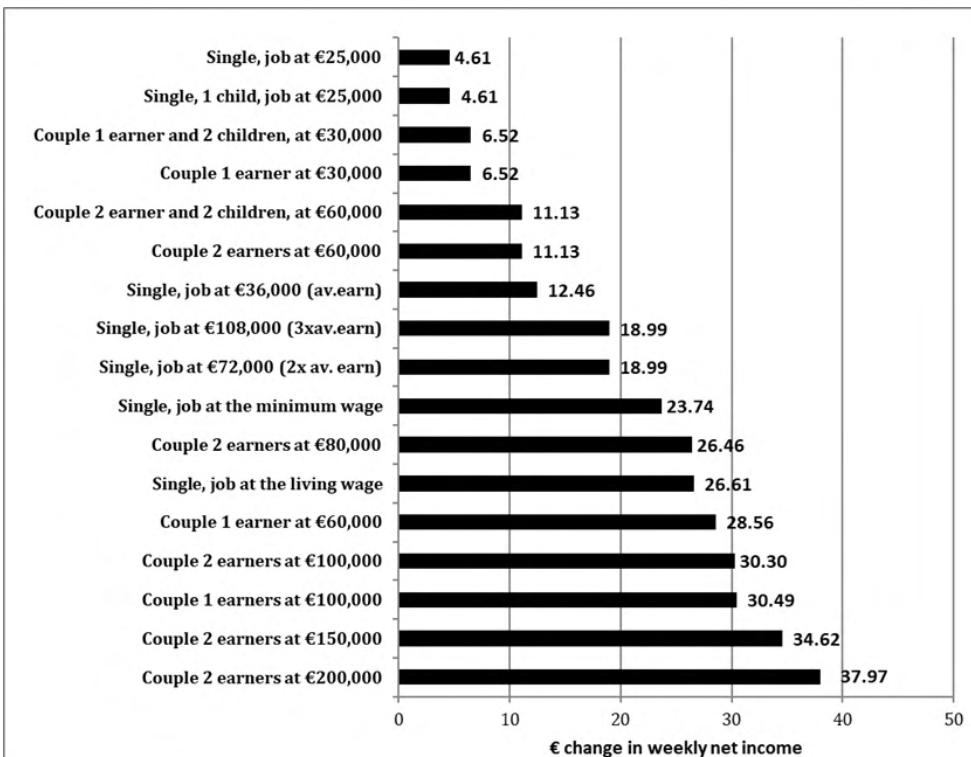


Chart 2 Overall Impact 2017-2021 on Households with Jobs



Note: Increases to the Living Wage are included but are not direct policy decisions of Government.

Source: Social Justice Ireland Socio-Economic Review 2020 (p66-68)

Taxation - Choices for Budget 2022



Budget 2022 offers an opportunity for Government to reform some aspects of the current taxation system in the interests of enhancing fairness and sustainability. Budget 2022 is an opportunity to make some overdue changes which will also provide some additional revenue. On this page we outline a series of reforms for Budget 2022 while on the next page (p6) we present a more extensive agenda for reforming the taxation system given the new Commission on Welfare and Taxation and the acknowledged view that post-pandemic Ireland will need to raise more tax revenue.

Carbon Tax and Fairness

Budget 2021 increased the carbon tax to €33.50 per tonne and the Finance Act 2020 included a schedule of annual carbon tax increases so that the rate reaches €100 per tonne in 2030 (€7.50 per tonne per annum for 9 years and €6.50 in the final year). These commitments reflect commitments in the Programme for Government and the recommendations of the 2019 all-party report on climate change. **We believe that Budget 2022 should abide by these commitments and increase the carbon tax, as planned, by €7.50 per tonne.** It should also include a commitment to use the revenue raised to fund a series of targeted accompanying measures to protect those most affected by it, in particular low-income households and rural dwellers. Given the significant climate challenges we now face, a carbon tax is an important tool in encouraging behavioural change; a policy priority that should be emphasised over just raising revenue. This proposal would generate **an additional €159m in a full-year** to re-invest in accompanying measures.

Post Pandemic Increase to Employers' PRSI

The actions of Government during the pandemic has highlighted the importance to individuals and business of the social safety net provided by the State. A core aspect of this is the social insurance system. In European terms Ireland collects very low levels of employers' PRSI. For most jobs the rate in Ireland is 11.05% compared to an EU average of 21.29%. Budget 2022 should commence a process of **increasing employers' PRSI rates by 1% a year for the next five years** (reaching 15.05% by 2027). The initial increase should be delayed to commence from April 2022 and will raise **an additional €495m in 2022.**

Taxing Empty Houses / Underdeveloped Land

Budget 2022 should empower Local Authorities to collect a **new site value tax on underdeveloped land** - such as abandoned urban centre sites and land-banks of zoned land on the edges of urban areas. This tax should be levied at a rate of €2,000 per hectare (or part thereof) per annum and replace the current vacant sites levy.

In the context of an ongoing shortage of housing stock, building new units is not the entire solution. There remains a large number of empty units across the country. We propose that Budget 2022 introduce a levy on empty houses of €200 per month with the revenue from this charge collected and kept by local authorities. Income from both these measures **would yield €75m for Local Authorities** in 2022 reducing the central fund allocation to Local Authorities by same.

Limit the ability to carry losses forward

Social Justice Ireland believes that in Budget 2022 Government should reform the tax laws so that limits are placed on the ability of individuals and corporations to carry past losses forward and offset these against current profits/income. While there is merit in having some period available to carry

losses, to reflect the choices and operating decisions of business and other short-term effects, there is no merit in these continuing indefinitely as is currently the case. We suggest introducing a **rolling limit of 5 years on these losses** commencing from midnight of the day Budget 2022 is announced. Losses prior to this period would no longer be available to offset against profits or capital gains.

While this initiative would bring greater fairness to the overall taxation system, we note it would have a disproportionate effect on banking institutions who carry significant, self-inflicted, losses from the economic crisis a decade ago. Consequently, we suggest that Budget 2022 would also extend and amend the current banking levy (due to expire at the end of 2021), reducing it by 50 per cent, as a means of partially offsetting this effect for banks. Together **this proposal would yield an additional €100m in 2022.**

Reform the R&D tax credit

A tax break for companies engaged in research and development was introduced in 1997 and has been revised and reformed on a number of occasions since. A curious component of the current structure is that firms may claim a tax refund on unused R&D credits - i.e. where they have not paid sufficient tax to cover the refund amount. The use of this scheme has allowed a number of profitable firms to record zero or negative (or 'refunded') tax-paid amounts over recent years. A reform to this refund structure is overdue and it should **be removed from the structure of this tax break** in Budget 2022. It would yield €150m in a full-year.

Abolish the Special Assignee Relief Programme

The SARP was introduced in 2014 to provide a tax reduction to high earning individuals who locate to Ireland for work purposes (generally in MNCs in IT and the financial sector). Recipients must earn between €75,000 and €1m. Qualifying employees with income above €75,000 receive a reduction in their income tax liability. This subsidy was intended to boost the attractiveness of Ireland for foreign investment; however there is no evidence to suggest the scheme has achieved this or that it has induced any recent investment and relocations that would not have otherwise occurred. **The SARP should be abolished** in order to make the tax system fairer. This **would generate €45m** in 2022.

Other Tax Reform Measures

Below are some other taxation measures aimed at broadening the tax-base, increasing revenue, and creating a fairer system:

- increase **in-shop online betting tax** to 3% (+€46m);
- increase from 30% to 32% the **minimum effective tax rate for people earning €400,000+** (+€98m);
- **restore the Non Principal Private Residence (NPPR)** charge on second homes at €500 a yr (+€125m);
- increase **Capital Gains Tax and Capital Acquisitions Tax from 33% to 35%** (+€66m and +€26m);
- Increase from **7.5% to 8% the stamp duty on non-residential property** (+€30m);
- Increase **stamp duty on residential property transfers** (amounts in excess of €1m) to 5% (+€30m);
- **Standard rate all pension-related tax reliefs**, saving €423m in 2022;
- **Standard rate discretionary (non-pension) tax expenditures cost €5m+**, saving €147m in 2022;
- Implement a system of **Refundable Tax Credits** (for the two main income tax credits) at a cost of €140m.



Priorities for Taxation Reform

The experience of the last decade has highlighted the centrality of taxation in budget deliberations and to policy development. 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 exist with regard to both the objectives and instruments aimed at achieving these goals.

As outlined elsewhere in this document, having ‘Just Taxation’ is a key component of *Social Justice Ireland’s* guiding vision and policy framework. Budget 2022 is an opportunity for Government to commit to pursuing this objective over the next few years. Furthermore, the new Commission on Taxation and Welfare offers the potential to design this system and on this page we present a series of reforms necessary to establish a just taxation system. The accompanying chapter in our annual socio-economic review *Social Justice Matters 2021* (available on our website, socialjustice.ie) details our belief that Government’s key policy priorities in this area should be to:

- increase the overall tax-take;
- adopt policies to broaden the tax base; and
- develop a fairer taxation system.

Overall, our views are driven by principles of fairness, sustainability, and the need for structural reform. We look forward to a more comprehensive engagement with the Commission during the next year.

Increasing the overall tax-take

Social Justice Ireland believes that, over the next few years, policy should focus on increasing Ireland’s tax-take. We believe that an increase in Ireland’s overall level of taxation is unavoidable in the years to come; even to maintain pre-Covid levels of public services and supports, more revenue will need to be collected. The pandemic has also highlighted public service deficits in many area which will necessitate new investment and spending in the years ahead. 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.

In other publications we have outlined the details of our proposal for a national tax take target set on a per-capita basis; an approach which minimises some of the distortionary effects that have emerged in recent years. Our target is calculated using CSO population data, ESRI population projections, and CSO and Department of Finance data on recent and future nominal overall taxation levels. It also incorporates an adjustment for current windfall corporation tax revenues. The target is as follows:

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*.

Increasing the overall tax take to this level would require a number of changes to the tax base and the current structure of the Irish taxation system. While increasing the overall taxation revenue to meet this new target would represent a small overall increase in taxation levels (about €1,100 per person), it is one that is unlikely to have any significant negative impact on the economy.

Reforming and broadening the tax base

Social Justice Ireland believes that there is merit in developing a tax package which places less emphasis on taxing people and organisations on what they earn by their own useful work and enterprise, or on the value they add, or on what they contribute to the common good. There are a number of approaches available to Government in reforming the tax base. Our recent edition of *Social Justice Matters* (see ch 4) provides details of these proposals which highlight areas we consider a priority including:

- Reforming Tax Expenditure
- A Minimum Effective Tax Rates for Higher Earners
- Reform of Corporation Taxes
- Introduction of a Site Value Tax
- Taxing Second Homes
- Taxing Empty Houses and Underdeveloped Land
- Taxing Windfall Gains
- Supporting a Financial Transactions Tax

A Minimum Effective Rate of Corporation Tax

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

Ireland’s headline corporation tax rate of 12.5 per cent has been the subject of increasing controversy in recent years. This is not so much because it is low, but because the effective rate that some large firms pay is considerably lower.

For many years we have called for the adoption of a **Minimum Effective Rate of Corporation Tax** and welcome the growing international acknowledgement of this as the only practical and fair route to address this issue. We have proposed an effective rate of at least 10% and believe Budget 2022 should commence the adjustment to this rate by adopting a rate **of 6 per cent** for 2022/23. Such a rate would raise over €1 billion each year.

Developing a fairer taxation system

The need for fairness in the tax system was clearly recognised in the first report of the Commission on Taxation. It stated:

“...in our recommendations the spirit of equity is the first and most important consideration. Departures from equity must be clearly justified by reference to the needs of economic development or to avoid imposing unreasonable compliance costs on individuals or high administrative costs on the Revenue Commissioners.” (1982:29)

The need for fairness is just as obvious today and *Social Justice Ireland* believes that this should be a central objective of any forthcoming reform of the taxation system. Our recent edition of *Social Justice Matters* (see ch 4) provides details of these proposals and highlights these areas of priority (see also p5):

- Standard Rating Discretionary Tax Expenditures
- Favouring Fair Changes to Income Taxes
- Introducing Refundable Tax Credits
- Reforming Individualisation
- Making the Taxation System Simpler

Income Tax Changes since 2014

Many of the Budgets since the end of the last economic crisis and the emergence of Covid-19 gave emphasis to providing reductions in income taxation. Looking back over the past two decades, data from the Department of Finance's income tax reports, which accompany each year's Budget, demonstrate that the proportion of gross income paid in all forms of income taxes, levies and social insurance payments fell substantially from the late 1990s to their lowest levels in 2008. These effective taxation rates increased from 2008 to 2013, returning to levels equivalent to those that existed in 2003. Rates were unchanged between 2013 and 2014.

Since 2014 budgetary policy has provided recurring decreases in income taxes. Over three diagrams we compare the total annual value of these reductions between 2014 and 2021. The analysis captures changes to income tax rates, USC rates, social insurance rates and structures, and income tax credits. For example a single earner with a gross income of €40,000 paid €9,920 in income taxes, employee PRSI and USC in 2014 and paid €8,360 in 2021; a reduction of €1,560 per annum.

The analysis highlights a number of points. First, it provides evidence of the scale of the income tax reductions delivered over recent years; these are often overlooked, yet are substantial at the individual/household level and at the exchequer level. Second, the charts illustrate the distribution of these income tax decreases. As we have highlighted in our annual budget documents the gains have been skewed to higher income earners and households.

We provide a more comprehensive picture of income changes, including changes to the value of welfare payments and the statutory minimum wage, on page 4 of this document.

**Value of overall income tax reduction, 2014-2021
Single earner**



**Value of overall income tax reduction, 2014-2021
Couple one earner**



**Value of overall income tax reduction, 2014-2021
Couple two earners**



Source for Charts 3, 4 and 5: Department of Finance Budget Documents - various years. **Notes:** All workers are assumed to be PAYE workers. For couples with 2 earners the income is assumed to be split 65%/35%. Couples with one earner are assumed to be entitled to the Home Carer Credit.

Investment—Housing and Homelessness



As the recovery from the Covid-19 crisis continues, it is becoming more apparent that Ireland's housing crisis is still with us and the last few years have delivered very little real progress in providing suitable, secure, stable and above all, affordable housing. The Government has published its long awaited housing strategy—Housing for All—with a budget of 20 billion over the next five years. Whilst there is much to welcome in the strategy, fundamental flaws in social and private housing build targets, the lack of ambition in preventing homelessness and the continuation of rental and retail housing subsidies may fall short of what is needed. To achieve the goal of housing for all, Government must:

Address Housing Data Deficits

It is impossible to make realistic progress against targets that are not based in reality. The current data collection does not accurately capture the numbers of people who have a housing need. By not including those who are reliant on family, friends or the local authority for temporary accommodation, those in refuges and shelters, those at risk of losing their homes due to mortgage arrears and those in receipt of precarious social housing supports, there is a serious underestimation of the real number of builds required. Note Housing for All is using a Housing Need and Demand Assessment (HNDA) that makes no reference to the backlog built up over more than a decade of under provision. Housing strategy going forward must be evidence based. We can begin this process by ensuring accurate data capture on homelessness.

Align data collection on homelessness to the ETHOS typology to avoid further obfuscation and provide the necessary administration and ICT supports to do so at an initial cost of €3m in Budget 2022.

Tackle long term mortgage arrears cases

Among the households most at risk of homelessness those in mortgage arrears. As of 31st March 2021, there were 29,429 mortgages in long term arrears of one year or more. It is clear that a sustainable long term solution must be found. Most at risk, are the 5,416 accounts that have been in arrears for more than ten years. Housing For All commits to broadening the scope for the Mortgage to Rent scheme, aiming to deliver 1,000 solutions every year which does not remotely reflect the scale of the problem. We can ill afford another 30,000 households either being added to social housing waiting lists or being made homeless. To prevent this, Government must acquire an equity stake in properties in mortgage distress leaving families in situ and increasing the State's social housing stock. **Beginning with those mortgages in arrears of more than 10 years, at a cost of €1.25bn.**

Build more social and affordable housing

An increase in social housing stock is needed to sustain this sector and reduce house and rent prices into the future. Other European countries which we would like to emulate have a social housing stock that is 20 per cent of their overall housing stock compared to 9 per cent in Ireland. As of 31st December 2019, there were 173,459 social housing dwellings in the ownership of either the Local Authorities or AHBs. This number needs to a least double by 2030 to

meet demand. Housing for All aims to provide 90,000 social homes by 2030, with guaranteed funding to 2026 only. This target would address only three quarters of existing need, without taking account of the 27,500 new households entering the system each year. A more appropriate target would be 20 per cent of all housing stock to be social housing. To achieve this Government must **build 14,341, social homes each year for the next 10 years at an annual cost of €3.3bn.**

This investment will require a skilled workforce. Inclusion of a new construction apprenticeship programme whereby one in every fifteen is required to be an apprentice earning at least the Living Wage must form part of any rebuilding scheme.

The process of addressing housing affordability on the supply side rather should begin as soon as possible with the establishment of a construction procurement working group and the winding down of demand side schemes that artificially maintain high house prices. Housing for All sees the Government continuing its commitment to demand-side subsidies, artificially maintaining high purchase prices. **The removal of the Help to Buy Scheme would save the Exchequer €144m in 2022.**

Ensure Social housing stock and land remain social

In order to deliver cost effective social and affordable homes and keep costs at a minimum, the land costs must be kept as low as possible. Building on land already owned by the State makes this feasible. According to a 2014 Residential Land Availability Survey, there was sufficient land in the ownership of the State to provide for the construction of 414,000 dwellings. Using less than half of this land would meet the 20 per cent target we propose. Once the houses are built, it is vital that they remain social.

Government should adopt legislation to prohibit the sale of State lands suitable for residential development and use this land to build social housing. Housing for All has committed the Government to making greater use of State lands for social, affordable and Cost Rental housing without that guarantee however.

Legislation should also be introduced to ensure that Approved Housing Bodies retain their social housing stock as social housing and prohibit its sale on the private market. This will be even more important after Housing for All which will see AHBs provided with additional funding as they are set to play a larger role in social housing provision.

To ensure the sustainability of social lettings, the services and infrastructure communities require must be in place. Community health networks, social care supports, community policing, safe spaces should be a priority. **This regeneration would require an initial investment of €100m in Budget 2022.**

Develop a functioning Private Rented Sector

We welcome the specific commitments made in the Strategy to increase protections for tenants, increase inspections, investigate deposit protection schemes, and introduce long-term leases.

Legislate to increase tenants' rights and introduce long-term tenancies.

Work, Basic Income & Welfare



Budget 2022 needs to prepare Irish society for the inevitable social and public policy challenges that are likely to appear as the pandemic subsides. Among the most visible of these will be challenges associated with work, unemployment and job creation.

As we highlighted in our recent *Employment Monitor* (May 2021) CSO data demonstrates that 21% of people whose employment was affected by Covid-19 do not expect to return to the same job after the pandemic. In the absence of other employment opportunities, this suggests the potential for a transfer of these individuals from these schemes to jobseekers payments. A large increase in unemployment numbers seems inevitable; with rates of between 12% and 16% of the labour force possible. Furthermore, the pandemic is also likely to reveal a large youth unemployment problem.

Budget 2022 needs to allocate resources to address these challenges and minimise the scale of the increase in unemployment and the growth of long-term unemployment. Specifically, we believe the Budget should:

- resource the upskilling of those who are unemployed and at risk of becoming unemployed through integrating training and labour market programmes.
- adopt policies to address the worrying issue of youth unemployment. In particular, these should include education and literacy initiatives as well as retraining schemes.
- expand the age profile for apprenticeships and training programmes to include older workers who may need to re-skill.
- recognise the challenges of long-term unemployment and of precarious employment and adopt targeted policies to address these.
- resource policies to address the obstacles that face women as they return to the labour market.

Supporting a Universal Basic Income (UBI) Pilot

Social Justice Ireland has a long history of advocating for a system of Universal Basic Income to be implemented in Ireland. We therefore welcomed the inclusion in the Programme for Government of a commitment to examine Basic Income and run a pilot in Ireland during the lifetime of the current Government.

In May 2021 we hosted a seminar, and published a document, outlining a proposal for a UBI pilot to be applied to artists and arts workers. The proposal builds on a recommendation of the Arts and Culture Recovery Task Force Report and detailed a four year pilot paid at the current rate of jobseekers benefit. The proposal also outlined a timeline for the development, introduction and evaluation of the pilot. The document, and presentations from the launch event, are available on our website.

While there are limited cost implications associated with the pilot we have proposed, Budget 2022 should commit to introducing this pilot and funding the evaluation process to accompany it. Ultimately, there are important lesson to learn from this UBI pilot which can inform longer term developments in this area.

Benchmarking Social Welfare Rates

The Covid-19 crisis has highlighted a number of aspects of the welfare state and the importance of properly provided and funded public services in countries across the world. Among the many lessons in this country, the crisis has highlighted the importance of the social safety net that is our social welfare system. For many, the experience has also illustrated the substantial challenges of life on a low income; even when that income is considerably higher than the value of core social welfare payments that many unemployed people, pensioners and people with long-standing illness and disabilities struggle with persistently.

Poverty data from the CSO, released in October 2020, demonstrated how adequate social welfare payments are required to prevent and address poverty. Without the social welfare system 41.4 per cent of the Irish population would have been living in poverty in 2019. Such an underlying poverty rate suggests a deeply unequal distribution of direct income. In 2019 social welfare payments reduced the poverty rate by almost 29 percentage points to 12.8 per cent.

Yet, even after the provision of social welfare payments, in 2019 there were almost 630,000 people in Ireland living below the poverty line. Of these almost 190,000 were aged under 18.

..there is a need to further increase minimum social welfare rates and commit to converging on a benchmark equivalent to 27.5 per cent of average weekly earnings

The new Commission on Taxation and Welfare is a welcome initiative and *Social Justice Ireland* looks forward to engaging with their work. We consider it important that the Commission consider and recommend the benchmarking of social welfare rates. 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. Benchmarking minimum rates of social welfare payments to movements in average earnings is therefore an important policy priority.

Over a decade ago Budget 2007 benchmarked the minimum social welfare rate at 30 per cent of Gross Average Industrial Earnings (GAIE). Today that figure is equivalent to 27.5 per cent of the average weekly earnings data being collected by the CSO. Applying this benchmark using CSO data for 2020 and projections for wage growth in 2021 allows us to compare this benchmark with current welfare rates.

In 2021 the updated value of 27.5 per cent of average weekly earnings equals €222 implying a shortfall of €19 between current minimum social welfare rates (€203) and this threshold.

Given the importance of this benchmark to the living standards of many in Irish society, and its relevance to anti-poverty commitments, the current deficit highlights a need for Budget 2022 to further increase minimum social welfare rates and commit to converging on a benchmark equivalent to 27.5 per cent of average weekly earnings. We hope the new Commission can establish a pathway to achieving this important policy objective. As a start **Budget 2022 should increase minimum social welfare rates by €10 per week.**

Investment - Rural Ireland, the Regions and Communities



Investment in the regions is vital to a balanced and fair post-Covid recovery. Rural Ireland faces many challenges, including an older population, higher rates of part-time employment, lower median incomes, distance from everyday services and higher poverty rates than the national average. In addition new challenges have emerged, the impact of Brexit, digitisation and a potentially prolonged period of unemployment on areas that were already struggling.

Rural and regional economies

There is a need to consider the sustainability of some of the employment across Ireland. In some regions many of the jobs currently available will be transformed or indeed made redundant in the medium term either by disruptive technology or by the need to adapt to a low carbon economy. Regions dependent on tourism face an uncertain future.

Social Justice Ireland proposes the establishment of a regional development and transition programme. This programme would have the task of aligning ‘Our Rural Future’, Regional employment plans, Future Jobs Ireland, the Climate Action Plan and the Economic Recovery Plan with the principles of just transition and developing sustainable local economies and livelihoods for our communities.

€100m should be allocated to Regional Development and Transition in Budget 2022. This funding should be used to invest in (i) Smart Villages to support remote working; (ii) education for the current and future generation of farmers to move to more sustainable agricultural methods; (iii) developing local cooperatives and regional ‘Farm to Fork’ strategies, and (iv) improving and expanding public services to promote and support rural living.

In addition, an additional **€25m to Enterprise Ireland** to develop and support indigenous enterprises and job creation across the regions, particularly those areas most impacted by Covid-19 and those who will be most impacted by Brexit. We also propose an additional **€25m for Fáilte Ireland** to promote local and regional tourism initiatives.

Rural Transport

Increased funding is required for rural public transport and the nationwide expansion of cycling infrastructure and greenways.

Social Justice Ireland calls on Government to invest **an additional €50m to the Rural Transport Programme**, increasing the range of public transport options and ensuring the rural public transport options and fleet are in line with our climate commitments, safe-guarding communities from isolation, and incentivising greater public transport usage. In addition we propose an initial investment of **€10m in our cycling and walking infrastructure**.

Broadband

Strategies and plans to promote rural and regional economies are heavily reliant on the provision of reliable, quality, high-speed broadband. **Social Justice Ireland proposes a €200m investment** to rollout the network of 400 Remote Working Hubs, supporting infrastructure and

shared services and meeting our Digital Agenda for Europe targets. €5m of this funding should be ringfenced for the upgrade of existing remote working hubs

Community and Voluntary Sector

Whilst *Social Justice Ireland* welcomes the Covid-19 related funding received by the Community and Voluntary sector, the funding challenges faced by the sector since 2008 have never been resolved and will be further exacerbated by the current crisis. The Covid-19 pandemic saw extra demands placed upon the sector coupled with a loss of fundraising. It is essential that Government resource this sector into the future and that it remains committed to the principle of providing multi-annual statutory funding.

Social Justice Ireland proposes an increase of €30m to the Community and Voluntary sector to ensure the continuation of the provision of key supports and services in our communities.

Public Participation Networks (PPNs)

The PPNs are the primary mechanism for Local Authority engagement with communities. While this is an important step in fostering a more democratic local government structure, there is some way to go to build real participation and partnership in local government decision-making. Investment in community engagement is needed to support capacity building and the establishment of local dialogue forums to support participation in the development of the Local Economic and Community Plans, and the Local Authority budgets. To this end, an additional allocation of **€2 million** should be made in Budget 2022 to **support capacity building and meaningful participation at local level**.

Local Authority Participation Structures Review

Investment in community engagement across Local Authorities is needed to ensure that the participative structures set up, such as Strategic Policy Committees, Local Community Development Committees and so on, are fit for purpose. Without this, structures such as the PPNs cannot fully deliver on their mandate. **Budget 2022 should include an allocation of €2m for the review of Local Authority participation structures and to begin the delivery of training and supports.**

Social Enterprises and Deficit Demand

There is a diverse range of organisations within the social enterprise arena, ranging from those responding to ‘deficit demand’, particularly in under-represented and disadvantaged areas, to social entrepreneurs whose business model is most closely aligned to the commercial sector.

Budget 2022 should allocate **€1.5m** towards resourcing the **National Social Enterprise Strategy**, aimed particularly at those social enterprises meeting deficit demand.

Community Development Programmes

Government must increase funding allocations to LEADER (the funding programme to support the social and economic development of areas) and SICAP (the Social Inclusion and Community Activation Programme) to support the development of local communities with an **additional allocation of €2m in Budget 2021**.

Investment - Health and Disability



People should be assured of the required treatment and care in their times of illness and vulnerability.

The standard of care is dependent to a great degree on the resources made available, which in turn are dependent on the expectations of society.

Covid-19 put an unprecedented strain on our healthcare system, however the systemic issues and overreliance on acute services which dominated the Irish healthcare infrastructure pre-Covid only served to exacerbate the problem.

Access to Care

Ireland ranked 21st out of 35 countries in 2016 in a report by Health Consumer Powerhouse published in 2017, but on the issue of accessibility, Ireland ranked among the three worst countries. That report notes that even if the (then) Irish waiting-list target of 18 months were reached, it would still be the worst waiting time situation in Europe. Irish hospitals are working near full capacity.

According to data from the National Treatment Purchase Fund there were 178,064 people waiting for 18 months or more for outpatient's treatment in March 2021. This equates to almost three in every 10 of the 628,756 people awaiting treatment that month.

Compared to the same month in previous years, there has been a large increase in the total number of people awaiting treatment for 18 months or more – an increase of 65 per cent on March 2020 and 75 per cent on March 2019. Older people have fared the worst in terms of delays in treatment, with number of older people on outpatient waiting lists for 18 months or more has increased by 68 per cent since 2020 and by 88 per cent since 2019. While still high, the rate of increase among children has not increased to the same extent. Those aged 0-15 years awaiting treatment for 18 months or more increased by 50 per cent on 2020 and 35 per cent on 2019.

Government needs to urgently address these inequalities in the health service and implement a programme that provides access on the basis of need.

Acute Care

Irish hospitals are working near full capacity. The occupancy rate for acute care beds is among the highest in OECD countries, and while having a high utilisation rate of hospital beds can be a sign of hospital efficiency, it can also mean that too many patients are treated at the secondary care level Primary Care. In 2018, bed occupancy rates for curative (acute) care averaged 73 per cent across EU Member States, but they were 91 per cent in Ireland.

Like the governments of other countries, the Irish government made additional allocations in 2020 to the health sector to deal with the COVID-19 pandemic. These commitments included expanding hospital capacity, developing primary and community-based responses, procurement of medical equipment, and an assistance scheme for private nursing homes. Universal health coverage is a key pre-requisite to improving access to care for vulnerable groups, something, that might be said to be acknowledged in the government's extension of coverage for GP visits for COVID-19 treatment to the entire population.

The model of healthcare used in Ireland is defined by an over-emphasis on hospitals and acute care rather than pri-

mary and social care being more central. However, reform will not happen without prior investment. While recognising the significant additional resources provided in response to the COVID-19 pandemic, it is essential that the resources are deployed in a way which delivers the transformation of the health service in line with Sláintecare.

Proposals: **To address the inequalities in our healthcare system and develop a system that is fit for purpose for all, Government needs to:**

- **Invest the €500m infrastructure allocation set out in Sláintecare.**
- **Invest €50m in Community Nursing Facilities.**
- **Invest €150m in the roll-out of community health networks to alleviate pressure on acute services and ensure treatment is provided at the appropriate level of need.**

Mental Health

According to the latest available data, the HSE Management Data Report for September 2020, 2,112 children and young people were awaiting supports from the Child and Adolescent Mental Health Service (CAMHS). Of these one in ten were waiting for treatment for 12 months or more. This is a slight proportionate decrease on the same period in 2019 when 11 per cent were waiting in excess of 12 months or more. A mental health crisis is likely to be a prevailing legacy from Covid-19, not just because of the immediate stress; but also the impact of the illness on those who contract it and their wider circle; the impact on healthcare workers and other frontline staff; and the impact on those who live in vulnerable households, including households with domestic abuse.

Proposal: **Invest in the full implementation of the *Sharing the Vision* strategy at an initial cost of €35m and increase funding for programmes dealing with alcoholism and addictions at a cost of €76m.**

Persons with a Disability and Carers

People with disabilities were cumulatively affected by a range of decisions introduced as part of successive austerity Budgets. These included cuts to social welfare payments, changes in medical card eligibility, increased prescription charges, and cuts to supports such as respite, home support hours, and housing adaptation grants. The cumulative effect of changes makes it difficult for some people to continue to live in their communities.

Proposal: **To support people with disabilities to live fulfilling lives within their communities, Government must:**

- **Introduce a cost of disability payment of €20 per week at a cost of €246m in Budget 2022.**
- **Increase investment in disability services, including respite and personal assistant services (cost of €40m).**
- **Allocate €40m for implementation of the UNCRPD.**
- **Increase the Domiciliary Care Allowance to €330 at a cost of €11.4m.**
- **Expand the Free Travel scheme to include people in receipt of Domiciliary Care Allowance (cost of €6.1m).**
- **Increase the annual Carer's Support Grant to €2,000 (at a cost of €21.5m).**

Investment - Education, Children and Families



Investment in education at all levels is essential in Budget 2022. The Covid-19 crisis has generated the greatest disruption in educational opportunity worldwide in a generation and has exacerbated existing inequalities within our education system. Without sufficient levels of investment this impact will be felt for generations.

Early Childhood Care and Education (ECCE)

Ireland performs poorly when it comes to investing in early years and ECCE, spending just under 0.4 per cent of GDP on pre-primary education for 3-5 year olds. **Social Justice Ireland proposes that Government allocate €36m in Budget 2022**, to bring spending in this area to 0.5 per cent of GDP, and build on this investment each year to reach 1 per cent of GDP by 2026. This investment must include non-contact ECCE time.

The Covid-19 crisis has exacerbated existing inequalities within our education system. Without sufficient investment this impact will be felt for generations to come.

Reducing class sizes and Pupil-Teacher ratios

Ireland's class sizes have long been above the European average, particularly at primary level where the average class size is 25. (The EU average is 20). Budget 2022 should set a target of keeping average class sizes below 20 and reducing the Pupil-Teacher Ratio (PTR) further with a special focus on primary level and DEIS schools. **€29m should be allocated in Budget 2022 to reduce the PTR.**

DEIS Schools at Primary and Post-Primary level

Continued support for DEIS schools must be a policy priority, with a suite of measures to address educational disadvantage including reduced PTR and class sizes, and sufficient ongoing resourcing available to support new ambitious literacy and numeracy targets. **Social Justice Ireland proposes a €15m expansion of the Student Support Scheme Pilot in Budget 2022.**

We also recommend the **restoration of the Back to School Clothing and Footwear Allowance** to 2011 levels (€18m) increase funding for **Schools Meals Programme** by ten per cent (cost €6.5m), and **€15m** to fund school places, programmes and supports for students with **special education needs**. Finally, Budget 2022 should see a **10 per cent increase in capitation grants at both primary and secondary level** (cost €20.4m).

Further and Higher Education and Training

An additional €40m investment in Further Education and Training to develop and expand apprenticeships and traineeships to meet future skills needs and advance the circular economy, particularly at a regional and community level.

An additional €40m in State funding in higher education as a first step towards meeting the core funding requirements identified in the Cassells Report. **Social Justice Ireland** also proposes that Government **allocate €47m in Budget 2022 to increase the maintenance grant by**

€1,000. We also propose an **increased allocation of €1m to the Fund for Students with a Disability** in Budget 2022.

We propose a **€2m investment in additional apprenticeship and traineeship places** for Traveller students.

We propose that **€10m be invested in a Transition Skills Fund** targeted at young people not engaged in education or training (NEETs) and people employed in sectors whose jobs are at high risk of automation.

Lifelong Learning and Adult Literacy

Social Justice Ireland proposes an **investment of €10m in Budget 2022 to expand the Human Capital Initiative and improve lifelong learning** across all cohorts of the population. Government should invest **€25m** per annum until 2027 in **adult literacy** as per the recommendation of the 2007 Joint Committee Report on Adult Literacy. Of this €20m is required to rollout the new Adult Literacy, Digital Literacy and Numeracy Strategy and €5m to fund ancillary and support services. We also propose an additional investment of **€1.5m** in Community Education.

Children and Families

Investment in Children and Families is an essential investment in our social and human capital now and into the future. To assist with the delivery of the European Pillar of Social Rights *Work-Life-Balance* directive we are proposing **an additional two weeks paternity leave in Budget 2022 at a cost of €12m and an additional two weeks of paid parental leave at a cost of €22m.**

Social Justice Ireland proposes that Government invest **€30m in Budget 2022 to ensure childcare workers are paid a living wage.**

Budget 2022 should also allocate **additional funding to Tusla of €50m for child protection and increased social provision for children and families**, while increasing the resources available for the **regulation of childminders by €2m.**

€3.5 million should be invested towards the full implementation and resourcing of the EU Child Guarantee.

Arts and Cultural Participation

We propose an additional investment of €5m in funding for the Arts Council to embed arts and cultural participation as part of the ECCE framework. This investment would begin to address the large disparities in arts participation between children from different socio-economic backgrounds highlighted in the *Growing up in Ireland* study.

Children and Young People in Direct Provision

Government should fully implement the Day Report recommendations around the introduction of income supports for families seeking asylum and move those seeking asylum into more appropriate accommodation. Government should introduce the **International Protection Child Payment for children in Direct Provision in Budget 2022 at a cost of €2m**, committed to in the Government's White Paper, which is to be paid at the same rate as Child Benefit.

Financial Literacy

Budget 2022 should allocate **€2m** in a financial literacy programme aimed at school children and their families.

Older People



Ireland has an increasingly ageing population and it is imperative, both from the perspective of the individual and the supporting structures, that ageing in place becomes the default approach.

Adequate Income

The objective of a pension system is to provide citizens and residents with an income that removes them from the risk of poverty in old age, yet the Irish pension system is characterised by incomplete coverage and a generous system of tax reliefs that disproportionately benefit the better-off in society. (More than 70 per cent of these very lucrative pension-related tax reliefs accrue to individuals in the top income quintile).

Social Justice Ireland proposes a **single-rate universal state social welfare pension from January 2022 at the rate of the State Pension (Contributory)**. The significant additional expenditure required could be funded through reform of Ireland's system of pension-related tax reliefs, and through a moderate increase in Employer PRSI, as detailed in our report on the Universal Pension from March 2018. This would involve standard-rating the tax break on all private pension contributions.

Housing Supports

According to Eurostat, 9.9 per cent of Ireland's population aged 65+ are living in a dwelling with a leaking roof, damp walls, floors or foundation, or rot in window frames or floor, and that's before accounting for illness or disability which requires further home adaptations. That's almost 69,000 older people. Research by TILDA puts the rate of people aged 50+ living in substandard accommodation at 57.8 per cent, with the most prevalent housing condition issues relating to damp, mould or moisture.

The expenditure in respect of the Housing Aid for Older People plummeted from €30.8m in 2010 to just €12.8m in 2020, while Housing Aid for People with a Disability reduced from €39.8m to €26.6m in the same period. The number of grants across both schemes fell from 11,552 in 2010 to 6,455 in 2020. To provide for a standard of living into older age, the cuts to Housing Aid for Older People and Housing Aid for People with a Disability must be restored, starting with an **allocation of €85m in Budget 2022**.

Home Care

Being well at home is also about the availability of care supports appropriate to the needs of older people. According to the most recently published HSE Performance Reports there were 417 delayed discharges of older people up to the end of September 2020, and 2,964 older people awaiting homes support packages. The Government committed to the introduction of a statutory right to home care in 2021, however we are yet to see any detail of this.

Social Justice Ireland believes that ultimately it should allow for choice on the part of the care recipient from a 'basket of goods' that ranges from healthcare to home care, personal care to social inclusion. In the meantime, an increase in the current provision of home support packages to older people is urgently required. The average number of hours provided by the HSE per older home care recipient for the first nine months of 2020 was 6.3 hours per week. While

the number of people in receipt of home support increased by 649 on the same period in 2019, 158,050 fewer hours were delivered.. **Budget 2022 must include an allocation of €106m for additional home care supports and address the most current waiting lists.**

The Community and Voluntary sector provide a range of key supports for older people, from befriending and social inclusion supports, to home care and assistive technologies. These supports are particularly important for those older people living with dementia and their families. The additional revenue supports to frontline Community and Voluntary organisations dealing with the Covid-19 emergency were welcome, however for these supports to be sustainable post-Covid, a multi-annual increase in allocation is required starting with an **allocation of €35m in Budget 2022**.

Nursing Homes

The impact of Covid-19 on nursing home residents is well-documented. Approximately 3.7 per cent of all people aged 65+ reside in nursing homes, as per Census 2016. While the health focus should be on enabling people to age at home, for those for whom nursing home care is appropriate, nursing home policy must take cognisance of the vulnerability of residents, their advanced medical conditions, and the retention of a quality of life. *Social Justice Ireland* welcome the inclusion of measures to safeguard nursing home residents in the Programme for Government. This must be adequately funded and address both the shortfall in coverage and the disparities of funding between HSE-led and private and voluntary facilities. It must also be provided in consultation with nursing home providers, residents, families and carers.

The Government is yet to publish the nursing home pricing review, promised by November 2019 and delayed again in October 2020, which would provide much-needed clarity to this area. Funding for nursing homes should be aligned to the needs of the residents; and to resource staffing and safeguarding reforms in nursing home care to ensure the safety of residents. ***Social Justice Ireland* proposes an increase in funding for Nursing Homes to take account of demographic change pending publication of this report. This would cost an additional €35m in Budget 2022.**

Safeguarding

Of the 11,929 safeguarding reports made to the HSE National Safeguarding Office in 2019, almost 28 per cent (3,337) were made by people aged 65+, with 11.7 per cent (1,392) made by people aged 80+. The most prevalent types of abuse reported were psychological (1,356), physical (1,046) and financial (875). Immediate family members were most likely to be reported as alleged abusers (1,235 – an increase of 28 per cent on the previous year). More is needed to support adult safeguarding in Ireland with an increase in safeguarding supports at local and national level.

Budget 2022 should contain an additional €2 million to increase the capacity of the HSE Safeguarding Teams and develop a public awareness programme to support older people experiencing abuse.

Environment and Sustainability



Budget 2022 provides an opportunity to ensure that our investment strategy supports the ambition of the climate action plan, a just transition to a green economy, emission reductions, and builds a vibrant society and economy.

Transport

Social Justice Ireland proposes that **Budget 2022 equalise the excise duty on diesel and petrol** by increasing the excise duty on Diesel by 6c per litre and decreasing the excise duty on Petrol by 6c per litre to yield €114m. We propose that €22m be allocated to a commercial diesel rebate fund to compensate those most affected. Air travel is a significant contributor to transport emissions. *Social Justice Ireland* proposes the introduction of a **Commercial Air Transport Tax in Budget 2022 to yield €204m**. This is in line with the ‘Polluter Pays’ Principle and the Environment Liability Directive. Airlines and business air charter companies operating in Ireland would pay a per-passenger charge of between €5 and €30, depending on destination, on all commercial flights with a seating capacity greater than 10 people departing Irish airports.

Aggregate Levy

To promote the recycling of aggregates (rocks, sand and gravel) in the building industry, and the re-use of old buildings, *Social Justice Ireland* proposes the introduction of an **aggregate levy of €2.50 per tonne** in Budget 2022. This would generate an estimated yield of €75m.

Retrofitting and Energy Efficiency

One of the most cost-effective measures for meeting our emission and energy targets is to increase building energy efficiency. **Social Justice Ireland proposes that €85m be allocated in Budget 2022 for a retrofitting programme** modelled on the Energiesprong programme in the Netherlands with €10m targeted for improving ventilation in public buildings. In addition, **€100m should be invested in the development of renewable energy sources**. €2m of this should be ringfenced to establish a network of community energy advisors to engage with and inform people and households in energy poverty and hard-to-reach energy users. **The PSO levy should be reorganised according to average demand**. This would ensure that each sector is responsible for the proportion of renewable electricity that it gives rise to. This is a first step to ensure that Data Centres make an appropriate contribution to Ireland’s renewable energy targets.

Ensuring a Sustainable Recovery and a Just Transition

Integrate a **Sustainable Development Framework** into economic policy. This would ensure that policies are socially, economically and environmentally sustainable. A sustainable development framework integrates environment, society and the economy in a balanced manner with consideration for the needs of future generations. Maintaining this balance is crucial to the long-term development of a sustainable resource-efficient future for Ireland.

Develop a new **National Index of Progress**. Government should develop a new National Index of Progress encompassing environmental and social indicators of progress as well as economic ones. This would involve moving beyond simply measuring GPD, GNI and GNI*, and including other indicators of environmental and social progress such as the value of unpaid work to the economy and the cost of depletion of our finite natural resources.

Investment must be underpinned by a **Just Transition Strategy**. One of the fundamental principles of a Just Transition is to leave no people, communities, economic sectors or regions behind as we transition to a low carbon future. Transition is not just about reducing emissions. It is also about transforming our society and our economy, and investing in effective and integrated social protection systems, education, training and lifelong learning, childcare, out of school care, health care, long term care and other quality services. Social investment must be a top priority of transition because it will support those people, communities, sectors and regions who will be most impacted as we transform how our economy and society operates.

Reducing Waste

To reduce the level of municipal waste going to landfill and promote the use of re-usable, biodegradable and compostable products, *Social Justice Ireland* proposes the introduction of a **15c levy on single use coffee cups to yield €56m** and an investment of **€82m in a deposit and return scheme for sealed beverage containers** in Budget 2022. This would boost recycling and yield an economic return of approximately €96m per annum.

Biodiversity and Nature

Natural capital spending in areas such as rural ecosystems, biodiversity and expanding parkland are identified as fast-acting climate friendly policies that will have an immediate impact and long-term returns. Budget 2022 should invest **€10m in the National Parks and Wildlife Service and in the National Biodiversity Centre** to scale up policies to support biodiversity, develop and implement an ambitious and effective Post-2020 Global Biodiversity Framework, and mainstream biodiversity into economic decision-making.

Investing in the Future—the Circular Economy

Moving to a circular economy ‘where the value of products, materials and resources is maintained in the economy for as long as possible, and the generation of waste minimised’ presents a challenge across all sectors, but bears rewards from an economic, environmental and social standpoint. *Social Justice Ireland* proposes an allocation of **€10m in Budget 2022 to begin the rollout of the Circular Economy Strategy** concentrating on areas such as sustainable agriculture, bio-economy, and recognition of the interconnectivity between the economy, environment and society.

Fossil fuel subsidies and tax expenditures

In Budget 2022 Government should begin the process of **ending fossil fuel subsidies and environmentally harmful tax expenditures**. These not-insignificant resources (€2.4bn in revenue foregone in 2018) should be invested in in renewable energy, addressing energy poverty and a deep retrofitting programme for homes and community facilities.

As a first step Government should review all fossil fuel and environmentally harmful subsidies, introduce sunset clauses where necessary and divert these funds to renewable energy programmes.

Ireland: Some Key Diagrams and Tables

**Chart 6: National Debt per person, 2000-2026
(estimates from 2019)**

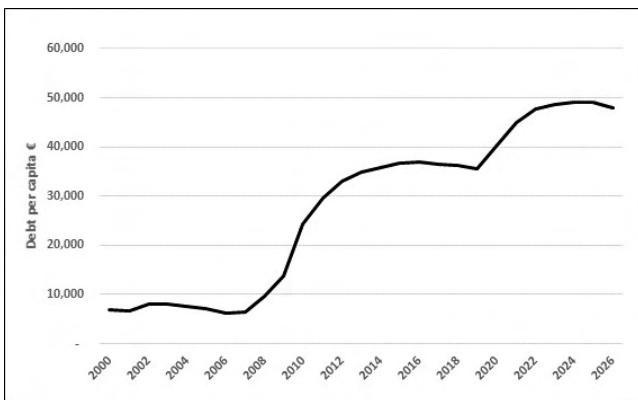


Chart 7: Jobseekers Benefit as a % of Average Weekly Earnings, 2011-2020

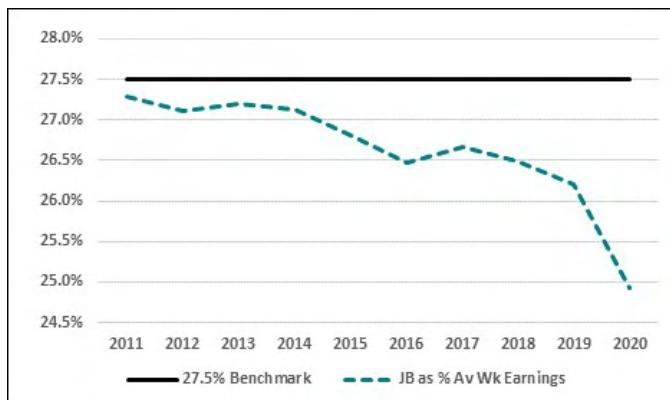


Chart 8: Poverty and Deprivation, 2005-2019

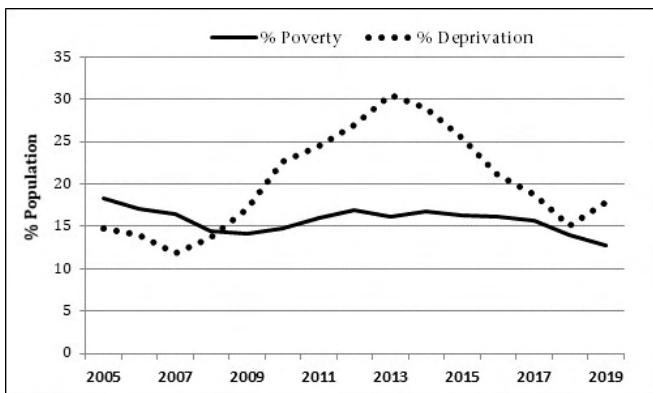


Chart 9: Unemployment 2007-2020 (000s)

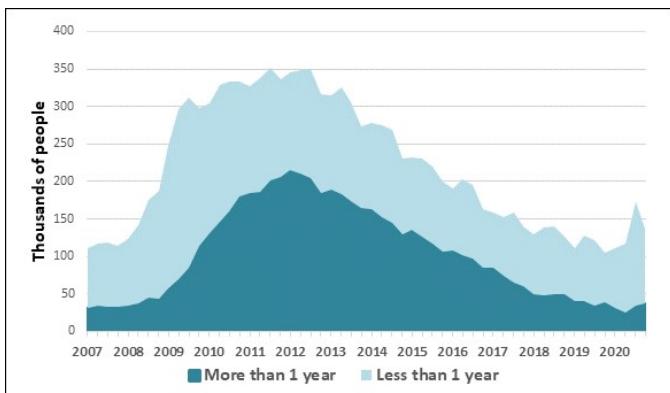


Table 1: The Minimum Disposable Income Required to Avoid Poverty in 2021, by Household Types

Household containing:	Weekly poverty line	Annual poverty line
1 adult	€286.48	€14,949
1 adult + 1 child	€381.02	€19,882
1 adult + 2 children	€475.56	€24,815
1 adult + 3 children	€570.09	€29,748
2 adults	€475.56	€24,815
2 adults + 1 child	€570.09	€29,748
2 adults + 2 children	€664.63	€34,681
2 adults + 3 children	€759.17	€39,614
3 adults	€664.63	€34,681

Table 2: Effective Taxation Rates for selected household types, 2000 / 2008 / 2021

	2000	2008	2021
Single earner			
Gross Income €25,000	24.0%	8.3%	12.6%
Gross Income €60,000	37.7%	27.5%	30.1%
Couple 1 earner			
Gross Income €40,000	20.2%	9.4%	10.7%
Gross Income €60,000	29.0%	19.8%	21.9%
Couple 2 earners			
Gross Income €40,000	17.5%	3.6%	7.6%
Gross Income €100,000	35.9%	23.8%	26.4%

Data on this page is from: OECD Economic Outlook; CSO National Income and Expenditure Annual Results; CSO Quarterly National Accounts; Department of Finance Stability Programme Update; IMF World Economic Outlook; CSO LFS; CSO SILC, Social Justice Ireland Budget Analysis and Critique and Socio-Economic Review.

Direct Provision, ODA and DSGBV



Direct Provision

As of May 2020, there were 7,700 people living in the Direct Provision system spread across 84 locations, comprising both main centres and emergency accommodation due to the spread of Covid-19.

The Day Report and the subsequent White Paper sets out Government policy to replace the Direct Provision system and establish a new International Protection Support Service over the next four years which would ideally be expedited. This new system will support those applying for protection to integrate in Ireland from day one with health, education, housing and employment supports. This new system will have applicants stay in a new Reception and Integration Centre for no more than four months. These centres will be delivered on behalf of the State by non-profit organisations. Applicants will receive language and employment activation supports during this initial orientation period. After the first four months, anyone with a claim still in progress will move to accommodation within the community, families with own door and single people will have own room accommodation. Other supports such as access to legal aid and assistance, access to work, education and training, access to driving licences and bank accounts are provided for which are all welcome steps. *Social Justice Ireland* welcomed the commitment in the Programme for Government to abolish the Direct Provision system and move away from the for-profit model.

The development of this new model of delivery was due to begin in February of 2021 in a phased basis until its completion by December 2024 with estimated capital costs of between €446 million and €672 million and current costs of €175 million. **This should begin with an initial investment of €500m in Budget 2022.**

To make a difference to those living in the system now, *Social Justice Ireland* recommends the immediate introduction of the vulnerability assessments at **a cost of €2 million.**

Language supports are vital to allow residents in the system to fully understand and engage, to access their rights and opportunities and to integrate with and contribute more successfully to their new communities.

Social Justice Ireland proposes that **Budget 2022 allocate €10 m** to begin this process and support the implementation of legislation to allow International Protection Applicants to apply for Irish Driver's licences.

Domestic, Sexual and Gender-based Violence

Statistics produced by Safe Ireland indicate that during, September to December 2020, an average of 2,018 women and 550 children received support from a domestic, sexual and gender-based violence (DSGBV) service every month, with 2,445 women and 496 children accessing these services for the first time during this period. Between March and August 2020, 33,941 helpline calls were answered by the service and 23,336 calls were answered between September and December 2020.

Following our ratification of the Istanbul Convention, Ireland is obligated to have 472 places for victims of DSGBV, but has only 141. The current crisis highlights the need to protect women in communal spaces from infection and cross-contamination. The need for social distancing, requiring extended periods in the home, also highlights the need for thousands of women to find a safe space. Government must meet our commitments under the Istanbul Convention and provide a further 331 refuge spaces for victims of DSGBV. **This would cost €33.1 million in Budget 2022.** In addition, further service-level supports are needed for those experiencing domestic abuse who do not require residential spaces. This would require a **current allocation of €30m for service provision, training and legal supports in Budget 2022.**

Official Development Assistance (ODA)

Though Ireland faces a number of significant challenges, it is important to remember that those in much poorer countries face a far worse situation.

Budget 2021 allocated €867m in overseas aid. At the time, we estimated that this would bring Ireland's ODA allocation to 0.42 per cent of projected GNI* in 2021. The United Nations-agreed target is for developed countries like Ireland to provide 0.7 per cent of national income in development aid. Since 2008, when Ireland's ODA reached a peak of 0.59 per cent of GNP, expenditure as a proportion of national income, regardless of how that is measured, has decreased significantly. This limits the resources available for tackling extreme poverty, hunger, and human rights abuses. This funding is needed now more than ever, as developing countries attempt to get to grips with Covid-19 and the resultant economic disruption. This crisis will expose afresh the depth of the inequalities within and between countries.

Rebuilding our commitment to ODA and honouring the UN target should be important policy paths for Ireland to pursue in the coming years. Not only would its achievement be a major success for government and an important element in the delivery of promises made but it would also be of significance internationally. Ireland's success would not only provide additional assistance to needy countries but would also provide leadership to those other European countries who do not meet the target.

We also support the call for the permanent cancellation of all external debt payments due from developing countries in 2021, with no penalties, and the provision of additional emergency finance that does not create more debt. Currently, more than 60 countries spend more on debt financing than they do on healthcare.

In our Socio-Economic Review, Social Justice Matters: a 2021 guide to a fairer Irish society, we included projections to reach the UN target by 2030, with €867m required again in Budget 2022 to keep Ireland on track. The contraction in GNI* makes this goal more achievable and is an opportunity to recover lost ground in relation to our ODA commitments.

We acknowledge the difficulty of making projections in national income at present, but once the economic situation has stabilised, the new Government should publish a roadmap towards this target.

Tax Expenditures and Capital Spending



Given the current state of government finances, a review of Ireland's approach to tax expenditures is urgently needed.

Tax expenditures - or tax reliefs, as they are often known - are policy tools for reducing an individual's or firm's tax liability, usually with the goal of encouraging certain behaviours. They are often politically appealing as they do not increase direct government expenditure. Consequently, it is sometimes forgotten or overlooked that they represent revenue to the government that is being foregone.

An examination of the most recent comprehensive tax expenditure data published by the Revenue Commissioners, which is for the tax year 2016, is informative. In total it provides data for 120 tax breaks ranging from those associated with tax credits for earners (Personal, PAYE, Couple, Single Parent etc.) to reliefs on capital investment and films. Thirty-one per cent of tax breaks did not report any cost data either on account of delays, non-collection or discontinuation. These include the tax breaks for some pension reliefs which are only available for earlier years. Overall, the tax breaks with available data involve revenue forgone of €32bn.

While there have been notable improvements in the publication of tax expenditure details since the 2008-09 Commission on Taxation report, it remains the case that, unlike direct government expenditure, tax expenditures are not subject to annual assessment as part of the budgetary process. *Social Justice Ireland* welcomes the annual report on tax expenditure included as part of the annual Budget documents, but this is limited and receives limited attention despite the scale of resources involved.

Additionally problematic is the fact that, by their very nature, tax expenditures are regressive. Because government revenue is being foregone, this funding needs to be made up elsewhere to maintain the same level of service provision. The *cost* of tax expenditures is spread among all tax payers, but not everyone can benefit from them, and it is almost always those with the greatest income that are best placed to avail of them.

For this reason, tax expenditures represent a departure from the equity principle of taxation, as they typically benefit higher earners to a much greater extent than those

with lower incomes.

Tax expenditures have even been acknowledged to be regressive by the government's own Commission on Taxation, which has commented that 'in general, direct Exchequer expenditure should be used instead of tax expenditures' and asserted that 'to the extent that the beneficiaries of tax expenditures are those with higher incomes or substantial capital, this results in a transfer of financial resources to these beneficiaries by the rest of the taxpaying community, including those on low income'.

For these reasons it is important that tax reliefs - particularly the most costly ones - undergo proper administrative scrutiny and parliamentary debate to ensure they remain fit for purpose and cost-effective. *Social Justice Ireland* believes that as part of the budgetary process, the cost of tax expenditures (by type) for each past year should be published, as should the estimated cost of tax expenditures for the year ahead.

Furthermore, when considering whether to implement a proposed tax expenditure, government should be obliged to state publicly: the objective it aims to achieve; the other options considered, and why the tax expenditure is deemed to be the best approach; the likely economic impact of the tax expenditure; and the estimated cost.

There should also be, at the very least, scope for automatic periodic review of each expenditure. The preferable option would be for a sunset clause on each expenditure so that each must be reviewed and judged on its merits.

Budget 2022: no new tax breaks

Calls for new tax breaks, or the return of old-ones, are a feature of most periods of economic and social recovery. However, as outlined above, their provision involves great cost to the state and the unequal allocation of these resources to small groups of beneficiaries. Few of these initiatives have proven to be worthwhile in the past; in particular the opportunity cost of using the revenue in a better way is frequently overlooked.

In the context of renewed calls for income tax cuts, VAT reductions for certain sectors, long tax holidays and exemptions etc, Budget 2022 should commit to not introducing any new tax breaks.

Sustainable Capital Spending

The OECD has called on governments to systematically evaluate the environmental implications of support and recovery measures to businesses and industries and their alignment with longer-term decarbonisation plans and environmental objectives. They note that "whilst Covid-19 has caused a severe international health and economic crisis, failure to tackle climate change may threaten human well-being, ecosystems and economies for centuries".

It is therefore vital that any post-Covid-19 stimulus packages help the economy 'grow back greener', with lower emissions, and that any sector-specific financial supports or 'bailouts' are given in exchange for concessions and commitments on emissions reductions and improved environmental performance.

Recovery and stimulus packages in the aftermath of the Covid-19 lockdown will help to shape the economy for the long-term. Consequently, Government must steer investments towards productive and sustainable investment in physical, social and human capital, whilst also addressing existing concerns about poverty, inequality and social inclusion.

Pursuing this approach has obvious implications for *Ireland 2040* (the National Development Plan) and the aforementioned unemployment challenges about to emerge (see p9). Renewable energy and clean energy infrastructure are job-intensive and offer high potential returns on investment. Similarly, residential and commercial retrofitting are also areas worth focusing on.

The investment plans associated with post-pandemic recovery will be critical in setting the environmental pathway for the next few decades, and crucial for Ireland's climate ambitions and targets. Budget 2022 should commit to aligning all post-pandemic capital spending commitments to the achievement of long-term economic, social and environmental objectives.

Summary of Key Policy Goals and Investment Packages



Health, Disability and Carers - €1,177m, including:

- Frontload initial investment for Sláintecare - €500m
- Improve Community nursing facilities - €50m
- Increase funding for Community Health Networks - €150m
- Implement the *Sharing the Vision* mental health strategy - €35m
- Restore cuts to disability services in full.
- Introduce a Cost of Disability Payment - €246m
- Increase investment in disability services, including respite and PA services - €40m
- Allocate for full implementation of the UNCRPD - €42m
- Increase Domiciliary Care Allowance - €11.4m
- Expand Free Travel Scheme to DCA recipients - €6.1m
- Increase the Carer's Support Grant - €21.5m
- Additional investment in addiction services - €76m

Sustainability - €239.5m, including:

- Integrate a Sustainable Development Framework into economic policy.
- Develop a new National Index of Progress.
- Ensure adequate funding is provided for a Just Transition.
- Ensure that tax-based incentives do not lead to negative environmental outcomes.
- Continue to increase the Carbon Tax - €159m
- Commercial Air Transport Tax - €204m
- Aggregate levy - €75m
- Adequate funding for retro-fitting programmes - €85m
- Invest in National Parks, Wildlife and Biodiversity - €10m
- Implement a Circular Economy Package - €10m

Housing - €4,529.2m, including:

- Increase investment in social housing - €3,300m
- End the *Help to Buy Scheme*, and invest in *Housing First* and homelessness prevention - €144m
- Allocate additional funding to the RTB - €5m
- Introduce taxes on empty homes and underdeveloped land - €75m
- Take an equity stake in mortgaged properties with arrears in excess of 10 years—€1,400m
- Increase spending on private rent inspections and increase tenant protections—€11.2m
- Invest in services and infrastructure to support social housing—€100m
- Introduce the ETHOS Typology
- Retain State ownership of State land for social housing.

Rural, Regional and Community - €458m, including:

- Allocate funding to Regional Development and Transition - €100m
- Extra funding for Enterprise Ireland - €25m
- Extra funding for Fáilte Ireland - €25m
- Ensure the speedy roll-out of rural broadband - €300m
- Increase funding for rural transport - €60m
- Roll-out Rural Broadband and Connected Hubs - €200m
- Adequately resource the National Social Enterprise Strategy - €1.5m
- Increase funding for the Community and Voluntary sector—€30m
- Review Local Authority participation and support—€2m
- Increase funding for PPNs - €2m

Education - €274.3m, including:

- Improve the Pupil/Teacher Ratio in youngest classes - €29m
- Restore the Back to School Clothing and Footwear Allowance - €18m
- Increase the School Meals Programme - €6.5m
- Increase capitation grants by 10% at primary and secondary level - €20.4m
- Increase support for DEIS schools—€15m
- Create a sustainable funding strategy for Higher Education, with immediate increase in funding - €40m
- Invest in Further Education and Training, and expand apprenticeships - €40m
- Broaden access to maintenance grant - €47.4m
- Expand the Human Capital Initiative - €10m

Children and Families, incl. Direct Provision - €734.1m, including:

- Move investment in ECCE towards OECD average - €36m
- Introduce a Living Wage for childcare workers - €30m
- Increase and improve paternity and parental leave - €34m
- Increased funding to Tusla - €50m
- Introduce a financial literacy programme in schools- €2m
- Increase payments to children in Direct Provision-€2m
- Begin implementation of the White Paper recommendations—€512m
- Increase refuge spaces and supports for victims of Domestic, Sexual and Gender-based Violence—€66.1m

Pensions and Older People - €1,041m, including:

- Implement Universal State Social Welfare Pension - €1,245m
- Invest in social care, including Home Care Packages - €106m
- Restore cuts to Housing Aid for Older People and People with Disabilities - €85m
- Additional funding for nursing homes - €35m
- Increase funding to community supports—€35m
- Increase safeguarding measures—€2m

Other taxation and revenue-raising - €1,428.2m, including:

- Minimum Effective Rate of Corporation Tax - €1,000m
- Standard rate pension-related tax reliefs - €423m
- Standard rate discretionary non-pension tax expenditures - €147m
- Increase stamp duty on non-residential property - €30m
- Increase stamp duty on residential property transfers (in excess of €1m) to 5% - €30m
- Increase both CGT and CAT from 33% to 35% - €92m
- Increase the in-shop and online betting tax to 3% - €46m
- See pages 4-7 for more proposals, more detail, and a breakdown of the overall package number.

Miscellaneous

- Benchmark core SW rates to 27.5% average weekly earnings.
- Make provision to fund and administer a Basic Income pilot scheme, beginning in 2021.
- Maintain progress on ODA towards the 0.7% target.
- Improve monitoring of tax expenditures.
- Make the two main income tax credits refundable.

The Social and Economic position framing Budget 2022

Table 3 brings together a range of relevant data and indicators which reflect various aspects of Ireland's current social and economic situation. These data frame the context of Budget 2022.

Covid-19 and the multiple economic lockdowns it precipitated dominates the Budget context in the short-term. Supports for certain sectors and groups remain crucial. Throughout 2022, one of the main public policy challenges will be to reduce supports, as the pandemic retreats, while not opening up new or deeper divides in our society. Similarly, the health, unemployment, youth and sector divides that have already emerged will need greater attention.

At the same time, all of the significant challenges facing Ireland prior to the pandemic remain, including growing pressure on public services, a sustained problem with poverty, homelessness, and slow progress towards our climate obligations. An ageing population and lengthy social housing waiting lists are among the other challenges faced.

Ireland's low tax-take as a proportion of national income has contributed to significant infrastructure deficits. Ireland's total tax-take is not just low; it is well below the EU average. It is not possible to address the challenges listed above without increasing taxation, in a fair and equitable manner.

Table 3: Ireland's Social and Economic Position ahead of Budget 2022

Real GDP growth 2020 / 2021	3.4% / 4.5%	Minimum Wage (per hour / 39hr week)	€10.20 / €397.80
Real GNI* growth 2020 / 2021	-4.2% / 2.5%	Living Wage (per hour / 39 hr week)	€12.30 / €479.70
General Government Balance (%GDP) 2020	-5%	Employees earning the minimum wage (or less)	122,800 / 6.4%
General Government Balance (%GDP) 2021	-4.7%	Minimum Social Welfare Payment (1 adult)	€203 per week
Gross National Debt (%GDP) 2020 / 2021	59.5% / 62.2%	Minimum Essential Standard of Living amount for working-age adult living alone (urban/rural)	€250 / €285 per week
Gross National Debt (%GNP*) 2020 / 2021	105.6% / 111.8%	Poverty line 1 Adult (week / year)	€ 286 / €14,949
Total Taxation €bn 2020 / 2021	€73.1bn / €76.9bn	Poverty line 2 Adults (week / year)	€476 / €24,815
%Tax on €25,000 income (single / 2 earners)	12.6% / 0.6%	Poverty line 1 Adult + 1 Child (week / year)	€ 381 / €19,882
%Tax on €60,000 income (single / 2 earners)	30.1% / 14.9%	Poverty line 2 A + 2 Children (week / year)	€ 665 / €34,681
%Tax on €100,000 income (single / 2 earners)	38.5% / 26.4 %	% of population living in poverty (numbers)	12.8% (629,952)
%Tax on €120,000 income (single / 2 earners)	40.8% / 30.3 %	% of children living in poverty (numbers)	15.3% (191,505)
Corporation Tax rate	12.5%	% of workers living in poverty - 'the working poor' (numbers)	4.6% (97,013)
Capital Gain Tax rate	33%	% of population experiencing deprivation (2 or more basic items) in 2019 / 2014 / 2009	17.8% / 28.9% / 17.1%
Value of discretionary Tax Reliefs - where costs are available (per annum)	€15.8 billion	LA Housing Waiting list - households	61,800
Labour Force Q4 2020	2,445,100	% on LA housing waiting list whose income is entirely dependent on social welfare	59.2%
Employment Q4 2020 (official & Covid-adj.)	2,306,200 / 1,970,609	Homelessness - adults (April 2021)	5,889
Unemployment Q4 2020 (official & Covid-adj.) - count	138,900 / 468,655	Homelessness - children (April 2021)	2,193
Unemployment Q4 2020 (official & Covid-adj.) - rates	5.7% / 19.4%	Population 2016 Census	4,761,865
Long-Term Unemployment Q4 2020	36,800 / 1.5%	Population 2021 / 2041 / 2051	5.0m / 5.9m / 6.2m
Youth Unemployment Q4 2020	36,200 / 13.8%	Population older than 65 in 2019 / 2040 / 2050	0.7m / 1.25m / 1.5m
Inflation rate (CPI/HICP) year to April 2021	+1.1% / +1.1%	Population 20-64yrs in 2019 / 2040 / 2050	2.9m / 3.35m / 3.31m

Sources: Department of Finance *Stability Programme Update and Budget Documentation*, Revenue Commissioners Statistical reports, CSO *Labour Force Survey*, CSO *SILC*, CSO *Census 2016*, CSO *Population and Labour Force Projections (assumption M2F1)*, VPSJ's MESL data, Department of Housing *Homelessness Statistics*, Housing Agency *Social Housing Assessments*, and Social Justice Ireland's *Budget Analysis & Critique*, *Social Justice Matters* and *Poverty Focus*. **Note:** numbers for future years are projections.

A Framework to Deliver a Fairer Recovery

Vibrant economy	Decent services and infrastructure	Just taxation	Good governance	Sustainability
Deal with the Deficit and ensure Financial Stability	Increase Investment	Increase the Overall Tax-Take	Open, Transparent and Accountable Structures	Climate Justice and Environmental Protection
Boost Public Investment	Quality Services	Taxation Governance	Social Dialogue	Balanced Regional Development
Decent Jobs and Reducing Inequality	Minimum Social Floor	Broader Tax Base	Real Participation / Deliberative Democracy	Sustainable Progress Index

This Briefing, like all of *Social Justice Ireland's* work, is informed by a vision of a fairer Ireland where human rights are respected, human dignity is protected, human development is facilitated, and the environment is respected and protected.

Covid-19 has exposed and exacerbated weaknesses that already existed in Irish society: a totally inadequate supply of social housing; a two-tier healthcare system; climate change; growing inequality; homelessness; environmental goals not being met, to name but a few. But this past year has shown us that change is possible. Ireland needs a new and fairer social

contract. To promote human wellbeing and address current challenges, *Social Justice Ireland* proposes that such a new Social Contract should be based on a guiding vision and policy framework focused on producing five key outcomes: a Vibrant Economy; Decent Services and Infrastructure; Just Taxation; Good Governance; and Sustainability.

All the choices for Budget 2022 and beyond set out in this policy briefing are focused on delivering these five outcomes simultaneously and in as short a timeframe as possible.

Recent Publications and Research from Social Justice Ireland

National Social Monitor—Focus on Delivery (June 2021)

Employment Monitor (May 2021)

Delivering a Basic Income Pilot (May 2021)

10 Point Plan to Delivery Housing for All (May 2021)

Social Justice Matters—Socio-Economic Review (March 2021)

Sustainable Progress Index 2021 (February 2021)



All of these are available on our website at www.socialjustice.ie
Printed copies can be purchased from the Social Justice Ireland offices.

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