Unlocking the Future

Social Democrats
Alternative Budget
2024

#UnlockingTheFuture

#Budget2024

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Our Budget 2024 Priorities

Budget 2024 must strike a balance between providing relief to hard-pressed families and individuals as Ireland's greatest inflationary surge in four decades continues, and dealing with the long-term challenges we face as a society.

Ireland is now the most expensive country in the European Union, with the price of goods and services for households 46 per cent above the EU average in 2022. This is largely because successive governments have tried to treat the symptoms of Ireland's high cost of living, and not the causes; an approach that will never get to grips with the problem. **It is important to tackle the structural problems around issues like low income and public service deficits.**

"Putting money back in people's pockets" is a phrase we hear regularly from Government. Most recently that seems to mean tax cuts for the better off. But real improvements to people's quality of life would mean **using the majority of available resources to invest in public services and reduce the cost of living** in areas like housing, healthcare, childcare, education, transport and energy.

The Social Democrats want to see both a Climate Transformation and a Social Transformation of Irish society. Given the resources available, Budget 2024 has the potential to begin such a transformation. The cost-of-living crisis has been significantly exacerbated by the decades of underinvestment that preceded it. We must address the chronic deficits that exist in our public services. Increases to welfare payments, once-off payments, and changes to tax bands can help people in the short term, but they will not solve the underlying problems.

Protecting low- and middle-income people from cost-of-living increases is our number one focus.

We have also identified eight other priority areas for Budget 2024.

Our 8 other priority areas in Budget 2024 are:

1. Building 10,000 affordable homes in 2024 (see page 8)
2. 12 months of paid leave for parents (see page 9)
3. Dealing with Energy Costs, Funding a Climate Transformation (see page 10)
4. Incentivising Public Transport with a €1 off-peak fare (see page 13)
5. A Cost of Disability Payment (see page 14)
6. Tackling the structural problem of low income (see page 17)
7. Ending Child Poverty (see page 20)
8. Rebuilding the capacity of the public sector (see page 21)

The monetary amounts noted in this document are, in general, in addition to amounts projected for 2023 and/or pre-committed spending or revenue-raising measures, including for the National Development Plan and demographic developments.

Summary of Key Measures on Cost of Living

Supporting Workers

- An energy credit to households, targeted based on income (Page 12).
- Current cuts on VAT and Excise for fuel extended until the end of March 2024, until there is more certainly around prices.
- Income tax bands indexed in line with wage inflation and increased tax credits (Page 52).
- A Living Wage over the next two years (Page 18).

Supporting Businesses

- A restructured Temporary Business Energy Support Scheme to ensure that businesses struggling with energy costs can access it (Page 45).
- A new €50 million hospitality fund to support areas with falling tourism (Page 45).
- An online EU Funding Information Centre for enterprises; a one-stop-shop that would provide information to Irish enterprises on the full funding opportunities open to them.
- Subsidised upskilling courses in areas with acute skills shortages, like the digital economy and green energy, funded by the surplus in the National Training Fund.

Supporting the Vulnerable

- An increase in core social welfare rates of €25 (Page 17).
- Once-off payments for lone parents, pensioners, disabled people, carers and others in receipt of core welfare payments to help with the cost of living (Page 28).
- A new €30 per week cost-of-disability payment (Page 16).
- An increase in the fuel allowance by €15 per week to €48 per week (Page 17).

Education

- Primary and secondary education made genuinely free (Page 42):
    - Free school books at primary and secondary level;
    - A national school transport scheme that leaves no child behind;
    - Increased capitation grants and an end to voluntary contributions.
- A new DEIS Plus categorisation, with €20 funding, for the most disadvantaged schools.
- A €1,000 cut in the third level registration fee (Page 44).
- An increase the SUSI grant and expanded eligibility criteria (Page 44).

Childcare and Family Supports

- An increase in total paid leave for parents to cover the first 12 months of a child's life:
  - This comes in the form of an extension of parent's benefit by 6 weeks, bringing paid parent's benefit to 13 weeks *per parent*. (See Page 9).
- Increase Maternity, Adoptive, Paternity and Parent's Benefit payments to €350 per week.
- Childcare fees cut by 30 per cent in 2024 (Page 41).
- Ringfenced €500 million capital funding to begin investment in a public model of childcare (Page 41).

Energy Resilience

- A rooftop revolution, fitting 100,000 homes fitted with solar panels (Page 11).
- Double the solar grant for those who do not qualify for the Warmer Homes Scheme.
- Reinstate the solar battery grant.

Health

- Free GP care for under 12s (Page 34).
- Improved eligibility to medical cards for people in their 60s (Page 34).
- Prescription charges reduced to 50c with a cap of €5 per month (Page 34).
- Capped car parking charges for patients undergoing hospital treatment (Page 34).

Housing

- 10,000 affordable homes built in 2024 (Page 29).
- A renters' tax credit worth one month's rent (Page 30).
- A ban on rent increases for three years.

Transport

- Public transport fares cut by 20 per cent in 2024, and off-peak travel fares reduced by 50 per cent to deal with capacity constraints (Page 13).
- An extension of the TFI 90 Minute fare (currently €2) to surrounding counties, with strategically located Park & Ride facilities, and similar pilot schemes rolled out in Cork, Galway, Limerick and Waterford (Page 13).
- Funding to the Rural Transport Programme and Local Link doubled (Page 13).

1. Building Affordable Homes

The construction of new affordable housing must be a top priority of Budget 2024.

Sky high rents and house prices have left a generation locked out of housing.

There are now over half a million adults stuck living in their childhood bedrooms while over 330,000 households are trapped in an increasingly insecure and exorbitantly expensive private rental sector.

The Government have failed miserably to deliver enough affordable housing for the hundreds of thousands of people struggling to put a roof over their heads. They have come nowhere near meeting their own targets since taking offices – targets that are not nearly ambitious enough in the first place.

The Social Democrats would build 10,000 affordable homes each and every year –

- 5,000 affordable rental homes, and
- 5,000 affordable purchase homes.

This would make a genuine impact on the hundreds of thousands of people who do not qualify for social housing but cannot afford the astronomical rents and house prices on the open market.

The Social Democrats would also provide early-stage finance to help not for profit homebuilders get urgently needed affordable housing projects off the ground.

It is essential that funding is provided for planning and design to ensure much greater delivery of affordable housing.

The current lack of early-stage finance prevents much needed delivery of affordable housing being delivered on the scale that is needed.

See Page 29 for more housing-related proposals and details.

2. Supporting Families: 12 months paid leave for Parents

Budget 2024 should facilitate greater work/life balance for working families. It can help do this by finally bridging the current gap and ensuring that **in total there is 12 months paid leave available to parents for each child.** Ireland lags far behind other countries in childcare support and provision, parental leave, and supports for new parents. Budget 2024 should:

- increase paid leave by 12 weeks; **six weeks of parent's leave for each parent**, and
- **increase benefit payments to €350 per week**.

The Social Democrats have consistently called for **a 'New Deal' for families**, including a suite of policies that would improve living standards and provide a lower cost of living for families. That suite includes additional investment in childcare (see Page 39), healthcare, education and housing, additional paid and unpaid leave entitlements, and a greater work/life balance.

We are proposing **a children's package in Budget 2024** that would reduce costs and make significant improvements to people's quality of life. The three main pillars are:

- Increasing the subsidy to **bring down childcare fees**;
- Significantly **expanding paid leave for parents**;
- Starting the process of a building a **fully public model** of early years education and care.

We should also be moving to a situation where the overall amount of paid and unpaid leave for parents is extended to the European average of around 100 weeks per child.

Ireland's reliance on market-based childcare has resulted in a dysfunctional system with **some of the highest childcare fees in Europe**, extremely poor working conditions for ECEC professionals, and problems with staff recruitment and retention.

Budget 2024 should invest an additional €150m per annum in Core Funding for Childcare in order reduce fees by 30 per cent next year. Details of our proposal for a fully public model of childcare can be found on Pages 39-41.

Summary of measures supporting Families in Budget 2024:	(€m)
➢ **Extend parent's benefit by 6 weeks**, bringing paid parents leave to 13 weeks *per parent*.	57
➢ Increase **Maternity, Adoptive, Paternity and Parent's Benefit** payments to €350 per week. • Estimation includes the additional cost of the additional parents benefit called for above.	147
➢ Continue to fund **Baby Bundles** and expand the pilot to cover all births in 2024.	17
➢ Core Funding to **reduce Childcare fees by 30%**.	Page 41
➢ **Make Primary and Secondary Education genuinely free.**	Page 42
➢ Increase Tusla budget by 1%, ringfenced to expand capacity of **Family Support Services**.	9.4
➢ **Increase supports for foster families,** including: • increasing the weekly Foster Care Allowance rate by €100 • allowing foster families to be eligible for the Back to School Allowance • increasing supports for the Irish Foster Care Association.	30
Total cost of measures to support Families in Budget 2024	**260.4**

3. Dealing with Energy Costs, Funding a Climate Transformation

Government should use a significant portion of the projected surplus in Budget 2024 to invest in a greener future. This should be done via the creation of a **Climate Transformation Fund**.

The Climate Transformation Fund would be used to direct significant investment into areas necessary to transform Ireland's economy and help us on the road to carbon neutrality. It should invest particularly in the area of **renewable energy**, with the aim of ensuring secure energy supply and making Ireland a **net exporter of energy in the years to come**.

Such secure energy supply is an economic necessity, imperative to ensuring certainty for households and businesses alike. **The Government should use at least €5 billion from the surplus to capitalise the Climate Transformation Fund.**

This money should be used to establish a commercial semi-state company for the purpose of driving investment in renewable energy, ensuring a green energy transition can be possible.

Among the projects which should be considered for Climate Transformation Fund funding are:

- Investment in off-shore wind energy.
- Investment in solar energy (see page 11) and other potential renewable energy sources like hydrogen.
- Decarbonising and expanding public transport.
- Expanding and achieving our retrofitting targets.
- Funding a just transition for the agriculture sector and ensuring farming remains both financially viable and environmentally sustainable long into the future.
- Funding research in Green R&D and related areas at third level institutions.

By adequately investing in our renewable energy resources, Ireland will become a net exporter of energy by the end of the decade. A Climate Transformation Fund would ensure State involvement in a **strategically important and potentially lucrative** sector of the economy.

The projected windfall from corporation tax receipts should be viewed as a **once-in-a-lifetime opportunity to fund projects that would be impossible** to fund otherwise, without significant increases in taxation or borrowing.

We must use this windfall to invest in critical infrastructure now and create a strong, resilient society and economy in the future.

Once-off capital spending is the most appropriate way to spend the majority of these surpluses, as it is important that any increases in ongoing expenditure are financed by permanent revenue increases. Now is the time for ambition and fresh thinking.

Other Measures on Renewable Energy

Last year 110 MW of new onshore wind energy was connected to the grid. However, we need to be connecting 4-500 MW each year if we are to hit the Government's target of 9,000 MW by 2030. Backlogs in the planning process reduce both the competitiveness of auctions and the amount of wind energy on the grid at any one time. It is an indictment of this Government's mismanagement of our planning system that no onshore wind energy farm was given planning permission in the past 12 months.

Budget 2024 should:

- Resource the planning system to support Ireland's climate objectives, starting with an additional €5m in 2024.
- Allocate funding to support the electrification of our energy system.
- Use the National Training Fund surplus to invest in skills development for the workforce the Irish renewable energy industry needs.
- Invest €40m in 2024 in upgrading Ireland's electricity grid, with a view to building another interconnector with Europe as soon as is feasible.

TIME TO GO BIG ON SOLAR

Budget 2024 should have a focus on creating a more sustainable Ireland. Individual households and homes must be made more resilient to energy price and supply shocks.

Government should commit to installing solar panels on 100,000 homes over the next two years as part of a sustained state-led effort to harness the power-generating capability of the technology. Around one million homes in Ireland are suitable for solar panels but do not have them installed.

An initial **€200m fund to provide grants to households to install solar panels**, reducing household emissions and cutting electricity bills by an average of up to 40 per cent over the course of a year, should be set up as part of Budget 2024.

The initial tranche should be targeted at low-income households, using the same eligibility conditions as for the *Warmer Homes* Scheme. There should be a parallel move to install panels on public buildings, including the provision of grants for schools. Funding should be eventually scaled up to a point where 100,000 homes and buildings per year are being fitted.

In the short-term this will require increased funding to train more registered installers. The installation process would be most efficient if housing estates were targeted by installers who can fit out an area of similar houses quickly, in one go. There's a strong case for Local Government bulk-buying the solar panels to allow households to avail of further economies of scale. A standardised approach has the potential to cut costs by up to half.

At present, planning permission around solar panels depends on the size of the roof in question. This should be changed to allow a more flexible approach. **Government needs to act with the urgency this crisis requires.**

Energy Crisis Subsidy Scheme for Households

Households struggling with energy bills need assistance, but the Government's untargeted approach has seen much wastage, with millions going to households who don't need it. Ahead of Budget 2023, the Social Democrats suggested the creation of an **Energy Crisis Subsidy Scheme** (ECSS) that would provide cash payments to workers on a graduated basis, with the greatest focus being on those in low-and-middle earnings households.

Ahead of this Winter, priority must be to protect these households from energy poverty, and to get money to people as quickly as possible and in an efficient way.

The model is there from the pandemic, when Government used the Temporary Wage Subsidy Scheme to get cash payments to workers through their employers' existing payroll scheme, with employers being recompensed shortly afterwards, mitigating cashflow issues. By using the Revenue's PAYE online payroll system, it would be possible to give more targeted financial support to workers. Employees can make a claim for their household (one per household) through their Employer, providing an MPRN number which could be submitted as part of the returns to allow Revenue to check against duplication.

This scheme, where entitlement would be **based on household earnings**, has the benefit over more universal schemes of being targeted, with lower earners benefiting the most.

Cash payments give recipients additional choice, as they are not related solely to electricity bills. The Social Democrats are suggesting the subsidy be paid in two tranches; one before Christmas and one in February, based on the following household earnings criteria.

Household Earnings Ranges	Total Subsidy Amount
€0 - €50,000	€600
€50,000 - €100,000	€400
€100,000 - €120,000	€200
Estimated Total Cost of the ECSS	**€1,000 million**

Other measures to deal with Energy Costs

- Extend current cuts on VAT and Excise for fuel until the end of March 2024, until there is more certainly around prices (€110m).
- Deliver the promised funding to support people experiencing energy poverty, as committed to in the Action Plan to Combat Energy Poverty (€10m).
- Require energy suppliers to make all tariffs available to new and existing customers.

Net spend - measures to deal with Energy Crisis and Climate Transformation	**€6,365m**

4. Incentivising Public and Active Travel – a €1 Fare

One of the starkest differences between Ireland and our European peer countries is our poor public transport system, and lack of incentivisation of active travel, including cycling.

A €1 fare, valid at off-peak times, would incentivise public transport use and help deal with capacity constraints. Public transport fares more generally should be **cut by a further 20 per cent in 2024**, and TFI should be funded to begin **expanding the '90 Minute Fare'** (increasing the time limit to 120 minutes) and rolling it out for cities away from the capital.

Budget 2024 should:	(€m)
➢ **Roll out a €1 off-peak fare** to help deal with capacity constraints. • Fare would be valid for tram and DART services, and local buses in all cities/towns. ➢ **Cut public transport fares by 20 per cent** in 2024. • An overall total fare reduction of 20 per cent in 2024 would cost approx €108m.	228
➢ Begin extending the **TFI 90 Minute fare** (currently €2) to surrounding counties, with strategically located **Park & Ride facilities**, and an expanded 120 minute time limit. ➢ €50m should be ring-fenced in Budget 2024 to begin building these facilities and funding the **further roll-out beyond the Dublin region**, and to pilot similar schemes in Cork, Galway, Limerick and Waterford.	50
➢ Ring-fence funding for the **purchase of new buses** to expand capacity on Ireland's public transport network.	20
➢ Double funding to the **Rural Transport Programme and to Local Link** to increase availability, provide further local and circular routes servicing towns and villages, and ensure the fleet is in line with climate commitments.	25
➢ Provide funding for two **Mobility Hub pilots** in addition to those four already being rolled out in Dublin, Galway, Sligo and Donegal.	0.8
➢ Provide fnding for the maintenance by Local Authorities of infrastructure delivered through **Active Travel allocations**.	10
➢ Ring-fence funding to begin building a **comprehensive school transport system**.	20
➢ Make the **Bike to Work Scheme** more inclusive with a complementary grant scheme focussing on those **outside the workforce**, with specific supports for people with disabilities to adapt bikes to their use. Also: • Expand the definition of 'eligible equipment' under the Bike to Work Scheme to include child seats and trailers designed to safely carry children. • Improve the Bike to Work Scheme rate to €1,500.	15
➢ Create a bike library in each local authority, lending ebikes and cargo bikes for free for up to 1 month. (Begin with a minimum of 30 bikes per authority). • This could be managed as part of Active Travel teams in councils.	2
➢ Create a scheme for interest free loans for the purchase of ebikes. • As per Scottish equivalent scheme, applicants must pass a credit check.	5
Total investment in Transport measures in Budget 2024	**375.8**

5. Enabling Citizens: Meeting the Needs of Disabled People

Children's Disability Services

Children with disabilities need well-resourced public health and education services.

It is clear that early intervention is vital, but the waiting lists for assessments of needs and access to therapies in Ireland are nothing short of shameful. Without early intervention and diagnosis, or access to supports, children with disabilities are at risk of permanent developmental delays.

In far too many cases children are being failed by an under-resourced system. Delays in these assessments, multi-year waiting lists for therapies, and a lack of access to educational supports and appropriate school places are having profoundly negative impacts on tens of thousands of children.

More than 10,000 children have been waiting for over 12 months for initial contact with a Children's Disability Network Team (CDNT), and more than 17,000 are waiting in total. At the end of last year, approximately 4,600 children were (officially) waiting on an assessment of need.

It gets worse: in March this year, more than 100,000 children were waiting for a primary care disability intervention; figures that don't include those on CDNT lists. More than 15,000 children were waiting for a first-time assessment for occupational therapy and more than 31,000 children were waiting for speech and language therapy; almost half of those for on initial assessment. The list could go on.

The main problem is no longer funding. **There is an urgent need for strategic work force planning.** The HSE staff census in October 2022 showed that 707 posts – 34 per cent of all posts – were vacant across CDNTs.

Under the United Nations Convention on the Rights of Persons with Disabilities, each child has the right to appropriate healthcare, education and supports that will help them live independent lives in the community. These supports will be unavailable until Government gets its act together around work force planning.

Budget 2024 should:

- Invest €150 million as a first step to **pay parity for workers with Section 39 organisations**, ensuring they have comparable terms and conditions with their HSE colleagues, and reducing the difficulty Section 39 organisations have recruiting and retaining staff.
- Ring-fence funding for a **workforce planning strategy** to address staff shortages in disability services.
- **Increase resources for the school Summer Programme**, which should be offered in every special school, alongside improvements to the terms and conditions of SNAs (see Page 42).

Providing Disability Supports and Services

Despite improvements in funding in recent years, the experience of people with disabilities in Ireland continues to be one of social exclusion. People with disabilities consistently have among the highest poverty rates of any group in Ireland, three times that of the general population, while more than two in five people with disabilities are experiencing deprivation at any one time.

The Department of Health's **Disability Capacity Review** was published in July 2021, highlighting "significant levels of unmet need" in the provision of appropriate disability services. **It estimated that a further €550m to €1000m investment in disability services is required by 2032**. The implementation plan for the Review has yet to be published.

As well as the fully costed measures in the table on the next page, Government (through Budget 2024 and otherwise) should:

- Honour the commitment in the Programme for Government to use the findings of the Cost of Disability report to "inform the direction of future policy".
- Publish the Action Plan to implement the Cost of Disability report.
- Begin the creation of a pathway so that, by a combination of the Disability Allowance and Cost of Disability payments, people with a disability are brought above the poverty line.
- Commit to multi-annual funding for the disability sector, so that service providers and other organisations can plan strategically.
- Re-examine the Critical Skills list for visas to ensure as much as possible is being done to allow skilled workers for the sector be found.

Budget 2024 should also begin a process of creating parity of treatment for staff delivering services in HSE-funded organisations. (More details on Page 37).

These Community and Voluntary organisations are crucial to the delivery of services, in particular for disabled people, and have been experiencing an escalating crisis in staffing. **Service delivery is threadbare and patchwork, as a result of challenges around staff recruitment and retention**.

Budget 2024 should **increase the allocation across services budgets for Section 39 organisations, Tusla-funded Section 56 organisations, and for Section 10 homeless services by a total of €150m** as a **first step** to addressing this disparity**.**

Government should set a pathway to increase investment in universal social care services by 0.4 per cent of national income on a phased basis, to fund better pay for workers and an increase in services/supports.

Budget 2024 should:	(€m)
➢ Introduce a €30 per week **Cost of Disability payment as a first step** to address the significant additional costs of having a disability.	342
➢ **Increase core social welfare payments**, including payments such as the Disability Allowance and the Blind Pension, by €25 per week.	Page 17
➢ Begin making provision for the funding requirements identified by the **Disability Capacity Review**. ➢ At least €50m should be set aside for this in Budget 2024.	50
➢ Provide funding of €56m in each of the next five Budgets to **move people from congregated settings to living in the community**. ➢ Give clarity on the numbers of people who will move from congregated settings to living in the community as a result of Budget 2024.	56
➢ Provide funding for a **Workforce Planning Strategy**, to ensure allocated funding can be spent and that service delivery, including around Children's Disability Network Teams, is not hindered by capacity constraints.	0.5
➢ Fund development of a roadmap on **special education and inclusive education**.	0.5
➢ Provide additional funding for **assistive technology supports**, including a national network, loan library, national database, information system, training programme and peer support development programme.	2
➢ Increase funding for **Housing Adaptation Grants.** ➢ Extend the grants to tenants in social housing.	20
➢ Increase the **Wage Subsidy Scheme** to 65% of the minimum wage.	7
➢ Introduce **replacement schemes** for the Motorised Transport Grant and Mobility Allowance (closed to new applicants in 2013) based on assessment of individual social needs.	15
➢ Increase funding for **Personal Assistance Services** to provide an additional 500,000 hours.	12.5
➢ Improve funding for **speech and language therapy**, so it is available at the point of need.	5
➢ Develop and implement the **Autism Innovation Strategy**.	15
➢ Expand the **Free Travel Scheme** to include more groups who cannot drive due to restrictions imposed by the state, including people with **low vision and those with epilepsy**.	0.6
➢ Sustain the current **Eye Clinic Liaison Officer** positions and embed new ECLO staff in the remaining acute hospitals.	0.5
➢ Increase funding for the **provision of Irish Sign Language** services in public bodies and subsidise non-profit organisations hiring ISL professionals.	0.5
➢ Earmark funding for **Disabled Persons' Organisations** so they can advocate effectively.	0.5
➢ Create a **Disability Inclusion Fund** for all Local Authorities to support their specific disability inclusion requirements in line with the UN CRPD and Public Sector Duty.	7
Total investment in Disability Services in Budget 2024	**534.1**

6. Tackling the Structural Problem of Low Income

Ireland has a structural problem around low income.

Hundreds of thousands of people subsist week to week on incomes which are not sufficient to live a dignified existence. Approximately one in five workers are on low pay, calculated as two-thirds of median pay. The minimum wage, at €11.30, is 18.8 per cent higher than it was in January 2018 (€9.55) but inflation as measured by the CPI is up 20.6 per cent since then.

What is an adequate income?

Plenty of research exists illustrating what various types of households must spend each week to achieve what is considered a socially acceptable standard of living in Ireland.

The most well-known is the Minimum Essential Standard of Living (MESL) research from St. Vincent de Paul, which suggests that a single adult would need to spend *at least* €286 per week in 2023 to cover basic needs. The immediate implication of this is that **core social welfare payments provide only about 77 per cent of what is required** to meet basic needs, and this will have been further eroded as the cost of living continues to rise.

There are a number of policy levers available to the Government for improving the lot of people with low incomes.

Policies on income adequacy:	(€m)
➢ **Benchmark core social welfare rates to the MESL** over time, to ensure income adequacy. ➢ Prioritise increases in social welfare payments that will target the most vulnerable and reduce child poverty rates (See page 20).	
➢ **Increase core social welfare payments** by €25 per week in 2024.	1,047
➢ Increase the weekly **Fuel Allowance** payment from €33 to €48.	187
➢ **Expand eligibility** for Fuel Allowance to include Working Family Payment recipients.	70
➢ **Increase the Qualified Child Increase** for over 12s and under 12s by €15 and €10 respectively to €65 and €52.	175
➢ Increase the **Living Alone Increase** by €8, to €30 per week.	80
➢ Implement a **Cost of Disability** payment at €30 per week, as a first step to addressing the significant additional costs of having a disability.	Page 16
➢ Implement the social protection measures outlined in the White Paper on Direct Provision, including **extending Child Benefit to families in the international protection process**.	4.7
➢ **Equalise Jobseekers rates for young people aged under 25**.	63
Investment in Income Adequacy measures in Budget 2024	**1,626.7**

Policies on low wages

Budget 2024 should:

- **Increase the National Minimum Wage** by €2 per hour.
- Create a regular review of the new Living Wage benchmark with reference to **what the minimum standard of living actually costs**, recognising that while benchmarks are important, so too is ensuring income adequacy.
- Make the two **main income tax credits refundable** (€150m).

Government should use Budget 2024 to announce **an increase in the National Minimum Wage (NMW) of at least €2 per hour, to €13.30**, as part of the promised move to achieve a Living Wage, and set a clear pathway towards achieving it over the next two years.

The lowest paid in our society should at least be able to keep up with the rest. Yet between 2016 and 2022, increases in the National Minimum Wage (14.5%) failed to keep pace with increases in average hourly earnings (22%), according to the Parliamentary Budget Office.

Last year, Government announced plans for a Living Wage that will be pegged to 60 per cent of median earnings. This is a strong step in the right direction but is a move away from the concept of a living wage being **what it actually costs to achieve a decent standard of living**.

Median earnings have no bearing on the cost of basic necessities. Linking a living wage to this benchmark could therefore lead to income inadequacy becoming ingrained in the system. Recently, the Living Wage Technical Group announced that the actual living wage for 2023/24 was €14.80 per hour. A significant increase in the Minimum Wage is required, both to keep pace with inflation and close the Living Wage gap.

While working from an initial base of 60 per cent of median earnings, Government must ensure regular review of this benchmark with reference to **calculations of what it actually costs to achieve a minimum standard of living**, recognising that while benchmarks are important, so too is maintaining the link between that benchmark and income adequacy.

For too long the attitude has been that employment is the best poverty-reliever. But **a job only relieves poverty if it is a decent job** – full-time, paid at a living wage, and with decent conditions. Anything less than that fails to achieve our social aims. **The new Minimum Wage should apply to all employees aged 18 and over.**

Refundable Tax Credits

Recent trends of precarious working practices contribute to a situation where, according to the CSO, nearly 6 per cent of those in employment are experiencing poverty. Introducing a system of **Refundable Tax Credits** would help tackle the problem of the 'working poor' as it would allow low-income workers who do not earn enough to use their full credits to have the unused portion "refunded" – essentially a cash payment. This would help many on low pay deal with increasing living costs. **Making tax credits refundable would also make Ireland's tax system fairer**, improve the living standards of a substantial number of people in Ireland, and give Government a useful additional tool to target support to low-income workers.

The More You Have, The More You Get from this Government

There's a saying; "show me your Budget, and I'll show you your priorities". The distributive effects of last year's budget, and the policy goals of some government ministers, give an indication of where this Government's priorities lie.

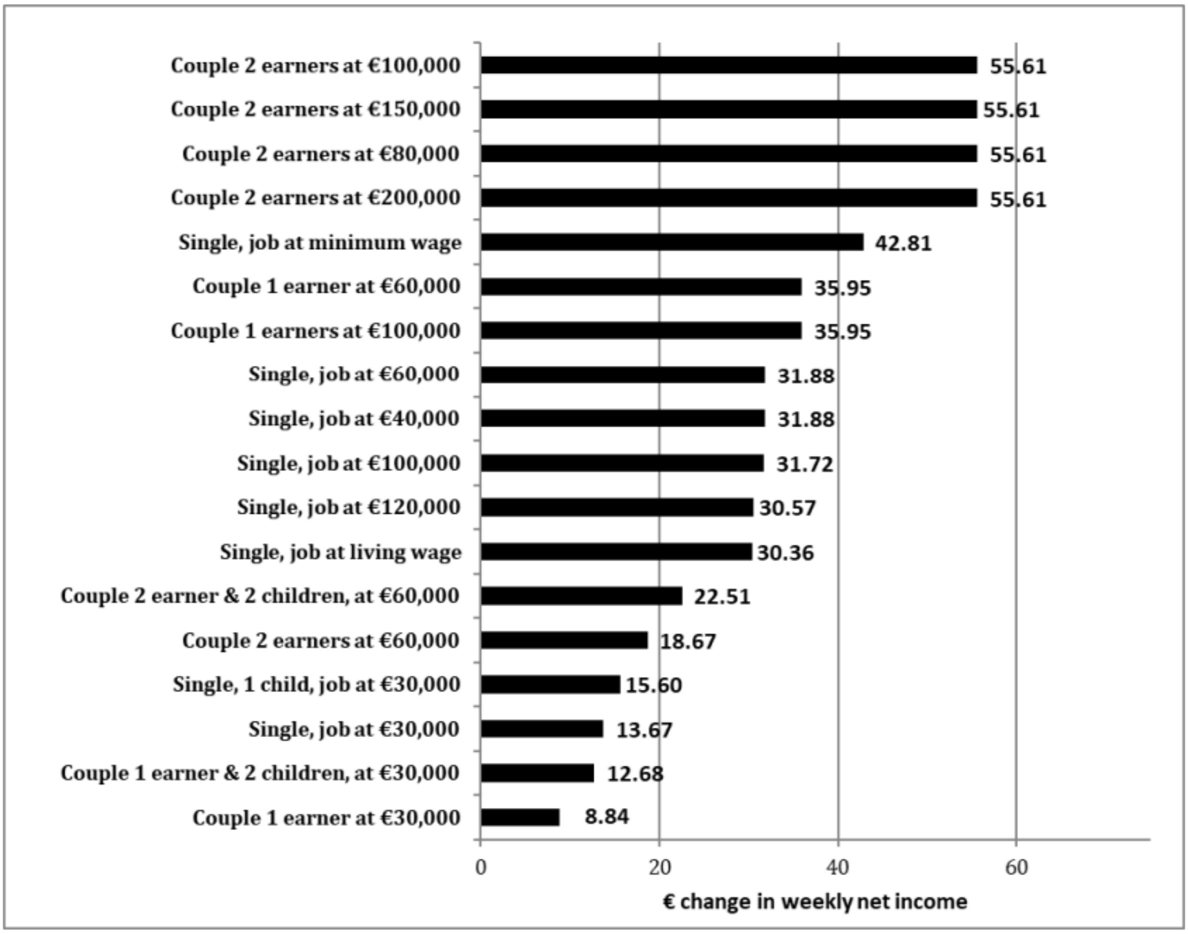
Budget 2023 gave more than twice as much (€23.59 per week) to people earning €100,000 as it did to someone on the living wage (€11.32), according to research by Social Justice Ireland.

A couple, both working, earning €100,000, received more than four times as much (€39.51) as a working couple with two children earning €30,000 (€8.45).

At a time where inflation is squeezing some of society's most vulnerable, there are many who **simply cannot afford more of the same.** Too much of the government's policy on income and taxation is based on the idea of 'the more you earn, the more you get'. This was clear in the kite-flying of Fine Gael ministers earlier this Summer, calling for an expensive tax cut that would benefit nobody paying the standard rate of tax (61 per cent of taxpayers) but would, if implemented, take up the entire tax package identified in the *Summer Economic Statement*.

Yet there are many in this government who believe this is 'fair'.

It has been the same since this Government came to power. The analysis below highlights how different types of working families and individuals have gained from **this Government's budgetary measures over the past three years.**



7. Ending Child Poverty

There is hardly a greater avoidable tragedy in Irish society than that of child poverty. The scarring effects of living in persistent poverty as a child last for life, and affect everything from emotional development, mental health and physical well-being in adulthood to educational attainment and labour market participation. It denies children's human rights, is hugely wasteful for society as it inhibits economic potential in adulthood and reduces the contribution people can make to society.

Dealing with the repercussions later in life is far more expensive and less effective than early interventions, which would lead both to future savings in expenditure on welfare and criminal justice, and to higher tax revenues. **Eliminating child poverty requires a combination of child and adult income supports, and access to quality public services**. Income supports targeted at the most vulnerable in our society are required, as well as an expansion of services, particularly around education, health, and the care of children, designed to mitigate the notable economic inequality that is increasingly a feature of Irish society.

Budget 2024 should:

- Acknowledge that children live in households with adults. Therefore, child poverty cannot be eliminated without lifting the households in which they live out of poverty. **Working-age income supports are part of the solution**.
- Increase core welfare payments by €25 per week (Page 17).
- Benchmark our social protection system to the cost of a Minimum Essential Standard of Living to ensure everyone has enough to live a decent and dignified life.
- Automatically fund 'sponsorship' for childcare as full-day care (min 40 hrs p/week) with a minimum capitation rate of €350 per child per week, for a minimum of 50 weeks per year, for children experiencing the worst deprivation (Page 41).
- Create a new DEIS Plus categorisation, with €20m in initial funding in 2024, for the most disadvantaged schools (Page 43).
- Increase core allocation to Tusla for the Area Based Childhood programme and apply a 4 per cent sustainability increase. Double the number of programmes in 2024 (See Page 41).
- Increase the Qualified Child Increase for over 12s by €15 and for under 12s by €10, bringing them to €65 and €52 respectively.
- Increase income thresholds for the Working Family Payment by another €40, as in Budget 2023, and alter the tapering[1].
- Increase supports for Foster Carers (see Page 9).
- Make the primary and secondary education systems truly free (see Page 42).

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[1] The ESRI has pointed out that a gentler tapering of the **Working Family Payment** as working hours decrease could be implemented to improve circumstances for working families on low incomes. Alternatively, workers seeking to qualify for the Working Family Payment could be allowed to average their work hours over a longer period than two weeks. ESRI research suggests that the **Working Family Payment and Qualified Child Increase**, due to their very targeted nature, have huge potential to contribute to poverty reduction.

8. Rebuilding the Capacity of the Public Sector

Recent decades have seen the increased privatisation of many key public services. While contracting out what are typically public services, or relying on the market to deliver them, is often thought to result in efficiencies, the reality is that the increased outsourcing of services – especially in the health and care sectors – is leading to a growing public capacity-deficit.

The outsourcing of services – formerly provided by state organisations – to private providers and the sale of public assets

- Makes the coordination of those public services more difficult;
- Results in increased commodification of basic services;
- Weakens the public sector, reducing the skills and people available to provide high quality service, thereby making further privatisation harder to avoid;
- Is often a form of wealth extraction, making a relatively small number of people or companies very rich.

The commodification of public services leads to their increased financialisation, so essential services like health and social care become more about achieving a good return on investment, rather than what is in the citizens' best interest.

When this kind of wealth extraction is facilitated, or even encouraged, it is ultimately citizens who lose out. When publicly-funded, -owned and -run services make a profit, that money can be reinvested. When those privatised services instead keep that money as profit, or pay it as a dividend to shareholders, citizens end up paying higher prices for a poorer service in which quality deteriorates over the longer term.

Within those private companies that provide contracted out public services, the drive to maximise profits conflicts with the need to spend time, money and other resources meeting the needs of citizens, and leads to a squeeze on both the quality and quantity of service. This can particularly be the case around social care for elderly or disabled citizens.

Universal Basic Services

The concept of **Universal Basic Services** stems from a belief that all citizens are entitled to a range of public services that are free (or practically free) at the point of use, provided by Government (or a government-funded institution) and funded through taxation.

It is based on the principle that purely by virtue of their citizenship, people are entitled to a certain minimum in service provision in areas like healthcare, education, and housing, as well as childcare and transport. It should form a key part in the central government function of setting a **minimum standard of living, below which no citizen should fall.**

The most prosperous, inclusive and progressive countries in the world are social democracies where service provision has been guided by such principles. **The Social Democrats want to see Budget 2024 taking key steps in moving Ireland from its current model of low service provision and increased outsourcing towards providing Universal Basic Services and rebuilding public capacity to deliver these essential services.**

The Challenges

This ongoing commodification and wealth extraction is having disastrous consequences across a number of areas; staff shortages, record waiting lists, and crumbling public infrastructure.

The new structures being created under Sláintecare intend to provide for integrated care – so essential in a modern health and social care system – where combined community and hospital care will be provided on a regional basis, under a single management team with, crucially, a single budget. **The ability to implement such a system gets more difficult with every round of further outsourcing of healthcare**.

This trend towards commercial, for-profit models in health and care has led to a visible growth of private hospitals and clinics, further privatisation of both homecare and nursing home care, and even the management of general practice, with an increased involvement of multinational chains. The increased reliance on the National Treatment Purchase Fund to compensate for lack of capacity in the public system further deepens the capacity deficit in the public system, creating a vicious cycle.

Across social work, and care for elderly or disabled citizens, **contracting out squeezes time and quality of care.**

Early childhood care and education (ECCE) is another area that has seen galloping privatisation. Research suggests that high quality ECCE can have positive and long-lasting impacts on children's outcomes, particularly for disadvantaged children. It can have a positive effect on children's educational, cognitive, behavioural and social outcomes, in both the short and long term, but it is important to emphasise that this is only if it is of high quality.

We need to invest adequately in this area (see Pages 39 to 41), to ensure that all children have an equal start in life, but doing this via subsidising an increasingly corporatised childcare sector owned by international investors with little real interest in fair outcomes for children will not have the effects we desire. We do not believe that the early education of our children should be entrusted to large firms whose sole motive is profit. Similarly, we believe the marketisation of care simply does not work.

It is not just the area of care where this is happening.

Ireland's housing system is increasingly characterised by privatisation and the generation of profit, at the financial expense of taxpayers and the social expense of some of our most vulnerable.

Private developers build on public land; private landlords receive large subsidies to provide 'social housing solutions'; private operators of emergency accommodation prosper while children grow up in totally unsuitable accommodation; and private investment flows into short-term, high-yield lettings, often paying little or no tax on the profits.

A policy decision to cease the direct building of social housing over several decades will leave the Exchequer with a multibillion-euro bill for HAP (the Housing Assistance Payment), for which not one single house has been, or will be, built. Local authorities are entering into long-term leases with private landlords, including investment funds, for deals that will eventually cost more than the value of the home, but leave the State with no asset to show for it.

What can be done?

This government continues to look to the market and engage private enterprise to provide the public services that should be part of a basic floor that everyone in the State has a right to expect. They do this notwithstanding mountains of evidence that it is more expensive and less effective. The rationale given is that the private sector can provide more, faster and cheaper - but again and again, this is not borne out by the evidence.

Many of these issues are deeply political and so are their solutions. It is time to bring these key services back into public provision.

Budget 2024 should aim to **expand and strengthen the public model of provision across a number of areas**: healthcare, childcare, social care, and housing. This should include:

1. **Establishing a National Workforce Task Force to address both the short-term and medium-term needs of our Health and Social Care sector.** The biggest challenge facing our health and social care services in recent years is the recruitment and retention of staff, across all disciplines. This in turn is leading to the creeping privatisation of our health service.
2. Greatly expanding the existing **not-for-profit and affordable model of childcare** in which every child has a right to a place (see Pages 39-41).
3. Building a sustainable **homecare service** and ending the current post-code lottery
4. **Banning long-term leasing for social housing provision**. This expensive and wasteful option should be replaced with the direct building of social homes by local authorities.

An expansion of the State and its capacity is the only viable solution to the numerous infrastructure deficits, and indeed crises, that Ireland is experiencing.

The role of the State in protecting households and businesses was never more evident than during the worst phases of the pandemic. We must remember the lessons from this time and use them to **re-build the Irish economy based on a more social democratic model, with a strong role for the state in providing services and addressing market failures, especially in housing.**

As is being continually pointed out by Ibec, the employer's federation, "the reality is that thousands of additional public servants are required to provide the improved services people need and expect, along with the public system of administration required by the business community. As societies get richer, they want their public services improved. These things are all a function of the State but the fact is that that State is demonstrably shrinking".

Budget 2024 must begin to reverse this shrinkage, and address these deficits.

Budgetary Approach

Budget 2024 comes at a challenging time economically for Ireland. Despite low levels of unemployment and a large exchequer surplus, there is still uncertainty about Ireland's short-term economic prospects.

Inflation remains high, and plans outlined by government in the *Summer Economic Statement* indicate that Budget 2024 will be counter-cyclical and therefore somewhat inflationary.

The Irish Fiscal Advisory Council (IFAC) has warned of the dangers of stoking inflation, and the economy certainly does not require additional stimulus for stimulus's sake. But it is also important to remember that the IFAC has one policy remit – monitoring fiscal prudence of the Government – while government must also **protect struggling households and plan to meet the state's infrastructural needs**.

It is clear that long-term deficits in our public services and social infrastructure mean a substantial budget package in 2024 is required.

It is also worth noting that while the private sector has expanded notably in the last few years, the size of the public sector has failed to keep pace. The public sector must expand to adequately service and support the economy. With a workforce that is 350,000 greater than four years ago, a **large expansion of the public sector in the coming years is warranted**.

However, the inflationary context means that **spending in Budget 2024 should be as targeted as possible**. In order to ensure that the inflationary effects are mitigated, government spending must be focused so that it:

(a) Targets the people who need it most;
(b) Brings the cost of living down for workers and families.

Bringing Down Inflation, Cutting the Cost of Public Services

Government has limited control on things like energy prices and interest rates, but it has significant control over the price of basic public services. **Budget 2024 can help tackle inflation by reducing the cost of living through investment in housing, transport, healthcare, childcare, and education**.

Approaches should include increasing the renter's credit so that it represents a full month's rent; reducing transport fares; cutting out-of-pocket expenses for healthcare; reducing the cost of childcare for struggling families; making primary and secondary education fully free; and reducing the cost of third level education. There should also be a focus on targeted supports for low- and middle-income households, including significant increases to core welfare payments and a direct cash energy payment.

Government also has a significant budget surplus. Despite multiple infrastructure deficits, we are told that it is not possible to spend much of this surplus due to capacity constraints in the economy, particularly in the construction sector. This is in large part down to a lack of long-term planning by this and previous governments. Workforce planning should be a standard part of any government's work, and there can be little excuse for not identifying what will be needed in areas like housing, other key social infrastructure, and the necessary workforce for adequate service delivery. However, it is important the money considered windfall, and therefore temporary, is used only for once-off expenditure, especially for once-off infrastructure building and other projects that wouldn't be possible from current revenue.

There are sufficient budgetary surpluses projected over the next several years to allow Government to fund transformational change of Irish society. On page 10 we outlined our proposal for a **Climate Transformation** Fund. Budget 2024 should also be approached with a goal of funding **Social Transformation**, with potential to build a fully public not-for-profit early years care and education sector; transform Irish agriculture; expand our public transport network; and build an education system of which we can be proud.

Fiscal Policy

The 2023 *Summer Economic Statement* outlined a likely General Government Balance of €10 billion in 2023 and €11.7 billion in 2024, with that projected to grow in coming years.

A budgetary package of €6.9 billion – with €1.1 billion comprising tax measures, and the rest in spending – was initially announced, but that has been since overtaken by rumours of a far larger package. While some indexing of income tax bands is justified, as is the need to support those earning low to middle incomes (see Page 52) in times of continuing rises in the cost of living, **we believe the majority of income tax cuts should be given through tax credits which are fairer and benefit a wider group of workers**.

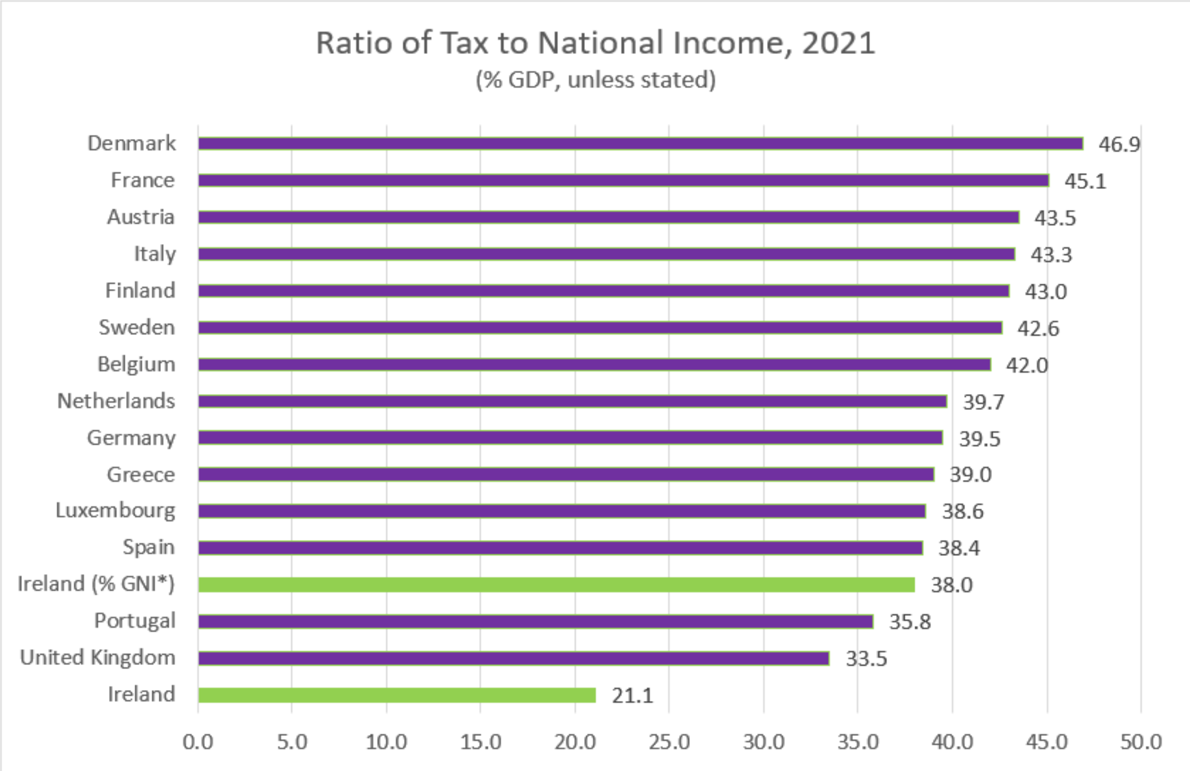
However, the majority of available resources would be better spent improving public services and cutting the costs involved in using public transport, healthcare, education, and childcare.

An Overhaul of Ireland's Budgetary Approach

Ireland is a low-tax economy.

When temporary corporation tax receipts are removed from the structural balance, then regardless of how it is measured, Ireland has among the lowest revenue-takes when compared to our western European peer countries. This is part of the reason that the scale and quality of the public services provided in this country falls well short of what is considered the norm among the most advanced economies of western Europe.

While Government has significant resources available to it at the moment, the uncertain nature of these income flows means **Government must also tackle historical issues around Ireland's tax-take.**



An aging population, commitments to future spending increases (particularly around healthcare and the carbon transition), and various infrastructure deficits mean that the need for **significant future revenue** increases was being pointed out long before the Commission on Taxation & Welfare published its report on the matter in 2022; a report in which **the first key message was that Ireland faces major fiscal sustainability challenges and that over time, the overall level of taxation as a share of national income will have to increase.**

Government doesn't seem to have acknowledged this yet. In fact, some in Government have attempted to make political fodder of the report.

Part of the reason the Commission was necessary in the first place is that Fianna Fáil and Fine Gael in government have for so long refused to accept the need for revenue to increase as a proportion of national income. Having outsourced this job to an independent commission made up of experts, from all across Irish society, the immediate response to findings that didn't fit their ideology was to politicise and dismiss this work before giving it any kind of proper consideration. This is unfortunate.

The Social Democrats are not afraid to make **several revenue raising proposals** that Government should consider in Budget 2024. (See P52 and P56). These options would also make the tax system fairer – another important consideration.

A New Approach to Budgeting

The entire budgetary process also needs an overhaul, to remove the narrow focus on the year ahead. It is time for Government to move away from the 'Big Reveal' day of budget announcements (a process that makes us almost unique in Europe) and **begin creating credible multi-year budgets** that serve as some form of anchor for subsequent years.

Budgetary information should be made more accessible. For example, last year's budget documents contained very clear tables outlining how much benefit would accrue to each type of household and income group from income tax changes being made. No doubt this is because government wants voters to know how much money they are "giving back".

However, disability organisations found last year's budgetary announcements on disability supports were not understandable for disabled people, their families, service providers, or advocacy groups. The Oireachtas Disability Group, an alliance of six disability-related NGOs, found that "disabled people had to wait until April 2023 [six months after the Budget] to learn the full budget allocation through the HSE Service Plan 2023". Some programmes received no additional funding for 2023 but this was not apparent until Quarter 2 of this year. But of course, it is impossible to protest or highlight a decision when you can't find out that it has been made. **As a principle, Budget 2024 should be easily accessible so that people affected by the decisions made on budget day are immediately aware of how they are impacted.**

As part of a new approach to solving the problems Ireland faces, Government also should investigate **new ways to ensure long-term sustainable finance for the capital investment we need**. Projected windfalls, assuming they materialise, will be a huge help, but even they will eventually run out. To help **create sustainable and affordable long-term sources of finance for investment, and to blunt the pro-cyclical pattern of capital spending** in this country, Government should also consider options around mobilising private savings as is done across Europe. Irish citizens have more than €150 billion in low interest deposit accounts.

In many European countries, mechanisms are in place to encourage savers to make such money available to **tackle their country's infrastructure needs, often giving a guaranteed return** to savers. The ***Caisse des Dépôts et Consignations*** **and Livret A scheme** in France is an example that has been in operation for more than a century (See Page 30). It is also worth examining how some of the various types of savings, including private pension funds to which Government awards substantial tax breaks annually, can be mobilised for **investment in a way that benefits both savers and the public good**.

Government should also consider re-designs of the tax system, including as it relates to pensions, to promote investment in climate or housing projects.

Having outlined our key priorities for Budget 2024 and the broad fiscal strategy required to help deliver it, the next several sections provide greater detail of what is needed in other key policy areas, and the estimated cost of our proposals. We then show how this can be funded.

Unless stated otherwise, the estimated cost of each measure is in addition to what was spent in 2023, with allowance made for carryover or commitments already made in previous Budgets which carry forward into 2024.

Once-off Payments on the Cost of Living

While once-off payments won't affect structural issues around income inadequacy or the increasing cost of living, they can still be useful to help mitigate financial pressures for those most in need.

Budget 2023 made use of this approach, and many households remain under significant financial pressure this year with climbing prices in areas like food and groceries, fuel prices, and particularly heating and energy prices.

As part of Budget 2024 Government should use windfall receipts from the budget surplus to fund a suite of once-off measures to assist struggling individuals and families.

Details of payments under our Energy Crisis Subsidy Scheme are on Page 12.

As part of Budget 2024, Government should also make the following once-off payments:

- A once-off €300 payment to all recipients of the **State Pension (both Contributory and Non-Contributory)**.
- A once-off €250 payment to all recipients of **Jobseeker's Benefit and Jobseekers' Allowance.**
- A once-off €250 payment to all recipients of the **Working Family Payment.**
- A once-off €250 payment to all recipients of **Disability Allowance, the Invalidity Pension, and the Blind Pension.**
- A once-off €250 payment to all recipients of the **One Parent Family Payment.**
- A once-off €250 payment to all recipients of the **Carer's Support Grant, Carer's Benefit and Carer's Allowance.**
- A once-off €400 payment to all recipients of **Fuel Allowance.**
- A once-off €100 payment to all recipients of the **Living Alone Increase.**

Estimated total cost of these payments in Budget 2024	**€532m**

Government should also make a **double payment of Child Benefit** in January 2024.

➢ Cost of **Double Child Benefit** Payment	€173m
Estimated total cost of all Once-Off Payments in Budget 2024	**€705m**

While once-off payments can provide some short-term relief, Budget 2024 must also tackle structural issues around income inadequacy. This is why core welfare rates must rise by €25 per week. This would bring an additional element of certainty and support to recipients that once-off payments cannot.

Getting Housing Right

Housing is one of the greatest challenges this country faces. This crisis won't be solved **unless we fundamentally change the State's housing policy**.

In Budget 2024, the Social Democrats would:

- Build 12,000 new social homes and 10,000 affordable homes – including 5,000 cost rental and 5,000 affordable purchase homes.
- End all subsidies for developers and cut tax breaks for investment funds, and use this money instead to fund the construction of additional affordable homes.
- Increase the current tax on vacant homes to 5 per cent.
- Provide additional resources to reduce homelessness.

Rebuilding the Broken Housing System

The Irish housing system is fundamentally broken. It is rigged to the benefit of international investment funds, big developers, and wealthy speculators. Aspiring homeowners and renters bear the brunt of the burden as the cost of housing continues to climb. Right now:

- Almost 13,000 people are homeless – the highest number on record.
- House prices have now surpassed their Celtic Tiger peak.
- The rate of homeownership is collapsing.
- Rents have almost doubled in a decade.
- Over 90,000 dwellings are vacant.

This cannot continue. We need to rebuild this broken housing system from the ground up.

Building Targets	Additional Cost (€m)
➢ Build **10,000 affordable homes** in 2024	672.1
➢ Build **12,000 social homes** in 2024	548.5
Total additional investment in new builds in Budget 2024	**1,220.6**[2]

By ending subsidies for developers we would provide the State with additional €410m to build additional affordable homes.

Total additional funds freed up in: 2024	**€410m**

[2] These amounts are in addition to those already budgeted for by Government in these categories.

In addition, we would:	€m
➢ Create a **Land Price Register**.	-
➢ Create a **Rent Register**.	-
➢ Re-activate the building of **senior-citizens only** housing projects.	-
➢ Increase **Capital Assistance Scheme** for care leavers.	-
➢ Increase the **renters' tax credit** so it covers one full month's rent.	159
➢ Provide redress for **those affected by building defects**.	150
➢ Double funding for **Homeless Prevention**.	15
➢ Increase funding for **Housing Adaptation Grants for older people**.	25
➢ Create a fund to **Compulsorily Purchase and renovate derelict houses**.	100
➢ Invest in **Traveller-specific accommodation**.	10
➢ Increase funding for **Section 10** orgs to accurately reflect expenditure.	Page 37
Additional Housing-related spending measures in Budget 2024	**459**

Mortgage Distress

Budget 2024 must offer relief to people in mortgage distress. The Social Democrats recommend the temporary return of **Mortgage Interest Supplement**.

Eligibility conditions should be similar to when the policy was previously in place, including that recipients must have been able to afford the repayments when their loan agreement was first made, and the amount of mortgage interest payable is not more than what would reasonably meet residential needs. **Eligibility should be broadened to allow people in full-time employment, who risk losing their homes, to receive the benefit.**

Budget 2024 should also contain measures making it easier for mortgage holders with non-bank lenders who are keeping up repayments under higher-than-average interest rates to transfer their mortgage back to an ordinary retail bank.

Mortgage Interest Supplement **should be funded by an increase to the Bank Levy**.

New Sustainable Funding Streams for Housing Construction

Budget 2024 should begin developing mechanisms where funds on deposit at Irish financial institutions can be leveraged for the benefit of both savers and society. One model worth pursuing is the **highly successful French Livret A savings scheme**, which provides up to 75 per cent of the funding required to develop typical social housing developments, and does not add to the French national debt.

Livret A is a savings scheme providing an above-market interest rate to savers where a portion is invested in sustainable development projects (including affordable housing). This provides billions of euros annually for such projects, creating sustainable and affordable long-term sources of finance for investment, and blunting pro-cyclical patterns of capital spending.

Off-Site Building

Off-site, or modular, building has the potential to speed up home building, and provide economies of scale (and so cost savings) further down the line.

The State must give certainty around the demand for high quality, A2 rated (at a minimum), modular homes, creating demand by becoming the confirmed buyer for the next several years. Currently, the majority of modular building in Ireland is for export. There is no reason that Government and local authorities could not utilise a large portion of the capacity that already exists in Ireland. If suppliers know there will be demand for a certain level of supply, and that it will be increasing year on year, they can commit to further upscaling operations.

Budget 2024 should commit to multi-annual funding for modular homes, ensuring that the State becomes the driver of demand. Through this multi-annal funding the State should guarantee the purchase of **5,000 per year**.

Residential Zoned Land Tax

The introduction of a Residential Zoned Land Tax from next year is welcome, but the Social Democrats have already criticised the low starting point of 3 per cent as insufficient.

As part of Budget 2024, Government should introduce an addendum to the Residential Zoned Land Tax so that if after 12 months of the tax being applied at 3 per cent the land remains vacant, **the levy would increase to 6 per cent** the following year. This would increase the incentive to develop the site.

Investment Funds

Budget 2024 should end the favourable tax landscape for institutional investors in the Irish property system. **A levy on the profits of both IREFs and REITS should immediately be introduced to ensure the funds pay a minimum effective tax rate of at least 25%.**

It is not acceptable that wealthy funds are paying minimal tax on their extravagant income. In 2014, a bank levy was introduced with the express purpose of "enabling the banking sector to contribute to economic recovery". We need a similar levy on investment funds to ensure they contribute to resolving a housing crisis that has earned them excessive profits for years. If such a levy had applied in 2021, IREFs would have paid €155.25 million in tax rather than a paltry €36.8 million.

We would also	€m
➢ **Remove tax exemptions and reliefs for REITS** and other institutional investors. • This includes IREFs and s110 SPVS. ➢ Ensure capital gains are taxed at 35%. ➢ Extend the special rate of stamp duty for bulk purchases to apartments.	
➢ **Apply a levy to REITs and IREFs**, as above.	118.5
➢ Increase the **Dividend Withholding Tax** for REITs and IREFs from 25% to 33%.	20
(Predictable) additional revenue to be raised from these measures:	**138.5**

Environment & Nature

While this government excels at climate rhetoric, it fails miserably at climate action. Budget 2024 must be informed by the agreed Carbon budgets, as we seek to make the near-universally acknowledged changes needed to transform our economy to meet our internationally binding climate action targets and move to becoming a carbon-neutral society.

Government must ensure all of Budget 2024 is climate-proofed. All public spending should be checked against our environmental goals. Government must ringfence the full proceeds (not just additional revenue) of the carbon tax to fund just transition measures such as retrofitting homes, improving electric vehicle infrastructure, and other measures designed to increase the viability of a low carbon lifestyle for all, **regardless of income**.

In addition to current plans, Budget 2024 should:	€m
➢ Commit to **installing solar panels on 100,000 homes** over the next two years as part of a state-led effort to harness the generating capability of the technology.	Page 11
➢ **Double the solar grant** for those who do not qualify for the Warmer Homes Scheme ➢ Reinstate the **solar battery grant**.	31.5
➢ Increase **funding for apprenticeships,** funded through the National Training Fund surplus. ➢ Provide **subsidised upskilling courses** in areas with acute skills shortages, like **retrofitting** and other areas related to our climate goals.	Use NTF Surplus
➢ Increase connectivity between modes of transport by funding more **Park and Ride** facilities and **Bike and Ride** facilities adjacent to large towns and cities.	3
➢ Improve Ireland's **Electric Vehicle charging infrastructure, including in rural areas.**	15
➢ Create a **Nature Restoration Fund**.	20
➢ Increase **National Park and Wildlife Service** funding by 25%.	5
➢ Increase funding for the **National Biodiversity Data Centre** to €1m and provide the certainty of multi-annual budgets for the Centre and for other environmental orgs.	0.3
➢ Establish a **new Wildlife Crime Unit** in An Garda Síochána.	0.5
➢ Grant funding to Local Authorities to employ **Biodiversity Officers.**	2.5
➢ Grant funding to Local Authorities to expand their **water quality testing capabilities**, particularly at outdoor swimming spots.	0.5
➢ Provide additional funding for **weir remediation**.	3
➢ Ringfence funding for a **pond scheme**, to enhance biodiversity.	0.5
➢ Ringfence €3m to support community energy projects and facilitate **sale of excess energy back to the national grid** with money reinvested in schemes.	3
➢ Provide the necessary funding for an **Environmental and Planning Law Court**.	1
Additional Investment in Environmental measures in Budget 2024	**85.3**

Providing Universal Health and Social Care

Funding SláinteCare

The cost of SláinteCare reforms must be updated. This has not happened since 2017 and a huge amount has changed since then.

The *SláinteCare Implementation Strategy and Action Plan 2021-2023* was published in May 2021. €3.69 billon was apparently pledged to implement this plan, but given that the Strategy and Action Plan contained no costings, the Government seems to have simply multiplied the 2021 SláinteCare budget – €1.235 billion – by three with little regard to the financial cost of the individual health reform measures it intended to introduce. **This is hardly a rigorous approach to financial planning.**

The Social Democrats are calling on the Government to lay out a 5-year funding programme for SláinteCare and to include this cost in the pre-committed element of the annual Budget process, as already happens with the National Development Plan and public pay agreements. Only then will we believe the Government is genuinely committed to reforming our public health service.

Workforce Planning

The Sláintecare reform programme is about creating a properly functioning modern public health service capable of meeting the health and social care needs of our citizens. Multi-annual guaranteed funding is critical to the full implementation of these reforms. **However, the biggest challenge facing our health and social care services in recent years is the recruitment and retention of staff, across all disciplines.** This in turn is leading to the creeping privatisation of our health service, delayed recruitment, and an overreliance on agency staff.

Workforce planning for the health sector has been piece-meal at best. There are no current projections of training places needed across health and social care, there has been little co-ordination with the Department of Further Education, the number of clinical placements is entirely inadequate, and scant attention has been paid to the conditions and terms of employment which have driven large numbers of highly trained healthcare workers to leave the Irish health service. The Minister for Health must mandate HSE management to urgently prioritise the creation of additional placements with appropriate supervision arrangements.

Overall, in respect of ensuring a functioning public health service, **there is an immediate and critical need to establish a National Workforce Task Force** to address both the short term and medium-term needs of our Health and Social Care sector.

In addition, the many community and voluntary bodies providing health and social care services struggle to recruit staff as a result of a disparity in pay-scales between State agency staff and the section 39, 56 and 10 agencies. Government should provide €150m to begin the restoration of pay and ensure the sustainability of this sector (See Page 37).

The Budget 2024 allocation for SláinteCare should include:	
➢ **Funding for extra posts** across GP services, child and adolescent mental health services, psychology services, speech therapy, and occupational therapy, to build capacity at primary care level, as well as increasing diagnostics in the community.	
➢ **Fast-tracking the opening** of additional acute hospital beds and community step-down and rehab beds, as identified in the revised National Development Plan.	
➢ Specific funding for **additional nurses and midwives** to ensure appropriate staffing levels, including appropriate cover for staff absences owing to Covid-19.	
➢ Provision of **140 new ICU** beds in 2024 to bring us towards the 600 ICU beds recommended 10 years ago in the Prospectus report on Adult Critical Care Services.	
Total investment in SláinteCare in Budget 2024	**€1,235m**

➢ Provision made in 2024 for projected health overspend in 2023.	
Overspend Carried Over in 2024	**€1,000m**

In addition to current plans, Budget 2024 should also include:	€m
➢ **Funding for a workforce planning function in the Department of Health to lead the integrated healthcare workforce strategy. This includes**: • Coordination and collaboration across all key stakeholders. • A Planning and Advisory Group to implement and plan the workforce strategy. • A national consultation to identify key priorities, issues and challenges.	1
➢ Provision of **free GP care for under 12s.**	26
➢ Improved eligibility for **medical cards** for people in their 60s with an increase in the weekly income limits of €100 over two years (€57m over two years).	29
➢ Additional funding for the **National Cancer Strategy,** to implement all outstanding recommendations from the Strategy to 2026.	20
➢ **A cap on car parking charges** for patients undergoing hospital treatment.	5
➢ An expansion of investment in **E-health**. • €70m in current spending, €65m in capital.	135
➢ A reduction in all **prescription charges** to 50c with a cap of €5 per month.	29.7
➢ Funding to begin clearing the **home care waiting lists** and address the reduction in home care houses that occurred in mid-2023.	70
➢ The expansion of **free contraception to women aged 30-35**.	15
➢ Resources for a Case Management service for **Acquired Brain Injuries** in all counties.	0.5
➢ Reduce the **Drug Payment Scheme** maximum payment to €60 per month.	31

➢ Improved echocardiography services through investment in **Chronic Disease Ambulatory Care Hubs.** ➢ A structured Post-Graduate Echocardiography programme in TU Dublin and ATU, Sligo.	7.6
➢ Additional funding for **Alzheimer's and Dementia Care Services**, to include: • Increased investment in Dementia-specific Day Services. • Ring-fenced funding for therapeutic support and education for Family Carers. • Addressing staffing and retention challenges in dementia-specific homecare. • Investment in Enhanced Dementia Care, including nurse specialists.	21.3
➢ Investment in **neurological care services**: • Fully staff a community neurorehabilitation team in each of the 9 CHOs around the country as outlined in the National Neurorehabilitation Strategy. • Put in place a multidisciplinary team for the only dedicated neurology service for Irish patients with long COVID, in St James's Hospital Dublin.	3.3
➢ An increase in supports for **sufferers of Multiple Sclerosis**, including: • Sustainable funding for national physiotherapy services for people with MS and other neurological conditions. • An increase in annual statutory investment in the National MS Respite Centre.	1.5
➢ Increased funding for supports for people with **Epidermolysis Bullosa,** including mental health supports, outreach care, and home care.	1
➢ **Diabetes services:** • Set up a Taskforce to develop a **10-Year National Diabetes Strategy** to improve access and delivery of diabetes care services that improve quality of life. • Invest to improve access to any form of a continuous glucose monitoring for people with Type 1 diabetes as recommended by international guidelines.	5
➢ Additional funding for **Hospice Care**, to: • Increase the capacity to deliver quality end-of-life care in the community. • Resource a national approach to palliative, end-of-life and bereavement care. • Invest in bereavement community supports. • Support people to plan for their care at end of life.	0.9
➢ Development of **additional services for Long Covid**.	1.4
➢ Funding to alleviate **waiting lists for children with scoliosis**.	10
➢ Resource an increase in specialist inpatient bed capacity for **eating disorders** from the existing 3 beds to the 23 beds pledged in the Model of Care.	2
Total investment in additional health measures in Budget 2024	**416.2**

Mental health

Mental health services continue to suffer from chronic underinvestment. Now, the severe adverse impact of Covid-19 on the nation's physical and mental wellbeing has put additional strain on service providers.

For example, as of May 2023, there were 4,421 children and young people on the waiting list for Child and Adolescent Mental Health Services (CAMHS). This means the waiting list has almost doubled since 2019.

Budget 2024 should invest an additional €117m to support new service development and address the historic shortfall in funding for services. This year, mental health made up only 5.1 per cent of the total health budget. A pathway towards allocating **10 per cent of the total health budget to mental health services** by the end of 2028 must be set.

Government should also make long-term, multi-annual funding for Community & Voluntary organisations the norm.

The investment of an additional €117m in mental health services should be made up of sufficient money to maintain existing levels of service (€30m), and an additional €87m for the development of mental health services.

This should include:	(€m)
➢ Sufficient funding to **maintain existing services**.	30
➢ Sufficient funding to **implement *Sharing the Vision*** implementation plan.	15
➢ Additional funding for **Community & Voluntary sector providers** of mental health services.	25
➢ Resource **National Clinical Programmes** in Mental Health.	40
➢ Implement and Operationalise **the Youth Mental Health Pathfinder Project.**	0.8
➢ **Resource legislative changes** in the reform of the Mental Health Act 2001.	2
➢ Fund an **independent advocacy service** for people with mental health difficulties.	2
➢ Recruit 25 **Clinical Nurse Specialists** working on suicide crisis situations.	2
➢ The reinstatement of the role of **dedicated national lead for mental health** in the HSE to ensure national oversight and accountability in developing mental health services.	0.2
Total investment in Mental Health measures in Budget 2024	**117**

A Caring Society

Budget 2024 should begin a process of creating parity of treatment for staff delivering services in HSE-funded organisations. These Community and Voluntary organisations are experiencing an escalating crisis in staffing. **Service delivery is being jeopardised as a result of challenges around staff recruitment and retention**. This is mainly due to the disparity in pay and conditions between Section 39 organisation staff and their public sector counterparts.

Budget 2024 should **increase the allocation across services budgets for Section 39 organisations, Tusla-funded Section 56 organisations, and for Section 10 homeless services by a total of at least €150m** as a first step to addressing this disparity**.**

Social care in Ireland has been progressively privatised. Employees within the sector deal with precarious working terms and occasionally other forms of exploitation. We now have a largely unregulated home care industry and the legislation required to regulate the sector and provide for a statutory right to home care has been beset by delay. This Government is now two years behind target.

Investment in universal social care services is vital to ensure older people and disabled people have the necessary supports to reduce dependence on family and friends and to maintain a private life with dignity.

The European Commission has noted Ireland's over-reliance on institutional care while home care – which is a key part of long-term care services in many other EU Member States and is more efficient and appropriate for addressing much of our care need – has been historically underprovided. An increase in investment in social care is needed.

Budget 2024 should:

- Provide a **statutory right to home care** and a budget for a person-centred home care scheme with equality of access and availability across the country.
- Provide €70m in additional funding to begin clearing the **home care waiting list** and address the 1.9 million reduction in hours that occurred in mid-2023.
- Conduct a review into the privatisation of elder care.
- Increase funding for **Personal Assistance Services** as a move towards providing a statutory right to a Personal Assistance Service for disabled people (See Page 16).
- Establish a **Commission on Care** as outlined in the Programme for Government.
- Set a pathway to increase **investment in universal social care services** by 0.4% of national income on a phased basis, to fund better pay for workers and increase services/supports.
- End the '3-day rule' in part time jobseekers' payment to benefit home care workers.
- Ensure home care workers receive a **real living wage based** on the MESL rate, not this Government's interpretation which only amounts to 60 per cent of median income.
- Re-examine the **Critical Skills list** for visas to ensure as much as possible is being done to allow skilled workers for the sector be found.
- Amend the family reunification income threshold for non-EEA health care workers.

Caring for Carers

Carers provide an invaluable service to the State.

According to the latest census data there are over 299,000 unpaid carers in Ireland providing unpaid care each week, an increase of 53 per cent in six years.

Until recently, it was planned that a referendum would be held this year on equality and care, as recommended by the Citizens' Assembly and the Joint Oireachtas Committee on Gender Equality.

Whenever it does take place, the new Article 41.2 will, if successful, enshrine the value of care work in the Constitution and oblige the State to take reasonable measures to support carers.

Additionally, both the Citizens' Assembly and Oireachtas Committee on Gender Equality made unequivocal recommendations in relation to the reform of Carer's Allowance, including the need to increase the income disregards and earnings thresholds, the need to disregard the costs associated with care and increase the hours a carer is allowed to work or study as well, as the possible introduction of a Participation Income for carers.

To acknowledge and support the work of carers in Ireland, Budget 2024 must, at a minimum:

To support Carers, Budget 2024 should:	(€m)
➢ Increase the rate of **Carer's Allowance** by €25. (Cost factored into the €25 core welfare rate increase on Page 17.) ➢ Make this increase the first of a series to bring the Allowance to a level reflecting the contribution made by carers.	-
➢ Increase the **Carer's Allowance income disregard** to €500 (single carers) and €1,000 (couples).	59.4
➢ Increase the annual **Carer's Support Grant** from €1,850 to €2,000	20.9
➢ Increase the **Domiciliary Care Allowance** from €330 to €355.	14.4
➢ Expand the **Free Travel Scheme** to include people in receipt of Domiciliary Care Allowance.	6.1
➢ Commit the additional funding required for the **Carer's Guarantee**.	3
➢ Ringfence funding for the dedicated **Long-term Carers' Pension Scheme**.	3
➢ Increase the **Home Carer Tax Credit** to €2,000. ➢ Make Carer's Allowance **a qualifying payment for the Fuel Allowance**. ➢ Give full-time family carers the right to an annual minimum of **20 days respite**.	Costings not available
Total cost of measures to support Carers in Budget 2024	**106.8**

Public Funds for a Public Model of ECEC

High quality, accessible and affordable early childhood education and care (ECEC) is an essential social and economic good that can enhance children's development, educational outcomes and health trajectories across the lifespan. Access to and participation in ECEC can also reduce inequality and social exclusion and remove barriers to parental employment.

Budget 2024 should make meaningful steps to establish a public model of childcare through investment in a competent system that recognises ECEC as a public good rather than a commodity. With record levels of State funding for ECEC, it is essential this investment generates the best possible social return through a sustainable infrastructure that ensures high-quality ECEC for children, affordability for families, and a highly skilled and fairly remunerated ECEC workforce.

The complex ECEC ecosystem requires ambitious investment and approaches to create a sustainable, accountable, and affordable public ECEC system. This should include investment of surplus exchequer funds in a sustainable capital ECEC infrastructure, as well investment of the recommended 1 per cent of national income in ECEC over the coming years.

Budget 2024 should focus on creating social transformation in the following areas:

Investing 1 per cent of national income in Early Childhood Education and Care

Ireland lags significantly behind our European counterparts on Government investment in ECEC. Ireland's reliance on market-based systems has resulted in a dysfunctional system with some of the highest childcare fees in Europe, extremely poor working conditions for ECEC professionals, and problems with staff recruitment and retention.

While Budget 2023 resulted in reductions to childcare fees, Ireland still has the most expensive childcare in the European Union. Ireland must strive to increase investment in ECEC to 1 percent of national income. This requires an additional investment of €2.6 billion in a universally accessible, high-quality, affordable ECEC system, if GNI is the chosen measure.

This level of investment must be carefully managed and monitored to ensure ECEC partnerships for public good that are fiscally accountable and financially transparent, aiming for a highly skilled and fairly remunerated workforce, **with childcare costs of no more than €250 per month.**

Publicly owned infrastructure of purpose-built ECEC settings

Ireland needs a sustainable capital infrastructure of accessible purpose-built childcare buildings, suitable for babies and children from 7am to 7pm, 52 weeks per year.

Surplus exchequer funds should be used to acquire ECEC settings on existing and new sites such as Schools, Community Centres, Strategic Housing Development and Large-Scale Residential Developments.

Local authorities should require developers to implement the *Childcare Facilities: Guidelines for Local Authorities* that recommends one childcare facility providing for a minimum 20 childcare places per approximately 75 dwellings. These ECEC settings should be publicly owned by central and/or local government and made available for public partnerships dedicated to high-quality, affordable childcare and fair and equitable staff working conditions. The construction of early years facilities alongside all newly built schools should also be mandated. We call for €500 million of the exchequer surplus to be invested in a publicly owned ECEC Capital Infrastructure

Equal Participation in ECEC for Children experiencing Poverty and Social Exclusion

The National Childcare Scheme (NCS), consistently presented as a landmark universal scheme, is **entirely inadequate to meet the needs of children experiencing poverty**.

Young children are particularly vulnerable to the negative impact of poverty in early childhood. Material deprivation and social exclusion have both immediate and long-term causal negative effects on children's health, socioemotional well-being, academic achievement, and participation. **Children experiencing poverty benefit significantly from access to high-quality early childhood care and education**.

Budget 2024 must include targeted ECEC funding that ensures access to high-quality, full-day care throughout the year for babies and children at risk of poverty and social exclusion. These services should be able to provide favourable adult-child ratios, three meals per day, rest spaces, well-equipped outdoor spaces and access to family rooms that can be used for parent support and/or education purposes. Such provision requires dedicated funding per child, per week (not deductible based on attendance) and should reflect 'real' provision costs. **The capitation per child per week in areas of deprivation should be a minimum of €250, with enhanced capitation based on the level of deprivation in the local area as defined by the Pobal Deprivation Indices**.

In addition to targeted ECEC supports, Budget 2024 should commit to sustaining and upscaling the important work of the Area Based Childhood Programmes. This requires an increase in the core allocation to Tusla with the intent of doubling the reach and remit of ABC projects and applying the 4 per cent sustainability increase in 2024.

Increase Community-based infrastructure of ECEC in Ireland

Community-based, not-for-profit childcare settings are a critical asset to children, families, and communities across Ireland. **Despite this they are inadequately supported**, and many are under threat of service reduction and closure. Charities, not-for-profit organisations, and social enterprises that provide ECEC should be sustained, encouraged and further developed. **Budget 2024 should ensure that the community-based, not-for-profit, and social enterprise infrastructure is adequately supported** to make provision for all children and families, particularly those at risk of poverty.

Purpose-built community childcare settings should not be vacant in the afternoons or during school holidays and settings should be funded and supported to ensure that children can attend on a daily basis, throughout the year. Boards of Management, volunteers and social entrepreneurs should be adequately supported to ensure their compliance with the Governance Code and requirements of the Charities Regulator.

Adequate levels of Sponsorship for children experiencing extreme vulnerability

Community-based settings in Ireland provide most Sponsored places for children experiencing extreme vulnerability, with 65 per cent of all sponsored places in 2022 provided in community-based settings; this equates to 3,352 out of 5,195 NCS Sponsorship Claims.

Community-based settings account for only 26 per cent of all settings in Ireland, meaning there is a disproportionate burden on community-based and not-for-profit settings to respond to the needs of children experiencing extreme vulnerability, and the majority make provision at an operational loss to their settings.

Budget 2024 should ensure that sponsorship under NCS reflects the 'real' cost of provision for children facing abject adversity. These children require additional care, attention and nurturing, and funding should reflect more favourable adult-child ratios, adequate nutrition and access and availability of advice and support to meet needs, including access to services such as play therapy, psychology, speech and language therapy, occupational therapy and social work teams as required.

Sponsorship should be automatically funded as full-day care (min 40 hours per week) with a minimum capitation rate of €350 per child, per week for a minimum of 50 weeks per year.

In summary, Budget 2024 should:	(€m)
➢ Make meaningful steps to establish a public model of childcare **through capital investment in new publicly-owned not-for-profit childcare facilities** that recognise ECEC as a public good rather than a commodity. ➢ Commit to investing **1 per cent of national income in Early Childhood Education and Care** and publish a pathway for same over the next five years.	
➢ Make the necessary commitments to achieve a highly skilled and fairly remunerated workforce, with **childcare costs of no more than €250 per month**. ➢ This should begin with investment of €150m in 2024 to **reduce childcare costs by 30%.**	150
➢ Use surplus exchequer funds to acquire ECEC settings on existing and new sites. ➢ A fund of **€500 million, ring-fenced for the coming years,** should be set-up and invested in publicly owned ECEC capital infrastructure, with €100m in 2024.	100
➢ **Increase capitation per child per week in areas of deprivation** to a minimum of €250 with enhanced capitation based on the level of deprivation in the local area. ➢ This should begin with **ring-fenced funding in 2024** of €15m, as a first step.	15
➢ Increase core allocation to Tusla for the **Area Based Childhood** programme and apply the 4% sustainability increase. Aim to double the number of programmes in 2024.	2
➢ Ensure the **community-based, not-for-profit, and social enterprise infrastructure** is adequately supported to make provision for children and families most in need. ➢ This should begin with ring-fenced funding of €20m in 2024.	20
➢ Automatically fund **sponsorship** as full-day care (min 40 hrs p/week) with a minimum **capitation rate of €350 per child per week**, for a minimum of 50 weeks per year.	40
Total investment of Public Funds for a Public Model of ECEC in Budget 2024	**327**

Making Education Genuinely Free

Education is the single greatest driver of opportunity, quality of life, social equality and economic growth. Ireland should be a republic in which every child has the opportunity to achieve their potential; one of the best ways to ensure this is through a **well-funded and modern education system**.

The most radical reform to our education system would be to genuinely make it what it claims to be: **free**.

This can be done by fully funding schoolbooks and other classroom resources, and increasing the capitation rate to eliminate the need for 'Voluntary Contributions', as well as eliminating School Transport Scheme fees.

We estimate that to do all of this would **cost just an extra €103m annually at primary level**, and an **additional €191m to do the same at second level**. To put that in context, the overall budget for education in 2022 was approximately €12 billion.

While not an insignificant amount of money, €294m would represent around a 2 per cent increase in the education budget, but there are few policy measures that would have as transformative an effect on the lives of families with children who live on the margins.

In the long-run, societies and economies progress and grow with investment in human capital: **That's education.**

Not investing appropriately in education is a false economy which countries pay for eventually. Ireland's education spending is very low on a per-pupil basis. Budget 2024 should address these deficiencies.

Budget 2024 should begin a funding programme that would **make both primary and secondary education in Ireland truly free**.

- Fully fund schoolbooks and other classroom resources
- Free school transport
- Increased capitation grants
- No more 'Voluntary Contributions'

There must also be an **increase in the number of Special Needs Assistants (SNAs)** and an improvement in their rates of pay. Funding should also be ring-fenced for the **continued professionalisation of SNAs** to ensure their vital position in the classroom is respected, alongside all other school staff.

Primary and Secondary Level

Budget 2024 should:	(€m)
➢ Make primary education in Ireland fully free. ➢ Make secondary education in Ireland fully free.	294
➢ Realise the commitment to **fund all DEIS schools to provide a hot school meal**. ➢ Invest additional resources to ensure that all **Special Schools and DEIS Secondary Schools** can provide **a hot school meal** in 2024.	14
➢ Increase the **school meals programme** budget by 20% to improve food quality.	19
➢ Create a new **DEIS Plus categorisation**, with €20m in initial funding in 2024, for the most disadvantaged schools.	20
➢ **Reduce average class sizes** in primary schools. ➢ The Irish average is 22.8, compared with an EU average of 20. Government should reduce this by one in **each of the next four years**, beginning with a cost of €7m in 2024 (€20m per one-student reduction in a full year).	7
➢ Increase **Management Body Grants** by 50% in 2024.	1.5
➢ Invest to kick-start the school patron reconfiguration programme, to **speed up school divestment.**	6
➢ Invest in books for children and young people to read for pleasure, building on the foundations laid in Budget 2022 with the **School Library Grant**.	20
➢ Restore provision in **guidance counselling** to pre-2012 investment levels to support student emotional wellbeing and future career development.	5
➢ Support children and young people experiencing educational disadvantage and at risk of early school leaving through **an additional 10 Home School Community Liaison Coordinators**.	0.5
➢ Provide **more resources to the National Education Psychology Service (NEPS) and Child and Mental Health Service (CAMHS)** to address issues of trauma and poor mental health for students. ➢ NEPS can provide support for children presenting with neurodivergent needs and an Enhanced program of remedial tuition can be introduced in schools based on direction from NEPS (Full-year coat: €11m).	3.7
➢ **Fully restore the outstanding 2,400 posts of responsibility** in primary and special schools (Full-year: €12m).	4
➢ Increase funding for **school-based therapeutic supports**.	15
➢ Fund **Bookshare Ireland** to provide accessible educational course material for blind or vision-impaired students.	0.5
➢ Fund a staff member at every Education and Training Board with the role of **promoting disabled students' participation.**	1
➢ Ring-fence funding for capital building in education to **reduce the usage of pre-fabs** in schools.	20
Investment in Primary and Secondary Education in Budget 2024	**431.2**

Further and Higher Education:

Following years of underfunding, Ireland is under-resourced relative to our ambitions in higher education and innovation.

Budget 2024 must begin to address that. Funding for Research & Development (R&D) in this country has not recovered since the financial crash. There is a clear need for a **larger role for the state in ensuring that a sufficient amount of the R&D that is vital to maintaining an innovation ecosystem is conducted**.

Higher Education institutions will be vital in delivering on this. **How we structure and fund our higher and further education system will have a huge impact on how we fare in tackling the many challenges we face**.

To fund Further and Higher Education, Budget 2024 should:	(€m)
➢ Increase **core funding for Higher Education** institutions. ➢ Increase **public investment in research and innovation** to deliver on Ireland's ambition of becoming an international Innovation Leader with strong industry-academia collaboration.	150
➢ Start to **reduce third level fees**, beginning with a €1,000 reduction in 2024	90
➢ Increase the **grant rates and income thresholds** for SUSI by 15%.	12.6
➢ **Expand eligibility for SUSI grants** to part-time students.	60
➢ Increase the funding for **student mental health at third level**	20
➢ Increase **funding for apprenticeships,** funded through the National Training Fund surplus.	-
➢ Increase the **allocation to the Fund for Students with a Disability.**	5
➢ Invest in a **Research & Innovation transformation** fund so that **Technological Universities** can meet research growth targets as set out in the TU Act.	20
➢ Develop a long-term funding model for **lifelong learning**, investing an additional €20m per annum over 5 years to leverage the progress made in **digital and remote learning** during the pandemic.	20
➢ Fund rollout of the **Adult Literacy, Digital Literacy and Numeracy Strategy.**	10
Total Investment in Further and Higher Education measures in Budget 2024	**387.6**

Additional measures supporting Young People in Budget 2024:	(€m)
➢ Introduce a **Culture and Media Card**, worth €200, to encourage 18–24-year-olds to engage with cultural activities.	87.7
➢ Extend the **Young Adult Travel Card** to 24-year-olds and make fare reductions for young people permanent.	5
➢ Increase investment in **youth work services**.	9.4
➢ **Equalise Jobseekers rates for young people aged under 25**.	Page 17
Total cost of additional measures to support Young People in Budget 2024	**102.1**

Supporting our SMEs and the Real Economy

Budget 2024 should:	(€m)
➢ Restructure the Temporary Business Energy Support Scheme to ensure that **businesses struggling with energy costs** can access it. Statistics released recently on drawdowns suggest relatively few businesses can access it.	
➢ Create a new **hospitality fund** to support areas that saw a fall in tourism last year.	50
➢ Introduce targeted supports to enable SMEs to invest in innovation and productivity, including through the **expansion of the Enterprise Ireland Innovation Voucher Scheme** with a supportive mentoring programme, and **increasing the Innovation Voucher value to €10,000** to encourage higher levels of research, development, and innovation activity within business. ➢ Introduce other specific funding to **support Technological Universities (TUs) as regional drivers of innovation** and to engage with SMEs, MNCs and start-ups on innovation training and strategy development.	10
➢ Incentivise the development of **industry and academic smart specialisation clusters** by supporting a network of smart specialisation centres of excellence in strategic areas.	25
➢ Fund an online **EU Funding Information Centre for enterprises.** ➢ This would be a one-stop-shop would provide information to Irish enterprises on the full funding opportunities open to them.	0.5
➢ Increase funding for **Enterprise Ireland.**	25
➢ Increase funding for **Fáilte Ireland** to promote tourism.	25
➢ Use the surplus in the National Training Fund to: • Resource the **National Apprenticeship Office** to drive the delivery of the action plan, to bring strong alignment between training schemes and employment need. • Reinstate the **Apprenticeship Incentivisation Scheme** (AIS) to support SMEs and micro businesses to recruit new apprenticeships. • The AIS should be targeted at apprenticeships with low levels of registration such as block-laying, plastering, painting, and decorating. • Further incentivise apprenticeships by removing the student fee in college. • Provide **subsidised upskilling courses** in areas with acute skills shortages, like the digital economy and green energy.	0
➢ Expand the **Digital Skills for Citizens Scheme** to include SME staff.	1
➢ Scale up **Microfinance Ireland** so that it can support greater numbers of small businesses and start-ups to access finance.	6
➢ **Increase investment in innovation and education infrastructure** to protect Ireland's competitiveness and to support value creation, particularly important given ongoing global tax policy reform.	Page 44
Additional investment in Business-support measures in Budget 2024	**142.5**

Agriculture and Our Rural Communities

Budget 2024 should be the budget that makes significant shifts towards **a more sustainable agricultural policy**, with sustainable land management and shorter supply chains for farmers and consumers to form the basis of a fair transition for Irish agriculture.

The sector has been under significant pressure for some time and now, with last year's announcement of the sectoral targets for the Climate Action Plan, it is more in need of robust support from the state than ever. The Government's emissions reduction plan must assist all farmers – not just the big players – and work with all farming sectors to ensure that targets are reached. Too often we have top-down decisions being made which benefit a small few big players and not ordinary farmers.

Farmers will play a major role in Ireland reaching our climate targets. They must be supported to make the necessary changes. Government has for a long time failed to be honest with farmers. We are now in a situation where decades of Government decisions and incentives have led many farmers down a route of intensive farming in order to earn a decent living. **We can't turn around now and say they must pay the price for political failures**. Government must begin developing a compensation scheme for farmers who have invested in dairy-related infrastructure who are willing to move from this area, or downsize, into more sustainable forms of farming.

The Social Democrats would use **€1.5 billion of funds from the projected budget surplus to ensure the start of a fair transition for farmers in 2024**.

We have seen, with the huge numbers who applied to the ACRES scheme, that there is huge appetite from farmers to engage in more sustainable farming practices. The Social Democrats would devote **€500 million in 2024** to environmental and locally-led schemes for farmers.

More than one-third of farmers are over the age of 65 while fewer than 7 per cent are aged under 35. It has now been nearly 30 years since the last retirement scheme for farmers and a new one is long overdue. The Social Democrats would allocate **€1 billion in 2024 for a Farm Retirement Scheme Fund** – but, before finalising the nature of the scheme, would ensure there was rigorous engagement with rural communities and farm families. A series of townhall meetings, across the country, should be held to ensure proper consultation and engagement with farming communities. We must have an ambitious plan to reduce emissions – but it will only work if farming communities are involved in the decision-making process and farming remains viable long into the future.

This has been one of the most challenging seasons for tillage farmers in living memory. Weather issues have compounded financial problems, with grain markets down at least a third on 2022, high fertiliser prices, and the new CAP meaning lower payments in 2023 for up to 70 per cent of tillage farmers. **Budget 2023 should contain a €20 million Exceptional Aid Payment fund for active tillage farmers**.

To support Agriculture, Budget 2024 should:	(€m)
➢ Ring-fence a €1 billion for a **Farm Retirement Scheme Fund**.	1,000
➢ Create a €500m fund for use in **environmental and locally-led schemes** for farmers. • Increase funding for existing schemes including REAP, and European Innovation Partnership projects such as the **Burren** and **Hen Harrier** scheme.	500
➢ Create an **Exceptional Aid Payment** for active tillage farmers.	20
➢ Expand the **Stamp Duty Relief** to young, trained farmers to include all land transfers in registered **Succession Farm Partnerships** up to the age of 40. ➢ **Extend the tax relief on the leasing of farmland** to include agreements between parents and children who are young, trained farmers, available on a one-off basis (up to age 30). ➢ **Extend Stock Relief** until December 2026.	-
➢ Increase funding for the **Land Mobility Service**. ➢ Review national and EU tax reliefs and exemptions to promote **greater farm transfers**.	0.1
➢ **Remove the VAT on sexed semen.**	-
➢ Reform the new Office of The Agri Food Regulator to create an **Independent National Food Regulator,** tasked with enforcing EU-wide rules on prohibited unfair trading practices in the food supply chain and penalising those who breach regulations. ➢ Provide it with additional funding to do its job.	1
➢ Increase **Knowledge Transfer** and other training programme funding with emphasis on: • moving away from chemical applications • the transition away from nitrogen applications • and advice and guidance for farmers on Carbon Sequestration.	1
➢ Fund **a Farm Safety Programme** with a goal of reaching zero agricultural deaths.	0.2
➢ Expand supports for **commercial horticulture** to include smaller scale producers.	2
➢ Include additional supports for **organic farming,** to include: • **Additional investment in the Organic Farming Scheme** in 2024 • **Ending the exclusion of participants in the REAP Scheme** from also taking part in the Organic Farming Scheme. • **Ensure the Organic Farming Scheme is open annually**, not just on an ad-hoc basis, and that necessary funds are being allocated to support the development of new organic markets and value chains both in Ireland and Europe.	30
➢ Allocate additional funding to expand and develop the **Smart Farming Programme**, as recommended in the Joint Oireachtas Climate Action Committee Report.	5
➢ Maintain the **Sheep Welfare Scheme.** ➢ Provide funding to examine the creation of viable market opportunities for **the sale and use of wool** in areas such as housing insulation.	0.2
➢ Expand the **Agri-Climate Rural Environment Scheme** (ACRES) to accommodate an additional 10,000 farmers.	73
Total Investment in Agricultural measures in Budget 2024	**1,632.5**

To support our Rural Communities, Budget 2024 should:	(€m)
➢ Prioritise capital investment in the **National Broadband Plan**. Strong, reliable internet connectivity is necessary to support economic growth away from population centres.	-
➢ Increase funding for the **Community Employment scheme, Tús, and the Rural Social Scheme** to bring payments to participants in line with the Living Wage.	41
➢ Provide additional funding of €2.2m for **SICAP** to cover rising costs, and a further €15m to support SICAP integrating those arriving from Ukraine and elsewhere.	17.2
➢ Support REDZ and LEOs to **develop remote working hubs and Smart Villages.** ➢ Continue to fund **'Getting Citizens Online'** and **'IT Skills for Farmers'** training courses	3
➢ Provide additional funding to promote **local and regional tourism,** including Greenways.	5
➢ Extend the budget for the **Walks Scheme** to build sustainable tourism.	3.5
➢ Ring-fence money for local authorities to purchase land for **community growing**, ensuring more permanent locations be set up for community gardens and allotments.	1
➢ Scale up **Microfinance Ireland** so that it can support greater numbers of small businesses and start-ups to access finance.	Page 45
➢ **Simplify the working from home tax relief (aka Remote Working Relief)** process. ➢ Increase the weekly allowance to €20.	1.3
➢ Increase funding for **Town and Village Renewal Scheme**.	5
➢ Fund supports for **Farmers Markets**.	0.2
➢ Set-up a working group to develop a strategy for **local rural healthcare services**.	0.2
➢ Increase funding to the **Rural Transport Programme** and **Local Link** to increase availability and provide further local and circular routes serving towns and villages.	Page 13
➢ Dedicate funding to **returning and upgrading bus-stops on rural routes**, including modernising bus-tracking software to improve user interface and accessibility.	2
➢ Provide additional funding to ensure **safe walking and cycling to rural schools**.	5
➢ Roll out **electric vehicle charging points** in rural Ireland.	Page 32
Total Investment in our Rural Communities in Budget 2024	**84.4**

Additional measures supporting Fishers and Fishing Communities in Budget 2024:	(€m)
➢ **Shift the fish quota towards inshore fishers** so that they receive more than 2%. ➢ Re-examine access to Jobseeker's Benefit, Illness Benefit and other social welfare benefits for fishermen.	
➢ Increase the **Fishers Tax Credit** to €1,500 for those fishing a minimum of 80 days per year in order to allow the sector to compete for employees.	2
➢ Allocate Local Authority funding for the **maintenance and development of small piers**, make allocation available based on the length of coastline within the county.	10
➢ Maintain the **Mineral Oil Tax rebate** for fishing vessels. ➢ Ring-fence funding for **fuel supports** for fishers and create a programme reduce dependence on fossil fuels.	5
Total cost of additional measures to support Fishers in Budget 2024	**17**

Crime, Justice, Security and Regulation

Budget 2024 should:	(€m)
➢ **Resource the establishment of an Anti-Corruption Strategy**, which would assess the type and level of corruption present in Ireland and inform the terms of reference for a **new Independent Anti-Corruption Agency**.	0.5
➢ Begin investing to return the number of **Community Gardaí** to its peak in 2010. ➢ Ensure Gardaí have the resources required to improve responsiveness such as **sufficient civilian staff** to free up Gardaí time and an adequate number of **squad cars**. ➢ Permanently embed 16 Gardaí in the new independent **Corporate Enforcement Agency** which will investigate and prosecute white collar crime.	15
➢ Begin **increasing the budget of GSOC**, so that it doubles over the next three years.	5.5
➢ Begin the process of **improving pay and conditions within the Defence Forces**, and implementing the necessary changes highlighted by the Commission's report.	20
➢ Establish a **Statutory Maintenance Agency** to assist parents in resolving maintenance disputes, as well as pursuing and/or enforcing payments.	2
➢ Run a national education campaign and national action plan to combat the causes of **hate crime and hate speech** in Ireland.	0.5
➢ **Expand the National Cyber Security Centre** as an area of economic priority for Ireland. An additional €21m should be invested over 2024-2026. ➢ Address personnel and skill shortages in **Garda National Economic Crime Bureau** and the **Garda National Cyber Crime Bureau**.	7
➢ Finance an independent review of how the **Data Protection Commission can be strengthened and reformed**, as per the Oireachtas Justice Committee Report.	0.3
➢ **Embrace Ireland's role in EU digital regulation**. Strengthen regulatory capacities, and lead on digital policy issues at an EU level. ➢ **Ensure adequate resources are provided for the Data Protection Commission** and expected EU regulatory and enforcement requirements for digital markets and services, online safety and data sharing.	5
➢ Adjust the **financial means test for Civil Legal Aid** to ensure people on low incomes can access legal aid. In the context of the cost-of-living crisis, the current thresholds are out of date. ➢ Ensure the **Legal Aid Board is adequately resourced** so that waiting times to access legal aid can be reduced.	
Total Investment in Crime, Justice and Regulatory measures in Budget 2024	**55.8**

The Community & Voluntary Sector

Community and voluntary organisations are involved in every community in the country, providing health and social supports, services and advocacy on behalf of people with disabilities, older people, young people, children, people experiencing poverty and disadvantage, and people at every stage of their lives. **The sector needs certainty**; in funding measures to address the significant shortfalls, and in multi-annual funding guarantees so organisations can plan strategically. **Budget 2024 should introduce sustainable funding models for the community and voluntary sector, acknowledging the importance of multi-annual funding to allow for strategic planning**. 3-year funding should be the default approach for the funding of C&V organisations.

Government must also implement a process to determine essential services under HSE Section 39 and Tusla Section 56, followed by a commitment to fund these organisations adequately and ensure sustainable pay and working conditions for staff (See Page 37).

As well as the C&V-related actions in previous pages, Budget 2024 should:	(€m)
➢ **Support the sector in its ongoing response** to the civil need generated by the war in Ukraine and the increased demand on its services as a result; and support CV organisations with inflation-related costs.	15
➢ Increase investment in the SláinteCare **Healthy Communities Programme** to ensure that the remaining SICAP areas are brought into the Programme.	10
➢ Increase funding for **Family Resource Centres** to allow for the optimum core funding levels identified for all Family Resource Centres in Ireland.	8.5
➢ Invest in a dedicated **Workforce Skills and Training** Framework for the Community & Voluntary sector.	10
➢ Provide a dedicated fund to **incentivise and cover the cost of mergers** and collaborative work in the charity and C&V sector.	2
➢ Create a **Commissioner for Ageing and Older Persons** within the Ombudsman's office to promote the human rights and equality of older persons. ➢ Commit the necessary funding to implement the **National Positive Ageing Strategy.**	2.5
➢ Increase the budget for the **Community Services Programme** to enable payment of the Minimum Wage to people employed on the programme, and to adequately fund project management.	4
➢ Increase the Annual Shed Sustainability Grant for **Men's Sheds** by €1,000.	1.3
➢ Increase the core budgets of **Community Drugs Projects**.	5
➢ Increase funding for the **VAT compensation scheme** for charities from €5m to €20m.	15
➢ **Remove VAT from the cost of making a Will** if a charitable bequest is included.	-
Additional investment in C&V Supports in Budget 2024	**73.3**

Additional Spending Priorities

Budget 2024 should:	(€m)
➢ Provide a **roadmap for progressive increases in total funding for the Arts sector** to bring it in line with average EU spending over 5 years. The 'basic income for artists' pilot should be used to ascertain the most effective way to support the sector. ➢ Ensure the **fluctuating nature of income for artists** is taken into consideration when assessing welfare supports. ➢ Make provision for the **conversion of vacant commercial premises** into pop-up galleries, performance spaces, and other artistic venues. ➢ Establish **special commercial rates for creative/arts spaces** and "rates holidays" for new projects. ➢ Introduce a **Culture and Media Card**, worth €200, to encourage 18–24-year-olds to engage with cultural activities (see Page 44).	
➢ Increase **the allocation for the live music and entertainment sector** to include provision for the Local Live Performance Support Scheme and the Night-Time Economy Support Scheme.	25
➢ Increase **capital funding for Screen Ireland** to enable it to support further creation of indigenous independent film, animation and documentary content.	2
➢ Improve funding to **Creative Ireland**.	4
➢ Provide sufficient additional funding to ensure an extra 338 emergency accommodation units that would meet our obligations under the Istanbul Convention on Domestic Violence. ➢ Devote sufficient **capital spending** in each of the next three budgets with a view to meeting Ireland's Istanbul Convention obligations by end of 2026 (€41m in 2024) and commit the **additional current spending** necessary to operationalise the new spaces (€11.3m in 2024).	52.3
➢ **Increase core funding to Tusla and Safe Ireland**.	4.2
➢ **Increase funding for the Irish language**, including Údarás na Gaeltachta to support language planning, summer colleges, Irish language tourism, and increased funding for TG4 and other Irish language media and cultural outlets, including Irish Language Theatre	10
➢ Commit funding for a significant pilot of the **four-day week** with public and private sector participation, based on similar initiatives in Portugal, Scotland and Spain.	5
➢ **Reduce funding to the greyhound industry** by €7m in 2024, with a view to phasing out support over the next three years. **Use savings to fund animal welfare charities.**	-7
➢ Increase funding for the **Workplace Relations Commission**, and expand civil legal aid to cover employment and discrimination claims before the WRC.	3
➢ **Increase Irish Overseas Development Aid**. ➢ Set a clear pathway to reaching the UN-agreed target of 0.7% of national income by 2030.	150
➢ Remove the penalty for **paying motor tax** on a quarterly or bi-annual basis, as this simply serves to penalise those on low incomes who cannot afford the entire amount upfront.	42
Net total for other Spending Priorities in Budget 2024	**290.5**

Income Tax Changes

If Government really wants to reduce the cost of living and give working people and families a break, it should use the majority of available resources to invest in better quality public services and social infrastructure. **However, when nominal earnings are increasing again, some indexation of the tax system is justified. We must also ensure that workers on low incomes have additional cash to deal with things like increasing food and energy costs.**

The Social Democrats have crafted a tax package that is both fair and proportional, given these dual concerns. It avoids the narrow effects of tax changes proposed by some in Government that would see only higher earners benefiting, while ensuring that the very highest earners don't benefit disproportionately, as was the result of the Government's tax changes in recent budgets.

The Social Democrats propose three changes to the income tax system in Budget 2024:

- Index Tax Bands by 4 per cent; an increase of €1,600 in the Standard Rate Cut Off Point
- Increase each of the two main Income Tax Credits by €225 (total €450 per annum)
- Create an additional third rate of income tax, set at 43 per cent, on the portion of income in excess of €100,000 for single people, with appropriate higher thresholds for couples

We estimate that together, these changes would cost approximately €597 million in 2024.

The increase in the tax bands is necessary to ensure that the proportion of income taxed at the lower rate remains roughly the same, as incomes increase. Wage inflation is approximately 4 per cent in the last year. It makes sense to change tax bands accordingly, as opposed to indexing based on price inflation which has no effect on how income is taxed.

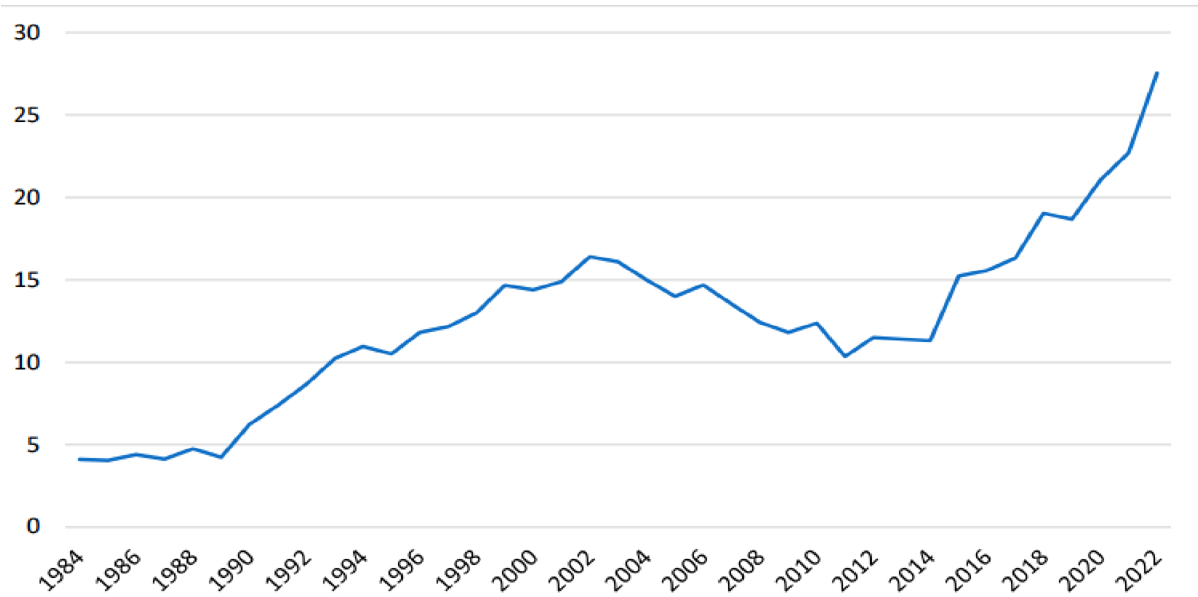
Workers earning the Minimum Wage (currently approximately €22,916 per year if full-time) would gain €9 per week, as would workers earning up to €40,000. This is due to Tax Credit increases, which are a far fairer way to distribute resources as they go equally to all workers. Those on middle earnings, around €42,000, would gain by €15 per week, with the additional gain due to the change in the tax bands.

We believe the additional third rate of income tax is necessary for a number of reasons, not least so that some of the benefits of indexed tax bands and increased tax credits (which accrue equally to workers on average earnings and on more than €100,000) accruing to higher earners can be clawed back. A third rate of income tax targeted at higher earnings would also make the income tax system more progressive, and give Government an additional tool to make it more progressive in future budgets.

Revenue Raising

It is well-documented that Ireland is currently over-reliant on potentially temporary windfalls in corporation tax receipts. A responsible government would set out a revenue-raising strategy to reduce this dependency by broadening the tax base.

CONTRIBUTION OF CORPORATION TAX RECEIPTS TO TOTAL (%)



Source: ESRI's Quarterly Economic Commentary, Summer 2023:

This concentration risk compounds the problem that Ireland has historically collected levels of government revenue that are far lower than our western European peer countries – the countries we should aspire to emulate – as a proportion of national income.

Furthermore, the pre-pandemic projections (before the current corporation tax bonanza) were for the proportion to decline, with Government's budgetary documentation repeatedly projecting further declines in government revenue as a proportion of GDP and GNI*. Windfall receipts have artificially bucked these trends, but as these are considered temporary, it would be prudent to assume that structural issues remain.

Ireland cannot close the significant deficits in our infrastructure and public service provision without changing this direction of travel. While windfall receipts can fund much needed capital expenditure that will enhance the long-term productivity of the economy, it is also **important that Ireland close the revenue-raising gap over the longer-term** and halt the projected declines in revenue raised as a proportion of national income.

In order to help reverse this trend, the Social Democrats have proposed a number of revenue-raising measures.

Other revenue-raising or expenditure-saving measures are included throughout the document, listed within the respective policy areas and may not be included in this summary. The majority of the revenue raising measures listed in the next pages represent measures not included in previous sections of this Alternative Budget.

Additional Revenue Raising in Budget 2024

We are proposing the following revenue-raising measures in Budget 2024:	(€m)
➢ A **third rate of income tax at 43%,** on individual earnings above €100,000.	Page 52
➢ Implementation of a **windfall tax on energy companies** to raise at least €500m.	500
➢ Removal of the refundable element for unused **R&D tax credits.**	150
➢ **An increase in the minimum effective income tax rate** for people earning more than €400,000 from 30% to 32%.	100
➢ An increase from 7.5% to 8% in the **stamp duty on non-residential property.**	59
➢ An increase in the rate of **Capital Gains Tax** from 33% to 35%.	136
➢ An increase in the rate of **Capital Acquisitions Tax** from 33% to 35%.	40
➢ The raising of the **betting tax** on both in-shop and online betting from 2% to 3%.	50
➢ A renewal of the **Bank Levy** to ensure the banking system continues to contribute to the Exchequer. ➢ A structuring of the levy to maintain the current €87m take, plus an increased take to be ring-fenced to fund Mortgage Interest Supplement. (See Page 30)	87 +MIS
Total raised from these taxation changes in 2024	**1,122**

The future of PRSI

Budget 2024 should begin a process of reform of the Social Insurance system, ensuring employers and the self-employed make a fairer contribution. It is a fact that **social insurance contributions from Employers in Ireland are very low** by EU standards[3]. The current standard rate of Employer PRSI is 11.05 per cent.

Increasing Employer PRSI, bringing Ireland closer in line with our European peers, must form an essential component of **additional revenue raising and public finance stabilisation**, as well as meeting the challenges of an ageing population.

The Social Democrats recommend a series of annual 0.5 per cent increases over the coming decade, to bring the Irish rate closer to the European norm. However, given the current level of economic uncertainty and increasing costs for business, **we recommend a smaller increase of 0.25 per cent** next year. This would **raise approximately €214 million** in 2024. This would offset part of the cost of increasing some Social Insurance payments by €25 per week.

Businesses need some element of certainty, around future costs. So too does Government, around the financing of the Social Insurance Fund. As well as increasing Employer PRSI in Budget 2024, Government should **publish a roadmap to reaching a new more appropriate level of Employer PRSI by the end of the decade**.

Total raised from Employer PRSI changes in 2024	€214m

[3] The EU average in 2022 was around 21%. Only five of the other 26 countries had a rate lower than Ireland, while France's rate, at 45%, is more than four times the current rate of Ireland.

Tax Reform in Budget 2024

As well as raising revenue, **there is a need for reform of the tax system in Budget 2024**.

Government should introduce a sunset clause in Budget 2024, so **that losses for businesses can only be claimed against tax liability if they occurred in the previous 25 years**. This deadline should be reduced by one year every year until 2034, at which point it will be 15 years. This slow reduction would give certainty to business, while removing the right to carry forward business losses for the avoidance of tax indefinitely.

While it is well known that pillar banks in Ireland have been carrying forward losses, and reducing their tax bills accordingly, for a number of years, total Losses Carried Forward in Ireland into 2022 amounted to €229.7 billion according to statistics from Revenue. This includes unused capital allowances for tangible assets. At least a quarter of losses forward are likely to be capital allowances. **It is hard to think of a good argument for businesses being able to carry forward losses indefinitely**.

As noted on the previous page, we believe that capital taxes should be increased. **There is no good economic argument for why passive capital income should continue be taxed at a lower rate than active employment income**. Ireland has a very low effective tax rate on capital income by international standards, in part due to the broad reliefs and exemptions. Indeed, the yield from capital taxation is greatly reduced over the last 15 or so years, in large part because while the disposal of Irish property by Irish individuals/companies was generally taxable pre-2008, many disposals are now exempt from Capital Gains Tax (CGT) due to the various structures and incentives, including REITS, IREFS, and the 7-year exemption on CGT.

We are proposing several other tax reform measures that would raise money in 2024.

Other taxation reform measures in Budget 2024:	(€m)
➢ **Standard-rate all discretionary non-pension related tax reliefs** which cost the Exchequer more than €5m per annum.	152
➢ Abolish the **Special Assignee Relief Programme.**	35
➢ Reduce the **Capital Acquisition Tax Business & Agricultural Relief** from 90% to 70%.	60
➢ Abolish **Entrepreneur Relief on Capital Gains Tax**, a relief described by the ESRI as poorly targeted in achieving its stated aims.	92
➢ Implement a **tax on 'super wealth'** (See Page 56).	150
➢ Make the two **main income tax credits refundable** (See Page 18).	-150
Total raised from these taxation reforms in 2024	**339**

A Tax on 'Super Wealth'

Across Ireland and the world, statistics show that the concentration of wealth is increasing. We know that the ownership of wealth is relatively more heavily concentrated than income in Ireland. We also know that Ireland needs to broaden the tax base and ensure sustainable revenue collection to meet the financial challenges ahead.

A net wealth tax, with fair exemptions, can help tackle both issues. We are proposing a tax on net wealth as a key element of a progressive programme of tax reform.

It is our goal to tax 'excess wealth' or 'super wealth', rather than what might be viewed as ordinary household wealth. For this reason, the family home (to a value of €2 million) would be exempt from calculations of the tax liability, as would family businesses, agricultural land and so on. The tax would have a high tax-free allowance to avoid an excessive burden on low-income people with high value assets.

What our wealth tax would look like:

- Levied at 0.5 per cent on assets over €1 million, 1 per cent on assets over €2 million.
- The thresholds should be updated at least every five years.
- The tax would be on **net wealth, so taking account of liabilities**, including mortgages.
- Important exemptions from calculating the base would include:
  - The family home (up to a value of €2 million) and ordinary contents of the home.
  - Business-related assets, including as related to self-employment.
  - Farmland and other agricultural assets.
  - Pension funds.
  - Works of art and other items that are available for public viewing in the State.
- To protect cash-poor households who might have assets that bring them into range of the tax, facility should be made for a deferral where the tax liability exceeds a certain proportion of income.
- Where a taxpayer is ordinarily resident in the State for tax purposes the tax would apply to all assets, regardless of where they are held. Where the taxpayer is not ordinarily resident in the State the tax applies to their assets located in the State.
- We estimate that the proposed tax could raise around €150 million in revenue in 2024.

It may be necessary to enforce an 'exit tax' —a one-off tax on individuals if they decide to move out of the country for tax purposes. For example, the United States has an exit tax to deter expatriation by individuals with over US$2 million in net worth. Individuals renouncing their citizenship are required to pay tax on all their unrealised capital gains.

It's time that the people who have benefited the most from the current economic model pay a modest contribution from the massive wealth they hold. We often hear the case against wealth taxes in terms of feasibility – but it's **increasingly a question of political will**. Given today's level of inequality, it is not radical but sensible to be discussing fair wealth taxation if we are to create a fairer society.

Financial Summary

Table A: Net Expenditure changes in selected policy areas in 2024	€m
Supporting Families	260.4
Dealing with Energy Costs, Funding a Climate Transformation	6,365
Incentivising Public Transport and Active Travel	375.8
Enabling Citizens: Meeting the Needs of Disabled People	534.1
Tackling the Structural Problem of Low Income	1,626.7
Once-off Payments on the Cost of Living	705
Getting Housing Right	1,131.1
Environment & Nature	85.3
Providing Universal Health and Social Care	2,651.2
Mental Health	117
A Caring Society	150
Caring for Carers	106.8
Public Funding for a Public Model of ECEC	327
Education	818.8
Supporting Young People	102.1
Supporting SMEs and the Real Economy	142.5
Agriculture (and Fishers) and our Rural Communities	1,733.9
Crime, Justice, Security and Regulation	55.8
Community & Voluntary Sector	73.3

Notes:

Table A should be read separately to Tables B and C, as a summary of net spending increases by policy area.

Table A does not match the Net Expenditure Increase in Table C as numbers in Table A take account of some revenue increases and decreases within the relevant policy areas, which are then factored into Revenue changes in Table B, along with larger tax changes dealt with in pages 52-56.

Table B: Total Revenue Changes in 2024	**€m**
Total Increased Revenue	1,963.5
Revenue Decreases	(1,102.7)
Net Revenue Change in 2024	**860.8**

Table C: Budget Summary	**€m**
Expenditure increase (net of expenditure savings) in 2024	8,249
One-off spending and specific funding allocations in 2024	8,325
Total Spending Increase / Fund Allocations in 2024	**16,574**
Residual surplus allocation to Rainy Day Fund	1,526[4]

Table D: Summary: One-off measures and Structural Changes	**€m**
Total net additional recurring spending in 2024	8,249
• Including additional capital spending on housing	1,221
Recurring non-housing measures in 2024	**7,028**
One-off spending and fund allocations from budget surplus in 2024	8,325
Made up of • One-off Cost of Living Measures	1,705
• Ring-fenced Capital Spending for coming years, including Climate Transformation Fund and Farm Retirement Scheme.	6,620

[4] Based on a surplus of €11.7 billion as flagged in the Summer Economic Statement 2023.

Social Democrats

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