

Better Services, Stronger Communities

Alternative Budget 2026

**Social
Democrats**



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Our Budget 2026 Priorities

Budget 2026 must strike a balance between protecting our economic security, dealing with the long-term challenges we face as a society, and providing targeted support to hard-pressed households.

Despite a healthy public balance sheet, Ireland's economy faces significant challenges; not least the changing trading environment brought about by the Trump administration. Budget 2026 should be based around a coherent strategy for continued economic success and stability, including strategic investment in infrastructure and public services the country so badly needs.

Ireland is now the most expensive country in the European Union with the exception of Luxembourg, with the price of goods and services for households 38 per cent above the EU average in 2024. This high cost of living has many causes, but is in part due to decades of under-investment in the kinds of public services that are free or almost free in other Western European countries.

If Government is serious about reducing the cost of living and supporting working people and families, it should use the majority of available resources to invest in better quality public services and social infrastructure, tackling the high cost of those services and reducing the cost of living in areas like housing, healthcare, childcare, and education.

The Social Democrats recognise that it is simply not credible to plan these necessary investments while eroding the tax base. Our priorities in Budget 2026 include:

- Tackling the cost of living, with targeted supports and more affordable public services.
- Re-focusing Ireland's economic model on indigenous growth and innovation.
- Greatly reducing child poverty with a new Second Tier of Child Benefit.
- Increasing state-led delivery of affordable homes, and building a modular homes factory.
- Abolishing the means test for Carer's Allowance.
- Investing to bring down the cost of education at all levels.
- Supporting low-income workers and families struggling with the cost of living.
- Cutting childcare fees by more than €200 per month.
- Tackling the crisis of recruitment and retention in health and social care.
- Investing in Ireland's clean energy future, via the creation of a Wind Energy Fund.

The monetary amounts noted in this document are, in general, in addition to amounts projected for 2025 and/or pre-committed spending or revenue-raising measures, including for the National Development Plan, demographic developments, and maintaining existing levels of services. They also allow for the capitalisation of the Future Ireland Fund and the Infrastructure, Climate and Nature Fund.

Tackling the Cost of Living

All across the country, people are struggling to make ends meet. The public finances are in a strong position, but for many people, that hasn't fed through into the reality of their daily lives. Governments can't control the price of everything, but they can take measures to ease the burden on households and take action that reduces the cost of living indirectly. Budget 2026 must contain measures that address poverty, boost incomes and reduce the cost of basic public services.

The Social Democrats are proposing targeted measures to support people struggling with high cost of living, with a focus on low-income families, children in poverty, and energy poverty.

Government should use Budget 2026 to announce **an increase of €15 per week in core weekly welfare rates**, and **an increase in the National Minimum Wage (NMW) of €1 per hour, to €14.50**, as part of the move to a Living Wage.

This is an also opportunity to bring in a **Second Tier of Child Benefit**, based around the income thresholds for the Working Family Payment, as proposed by the ESRI. Their studies in 2023 and 2025 have found that, euro for euro spent, such a measure would have by far the most positive effect on child poverty rates, taking 40,000 children out of poverty.

Our Alternative Budget contains a proposal to **target energy credits at the lowest income households**, as well as a postponement of the increase in VAT on domestic energy (both gas and electricity), and an increase in the Fuel Allowance to €40 per week.

Our proposals for a public model of childcare would see **average childcare fees cut by more than €200 per month**, as part of a move to achieving a €200 per month cap by 2028, as well as the first steps towards building a proper model of public provision in early years care and education.

Our Alternative Budget proposes the following packages of measures that would help tackle the cost of living, and move Ireland towards a model of universal basic service provision:

Supporting Children

- A Second Tier of Child Benefit, targeted at children in low-income households.
- A new DEIS Plus categorisation for the most disadvantaged schools, with €20m in funding.
- Primary and secondary education made genuinely free:
 - Increased capitation grants to end 'Voluntary Contributions'.
 - A national school transport scheme that leaves no child behind.
 - Fully funded classroom resources.
- A €100 Sports and Activity voucher for all children 6 to 18.

Supporting Pensioners

- An increase in €15 in state pension rates.
- An increase in the Fuel Allowance of €7, to €40 per week.
- Ring-fenced funding for older people's housing.

Supporting the Vulnerable

- An increase of €15 in working age weekly welfare rates.
- A targeted Energy Credit of €400 for households in the bottom 40 per cent of incomes.
- Abolition of the means test for Carer's Allowance.
- A new €20 per week Cost of Disability payment.
- A reduction in the Drug Payment Scheme max payment to €60 per month.
- Prescription charges reduced to 50c with a cap of €5 per month.

Supporting Workers

- €300 in the pockets of workers, through an increase in Income Tax Credits.
- An increase in the National Minimum Wage of €1.
- 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 4 weeks, bringing paid parent's benefit to 13 weeks *per parent*.
- Increased Maternity, Adoptive, Paternity and Parent's Benefit payments, from €289 per week to €350.

Supporting Families

- Free GP care for under 12s.
- A €100m fund for solar panel installation, cutting family electricity bills by up to 40%.
- Restoration of the Electric Vehicle grant to €5,000, and increased funding for Retrofitting.
- Maintenance of the VAT reduction on domestic energy until end of April 2026.
- Childcare fees cut by more than €200 per month.
- Increased supports for Foster Carers.

Supporting Students

- A €1,000 cut in the third level registration fee.
- An increased SUSI grant and expanded eligibility.
- An extra €100m invested in providing affordable student accommodation.

Securing Our Economic Prosperity

Despite a healthy public balance sheet, Ireland's economy faces several risks and challenges. Due to our economic openness – with Foreign Direct Investment (FDI) representing a high share of national income – and the fact that no other EU country is as closely linked economically to the United States, Ireland is the European country most exposed to the negative effects of current trends of de-globalisation and aggressive industrial policy from the Trump administration. The risks are to both Ireland's tax base and to employment. Budget 2026 should be based around a coherent strategy for continued economic success and stability, including strategic investment in infrastructure and public services.

Refocusing Our Economic Model

Ireland's economic model should be founded on three principles:

- **Stability:** prudent management of the public finances and steady investment in social and economic infrastructure.
- **Security:** decent jobs and adequate incomes for all, while building up our indigenous enterprise sector.
- **Solidarity:** fair taxation; universal basic services; ending homelessness and child poverty.

Our plan is to build an economy that is stronger, greener and fairer, and more *economically* democratic, with stronger workers' rights, a fairer distribution of resources, and more inclusive decision-making. Budget 2026 should aim to protect Ireland's economic security through a combination of:

- Investing in our social and economic infrastructure.
- Boosting innovation.
- Creating a more equitable distribution of income and wealth; and
- Investing in Ireland's energy future.

Ireland must pivot its industrial policy to take account of new economic realities of de-globalisation and changing industrial policy of our trade partners. FDI is, and will continue to be, an important part of Ireland's industrial strategy. Multinational companies provide significant levels of (often highly paid) employment, and also contribute a disproportionately high share of both corporation tax to the Exchequer and value added in the economy. Attracting such investment will remain very important, but the changing economic landscape means we may not be able to rely on this area as much as in the past.

International uncertainty means that future investment is already being put on hold or being diverted towards the United States. SMEs backbone the Irish economy and are the greatest employers overall. There is far less risk of capital flight with Irish firms. To complement our booming multinational sector, Ireland needs to build a thriving dynamic indigenous sector,

providing greater supports for new and innovative Irish startups which will be key drivers of job creation, productivity, and growth.

We must also continue to invest in our economic infrastructure, particularly telecommunications, transport and port infrastructure, improve our social infrastructure, particularly housing, health and childcare, and increase investment in education, to maintain the strategic advantage we have in this area as an attractor of Foreign Direct Investment.

Funding for Enterprise Ireland

State capital has long been a vital component of Irish industrial success. State-owned banks and strategic investment funds have provided patient long-term finance to support business formation and growth, innovation, and technology diffusion. Crucially, this concept of the State as investor entails taking equity stakes in high-risk and high-potential startups with an additional secondary function of providing conditional loans for firms.

In 2023, Enterprise Ireland supported 156 new start-ups (including 85 designated as being 'high potential') with €24m of funding and non-financial supports. A further 28 start-ups received follow-on investment totalling €10m. Enterprise Ireland can play an even greater role than it currently does. **Budget 2026 should double these funding streams, allowing for raised targets and even greater levels of assistance, scaling up the State's capacity to support business formation and growth.**

Funding Innovation

Growth from innovation and productivity gains is the only form of economic growth compatible with long-term sustainability (particularly environmental), and the current economic context makes government intervention in this area even more crucial. Budget 2026 must invest to foster technological innovation, scale up indigenous firms, and drive productivity and efficiency gains.

The most innovative companies are also the most productive. Assisting companies to boost innovation and competitiveness is crucial to creating agile new Irish firms in high value-added sectors that are currently dominated by multinationals. Incentivising research and development (R&D) in Ireland can help promote domestic innovation and productivity.

It makes sense to encourage firms to invest in R&D, particularly as a lot of scientific R&D can have spillover benefits for the rest of the economy. However, much of Ireland's incentives are based around tax breaks to private firms. A greater percentage of government 'expenditure' in this space should be done via direct spending on R&D at Ireland's traditional and technological universities, especially as any new innovations would then be available for

wider use and not confined to one firm. This is preferable to giving tax breaks¹ to private companies to conduct R&D that benefits them alone².

Not all direct expenditure on innovation must be through universities. In 2023, Enterprise Ireland provided 107 grants over €100,000 for in-company R&D and supported 1,724 collaborative projects between companies and higher-education researchers, as well as a number of Technology Centres and Digital Innovation Hubs. In 2023 nearly €60m was awarded through the Disruptive Technologies Innovation Fund. This funding fostered R&D, innovation, and collaboration, and should be increased.

Government should also 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 €15,000 to encourage higher levels of research, development, and innovation activity within business.

Budget 2026 should also create a fund (€15 million initial capitalisation) to incentivise the development of industry and academic smart specialisation clusters. This would be used to bring together innovative talent from across the country. By supporting a culture and connection between national ambition and local enterprise, a network of smart specialisation centres of excellence in strategic areas can be developed around Ireland.

Financial Assistance for Small Business

Budget 2026 should set aside funding for a subsidy scheme for struggling small cafes and restaurants.

This scheme would provide grants – ranging from €5,000 to €20,000 – to these small businesses, with qualification criteria based around turnover and staff levels, type of business, and independence. The fund should be targeted at areas outside of the main towns and cities where there are often limited options, and at deprived parts of urban centres.

These small hospitality businesses often backbone small towns and villages, and provide people with a space to meet and socialise. Closure of these spaces can have hugely negative impacts not just on staff and suppliers but on the wider community.

Increasing business costs, including higher energy costs, make for a more difficult trading environment. These businesses need targeted assistance. We would capitalise this fund at €50 million.

¹ Encouraging scientific R&D is an objectively good thing. But the focus on doing so using tax breaks has a wasteful side to it. E.g. more than €6bn has been spent on refundable R&D tax credits in the last thirteen years; the Government's own economic evaluation service estimates at least 40 per cent of this has been 'deadweight'.

² If taxpayer money is to be spent funding R&D, it would be better spent in ways that create spillover benefits for the economy more broadly, rather than allowing these benefits to be captured solely by private companies.

Economic Priorities in Budget 2026	(€m)
➤ Double funding for Enterprise Ireland to support new Irish startups in 2026.	40
➤ Increase direct public spending on R&D and innovation through third level institutions, including funding for both basic and commercial research, particularly in STEM, to increase the production, diffusion and use of new ideas.	75
➤ Introduce 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.	20
➤ Increase funding for the Enterprise Ireland Innovation Voucher Scheme with a supportive mentoring programme, and increase the Voucher value to €15,000.	20
➤ Create a fund to incentivise the development of industry and academic smart specialisation clusters.	15
➤ Increase the IDA's budget in 2026 by 10%.	30
➤ Create a fund to support independent cafés and restaurants, and Community Cafés.	50
➤ Introduce a Compliance Support Voucher of €2,500 for cooperatives.	2.5
➤ Expand social enterprise funding to accelerators, including through Local Enterprise Offices and SICAP, to assist early-stage social enterprise development.	3
➤ Scale up Microfinance Ireland so that it can support greater numbers of small businesses and start-ups to access finance.	4
➤ Use the surplus in the National Training Fund to resource the National Apprenticeship Office to align training schemes and employment need, and provide subsidised upskilling courses in areas with acute skills shortages, like in construction, digital economy and green energy.	
➤ Begin the process of removing the tax disincentives for Employee Ownership Trusts in Ireland, by modelling the tax regime around the UK system, including CGT relief for sellers, and allowance for modest tax-free bonuses for employees.	
➤ Invest to improve Ireland's economic infrastructure, particularly telecommunications, transport and port infrastructure. [See subsequent pages]	
➤ Invest to improve Ireland's social infrastructure, particularly housing, health and childcare. [See subsequent pages]	
➤ Increase investment in education, to maintain the strategic advantage we have in this area as an attractor of Foreign Direct Investment. [See pages 20 and 21]	
Funding for Economic Security measures in Budget 2026	259.5

A Social Democratic Difference: Investing in Services

Budget 2026 must be one that makes a difference in the lives of ordinary people, leading to real improvements in living standards whilst planning for a secure social and economic future.

It should be a budget that takes a big step towards the provision of **Universal Basic Services** in Ireland, focusing not just on economic prosperity but on improving quality of life and bringing down the cost of living for ordinary people.

Universal Basic Services

The concept of Universal Basic Services stems from a belief that everyone is 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 people are entitled to a certain minimum in service provision in areas like healthcare, education, and housing, as well as childcare, transport and other areas. 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 believe that the vast majority of available resources should be used to tackle our infrastructure and service deficits. **The best way to reduce the cost of living is by investing in the public services that underpin the living standards of most people.** This cannot be done if Ireland's low tax base is further eroded.

Budgetary Approach

The overarching budgetary principle of Budget 2026 must be acknowledgement that the vast majority of resources should be **invested in addressing infrastructure deficits, improving service provision, meeting our climate targets, and mitigating current crises** in housing, healthcare, child poverty, and other areas. Government has made several promises in the Programme for Government on issues like climate change and reform of the health system, but has given scant detail as to how these reforms will be funded. The Social Democrats are **proposing an Alternative Budget aimed at growing our renewable energy capacity, building Universal Basic Services**, and developing the infrastructure necessary to deliver these goals.

Ireland is dealing with the consequences of decades of underinvestment, crises in housing, climate and health, and unacceptable levels of economic inequality. **But these problems are not insurmountable.** Just as they are broadly the results of policy decisions made over time, **they can be fixed if Government takes the right policy decisions now.**

Housing

The Government's *Housing for All* plan has utterly failed to get to grips with the housing crisis, which has long become a social disaster, and there is a complete absence of the kind of vision and ambition required to deal with it.

The Social Democrats believe that only a radical shift to a state led approach – based on **directly delivering a public programme of affordable housing** – will solve the crisis. This delivery – using historic budget surpluses and the Social Democrats' innovative proposals for additional private financing, leveraging the €160 billion in Irish bank accounts – must be the priority of Budget 2026. Our Alternative Budget includes:

- An additional €1.3 billion to fund local authorities, AHBs and the Land Development Agency **to deliver 12,000 social homes and 10,000 affordable homes next year.**
- €20 million to begin the development of a **State Construction Company (SCC)**
- €120 million to build **a modular home factory** that would produce up to 2,000 homes every year. This should be the first of many such factories that, combined with the SCC, would speed up the process of home building.

In April we published our 'Homes for Ireland' Savings Account proposal, which contained suggestions for how to diversify funding streams for affordable home building, and provide a reliable supply of finance for affordable delivery. Budget 2026 should **include the necessary funding to** roll out the Homes for Ireland scheme. Budget 2026 should also:

- Begin **phasing out subsidies for private developers and investor fund landlords**, and using money saved to fund the construction of additional affordable homes and start building up the public capacity to deliver more affordable homes across the country.
- **End the favourable tax landscape for institutional investors in the Irish property system.** We would extend the special rate of stamp duty for bulk purchases to apartments, apply a levy to REITs, and introduce non-household purchaser tax on property.
- Prioritise **homelessness prevention** through increased funding to the Tenant-In-Situ scheme, prevention teams at local authority and NGO level, and services supporting families in homelessness, along with rent controls and banning no-fault evictions.

Prolonged vacancy and dereliction of homes cannot be tolerated in the middle of a housing crisis, especially when letting or refurbishing these homes is the cheapest, quickest, and most environmentally friendly way to quickly add to the available housing stock. We would immediately introduce a **vacant homes tax of 10 per cent of the value of the property**. This would be levied on any residential property that is vacant for more than twelve months.

Local authorities should lead on the redevelopment of vacant and derelict buildings into affordable rental and purchase homes, and they should set up development companies to undertake this, as is being developed by Dublin City Council. We are calling for greater funding and **greater capacity to use Compulsory Purchase Orders** for buildings in locations where vacancy and dereliction are particularly problematic. We would allocate a €150 million fund to capitalise this, funded via an increase in stamp duty on non-residential property.

Housing Priorities in Budget 2026	(€m)
➤ Build 12,000 new social homes and 10,000 affordable homes – including 5,000 cost rental and 5,000 affordable purchase homes.	1,318 ³
➤ Create a fund to facilitate local authorities to compulsorily purchase and renovate vacant/derelict houses.	150
➤ Build a Modular Home Factory, capable of producing 2,000 homes per year.	120
➤ Ring-fence initial funding to create a State Construction Company.	20
➤ Increase Tenant-in-Situ Scheme funding, and restore the eligibility criteria.	25
➤ Increase funding for other homelessness prevention methods by 50%.	10
➤ Provide redress for those affected by building defects.	150
➤ More investment in housing schemes dedicated to older people, including: <ul style="list-style-type: none"> • Designated developments for older people on urban infill sites. • Additional use of the Older Persons Housing Financial Contribution Scheme. 	20
➤ Increase investment in Traveller-specific accommodation to €30 million.	7
➤ Provide funding to local authorities to clamp down on illegal short-term lets.	3
➤ Increase state support for construction apprenticeships by 50%.	7
➤ Provide seed funding for the Homes for Ireland Savings Scheme.	2
➤ Ring-fence funding for a Construction Cost Reduction Commission, based on the German model.	0.5
➤ Remove tax exemptions and reliefs for REITS and other institutional investors: <ul style="list-style-type: none"> • Ensure their capital gains are taxed at 33%. • Extend the special rate of stamp duty for bulk purchases to apartments, too. • Apply a levy to REITs and Increase the Withholding Tax from 25% to 33%. • Increase Withholding Tax and Income Tax rates for IREFs from 20% to 30%. • Introduce non-household⁴ purchaser tax on property. 	+90
➤ Increase the Vacant Homes Tax from 0.7% to 10%.	+60
Total (net) additional investment in Housing measures in Budget 2026	1,682.3

³ This is in addition to the amounts already budgeted for by Government in these categories.

⁴ Approved Housing Bodies, charities, Local Authorities and the Land Development Agency would be exempt.

Disability

Despite improvements in funding in recent years, the experience of people with disabilities in Ireland continues to be one of social exclusion. 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.

We need to see extensive recruitment to primary care professions to address the particular crisis in those waiting-lists, based initially on staffing benchmarks that have been developed by the HSE.

Disability Priorities in Budget 2026	(€m)
➤ Introduce a €20 per week Cost of Disability payment as a first step to address the often significant additional costs of having a disability.	238
➤ Ring-fence €100 million as a first step to pay parity for Section 39 workers, ensuring they have comparable terms and conditions with their HSE colleagues.	100
➤ Fund Disabled Persons' Organisations so they can advocate effectively.	0.5
➤ Deliver additional funding to deal with deficits identified in the Capacity Review: <ul style="list-style-type: none"> • 80 new children's disability therapy staff and 40 new therapy assistants. • 2,600 Day Service Places for school leavers. • 140 new 'Priority One' residential placements. • 200 moves from congregated settings. • 8,000 additional overnight respite sessions and 16,000 day-respite sessions. • 80,000 additional Home Support hours. 	93
➤ Provide funding for an additional 250,000 Personal Assistance Service hours.	6.3
➤ Introduce replacement schemes for the Motorised Transport Grant and Mobility Allowance based on assessment of individual needs.	10
➤ Increase funding to create additional accessibility on public transport, including at train and DART stations, more accessible buses, and other measures.	20
➤ Increase funding for Housing Adaptation Grants and extend the grants to tenants in social housing.	20
➤ Funding for a workforce planning function in the Department to ensure sufficient specialists are being trained to deal with growing need.	0.5
Total investment in Disability services and supports in Budget 2026	488.3

Supporting People on Low Incomes

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 Essential Standard of Living (MESL) research illustrates what different households must spend to reach a socially acceptable standard of living in Ireland. Given that it suggests that a single adult would need *at least* €287 per week, the immediate implication is that core social welfare payments have a long way to go to provide income adequacy. We would **increase welfare rates by €15** per week as part of a move to meet the MESL.

It is important that support provided in Budget 2026 is focused on those who need it most. That is why, given recent increases in the cost of energy, we are calling **for €400 in energy credits, targeted at households in the bottom 40 per cent of income.**

Helping Low Income Workers

Government should use Budget 2026 to announce **an increase of €15 per week in core weekly welfare rates, and an increase in the National Minimum Wage (NMW) of at least €1 per hour, to €14.50**, as part of the move to a Living Wage.

Recent trends in 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.

Priorities to deal with Low Incomes in Budget 2026	(€m)
➤ Increase working age welfare payments by €15 per week.	539
➤ Increase state social welfare pensions by €15 per week.	612
➤ Increase the weekly Fuel Allowance payment from €33 to €40.	84
➤ Provide an Energy Credit of €400 to households in the bottom 40 per cent.	362
➤ Increase the National Minimum Wage by €1 per hour.	-
➤ Make the two main income tax credits refundable, to help low paid workers.	125
Total investment in measures to tackle Low Incomes in Budget 2026	1,722

Children and Child Poverty

There is hardly a greater avoidable tragedy in Irish society than 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, and 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, health and criminal justice, and to higher tax revenues.

In 2023, the ESRI put forward the idea of a **Second Tier of Child Benefit**, integrating the Child Support Payment with a modified Working Family Payment. They calculated that this would lift around 40,000 children out of poverty and more than halve the poverty gap for children remaining under the poverty line.

All children would remain eligible for the ordinary Child Benefit payment, with the 'Second Tier' payment targeted at the lowest income families with children in the country.

Child poverty cannot be eliminated without lifting the households in which the children live out of poverty. **Working-age income supports are therefore also part of the solution**, as is access to quality public services, particularly around education, health, and the care of children, designed to mitigate the economic inequality that is increasingly a feature of Irish society.

Priorities to deal with Child Poverty in Budget 2026	(€m)
➤ Implement a Second Tier of Child Benefit, integrating the Child Support Payment with a modified Working Family Payment.	772
➤ Fund 'sponsorship' for childcare as full-day care with a minimum capitation rate of €350 per child per week, for children experiencing the worst deprivation.	40
➤ Create a new DEIS Plus categorisation, with €20m in initial funding in 2026, for the most disadvantaged schools.	20
➤ Increase funding for Tusla by €200m over the next five years (€40m in Year 1), to recruit additional social workers, childcare workers, social care workers and other front-line staff to deal with the chronic shortage of intervention and prevention services for highly vulnerable children.	40
Total investment in measures to tackle Child Poverty in Budget 2026	872

Supporting Families

Budget 2026 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.** 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.

The Social Democrats have consistently called for a **‘New Deal’ for families**, including a package of policies that would improve living standards and provide a lower cost of living for families. That package includes additional investment in childcare, healthcare, education and housing, additional paid and unpaid leave entitlements, and a greater work/life balance. We are proposing a **Family Package in Budget 2026** that would reduce costs and make significant improvements to people’s quality of life. The three main pillars are:

- Significantly **expanding paid leave for parents**;
- Increasing the weekly payment for **Maternity Benefit** and related benefits;
- Starting the process of building a **fully public model** of early years education and care.

In addition, youth workers throughout Ireland often provide the most valuable educational and relational services with young people experiencing structural inequality, marginalisation and disadvantage. At a time of increasing demand for services in communities, it is imperative we assist youth work organisations to deliver high-quality programmes and supports for young people. All young people who need it should have the opportunity to access youth work.

Priorities to Support Families in Budget 2026	(€m)
➤ Extend parent’s benefit by 4 weeks per parent, bringing paid parents leave to 13 weeks per parent.	64
➤ Increase weekly Maternity, Adoptive, Paternity and Parent’s Benefit payments from €289 to €350.	87
➤ Increase investment in the youth work sector.	21
➤ Increase supports for foster families, including: <ul style="list-style-type: none"> • Funding to Tusla to increase and resource areas-based therapeutic hubs. • Automatically enrolling foster families for the Back-to-School Allowance. • Developing a mechanism by which time spent fostering can be counted towards qualification for the State Pension (Contributory). 	8
Total measures to Support Families in Budget 2026	180

A Public Model of Childcare

The Social Democrats have a clear goal to establish a public model of Early Childhood Education and Care (ECEC), and a pathway to achieve it.

Overseen by a National Childcare Agency, this would have the **triple benefit** of guaranteeing quality early years education and care for children, affordability for parents, and appropriate compensation and benefits for workers in the early years sector.

Research suggests that high quality ECEC can have beneficial 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**.

It is important to distinguish between a publicly-funded model, which we have in part, and a 'public model of ECEC'. It is clear the system is not structured in a way that can deliver affordability for parents and sustainability for staff, while ensuring accountability for taxpayer money. While an increase the direct state funding is needed to improve staff pay and conditions, and to increase affordability for parents, other reforms are necessary too.

A public model of childcare should be pursued, building capacity for greater direct state provision of ECEC, and a strengthening of community provision.

The Building of a Public Model in 2026	(€m)
➤ Begin the establishment of a public model of childcare through capital investment in new publicly owned not-for-profit childcare facilities, using surplus exchequer funds to acquire ECEC settings on existing and new sites.	100
➤ Invest to further reduce childcare fees, from the current national average of €823 per month, to €615 per month, with a view to achieving the promised €200 per month cap by 2028.	262
➤ Take on 20% of the wages (in each of the next five budgets) for staff working with children who hold NFQ Level 7 Qualifications and higher.	95
Measures on Early Years Care and Education in Budget 2026	357

Caring for Carers

Carers provide an invaluable service to the State, with many giving full-time care to family members with disabilities, chronic illnesses, or age-related care needs, often at great personal, financial and emotional cost.

Both the Citizens' Assembly on Gender Equality and the Oireachtas Committee on same made unequivocal recommendations in relation to the reform of the 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.

The current Programme for Government promises to "continue to significantly increase the income disregards for Carer's Allowance in each Budget with a view to phasing out the means test during the lifetime of the Government". We believe that this should be done far sooner.

Budget 2026 should **abolish the means test for Carer's Allowance now**, to ensure that people who provide the socially and economically essential role of caring are recognised and rewarded. Abolishing the means test would reflect the deep reliance of our society on carers and recognise care work as the essential public good it is.

Caring Priorities in Budget 2026	(€m)
➤ Abolish the means test for Carer's Allowance.	375
➤ Increase the rate of Carer's Allowance by €15 per week.	[60] ⁵
➤ Increase the annual Carer's Support Grant by €150 to €2,150.	15
➤ Provide adequate funding for respite care.	[12] ⁶
➤ Commit additional funding to complete the roll-out of the national Carer Guarantee to give uniform access to information, training and support.	2
Total investment in measures to Support Carers in Budget 2026	392

⁵ This funding is accounted for already on Page 12, in the €15 increase in all core weekly welfare rates.

⁶ This funding is included on Page 11.

Health

One of the basic functions of a republic is to put in place the necessary services to keep people well and treat them when they are ill. It should not be too much to expect decent healthcare. Yet the sad reality is that we cannot fully depend on our public health service, and large parts of it have been broken for some time.

The current system is far too hospital-dependent, with much of the care that could take place in local health centres happening in acute hospitals. For too long, government has overlooked the need to expand capacity in community and primary care, with **over 100,000 people now languishing on a community/primary care waiting list for over a year.**

The Sláintecare reforms, to create a single-tier universal healthcare system, have been progressing too slowly – momentum has essentially stalled. No updated costings have been published in years, there is no ring-fenced budget for reform, and the Sláintecare 2025+ plan was published without any money pledged for implementation.

Once again, the Social Democrats are calling on the Government to urgently 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. The Programme for Government commitment to introduce multi-annual funding for our health service must also be accelerated.

Health Priorities in Budget 2026	(€m)
<ul style="list-style-type: none"> ➤ Funding for the Sláintecare reform plan, including: <ul style="list-style-type: none"> • Extra HSCP posts across community therapies to build capacity at primary care level, as well as increasing diagnostics in the community. • Additional acute hospital beds in line with ESRI projections, along with additional community step-down and rehab beds. • Additional ICU beds, including funding for implementation of phase two of the Strategic Plan for Critical Care. • Additional funding for ambulance services, focusing on areas with slowest response times, and increased numbers of EMTs and Advanced Paramedics. • Additional funding to accelerate implementation of the Framework for Safe Nurse Staffing and Skill Mix, alongside underpinning legislation. • Funding to implement an integrated Strategic Workforce Planning Programme, in collaboration with key stakeholders. 	815
➤ A reduction in all prescription charges to 50c, with a cap of €5 per month.	38.9
➤ Reduce the Drug Payment Scheme maximum payment to €60 per month.	45.6
➤ Expand provision of free GP care to all under 12s.	30

➤ Additional funding to address the GP shortage, including:	
• Increasing the number of GPs in line with ESRI projections, particularly in rural areas and areas of deprivation.	
• Investing in the educational infrastructure, including increasing the number of training practices and supervisory GP trainers.	15
• Additional funding for locum support for leave and flexible work arrangements.	
• Growing the number of general practice nurses.	
• The introduction of salaried GPs.	
➤ Provide funding to begin clearing homecare waiting lists, raise the number of hours provided, and ensure additional hours can be provided to existing clients.	110
➤ Additional funding for the National Cancer Strategy, to implement outstanding recommendations from the Strategy to 2026.	20
➤ Funding to alleviate waiting lists for children with scoliosis.	20
➤ Funding to progress key chronic disease management programmes.	25
➤ Additional investment in neurological care services, including:	
• Fully staffing community neurorehabilitation teams in Midlands, North Dublin/North East, South East and North West to complete national rollout.	13
• An additional 25 specialist inpatient neuro-rehabilitation beds for Dublin Midlands region and 20 inpatient beds for South West region.	
➤ Investment in trans and sexual healthcare, including:	
• Implementing a new model of gender-affirming care for trans people, delivered in the community, in line with WHO guidance, and under an informed consent model.	7
• Scaling up free community sexual health services, esp in underserved regions.	
• Additional funding to expand access to PrEP.	
➤ Invest to improve services provided by Local Drugs and Alcohol Task Forces.	6
➤ 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.	1
• Invest in bereavement community supports.	
• Support people to plan for their care at end of life.	
➤ An expansion of investment in E-health; €30m current spending, €25m capital.	55
Total additional investment in Health measures in Budget 2026	1,201.5

Mental Health

Mental health services continue to suffer from chronic underinvestment. For example, as of April 2025, there were 4,554 children and young people on the waiting list for Child and Adolescent Mental Health Services (CAMHS). This means the waiting list has more than doubled since 2019. **Budget 2026 should invest an additional €122m to support new service development and address the historic shortfall in funding for services.**

This year, mental health will make up only around 5.5 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 2030 must also be set. Government should also make long-term, multi-annual funding for Community & Voluntary organisations the norm.

Mental Health Priorities in Budget 2026	(€m)
➤ Increase investment to tackle the underlying factors behind long waiting lists, particularly in primary care services.	25
➤ Resource Mental Health Services for Children and Young People: <ul style="list-style-type: none"> • Prioritise targeted funding across all levels of child and youth mental health care to ensure timely, appropriate support for young people. • Invest in CAMHS to address critical staffing shortages and infrastructure gaps, reducing backlogs and ensuring more timely care for young people with moderate to severe mental health needs. 	20
➤ Invest in Community Mental Healthcare provision, including: <ul style="list-style-type: none"> • Allocating additional investment to new early-intervention and community-based mental health care that is accessible to priority groups. • Recruit psychology staff to the Prison Service to meet recommended ratios. • Invest in mental health care for Travellers and Roma. 	25
➤ Invest in the implementation of <i>Sharing the Vision</i> , to include: <ul style="list-style-type: none"> • The publication of detailed costings and required staffing levels. • Developing a Mother and Baby Unit. • Expansion of services for individuals with co-occurring mental health and intellectual, developmental or other disabilities. • Strategic capital investment programme for mental health services nationwide. 	40
➤ Provide funding for the implementation of reforms outlined in the Mental Health Bill 2024, and establish a statutory right to independent advocacy for both adults and young people.	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 additional investment in Mental Health measures in Budget 2026	122

Education

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**. In the long-run, societies and economies progress and grow with investment in human capital: **That's education**. Budget 2026 should begin a funding programme that would **make both primary and secondary education in Ireland truly free**, over the next three years. This means: Fully fund schoolbooks and other classroom resources; Free school transport; Increased capitation grants, so there is no more need for 'Voluntary Contributions'.

Education Priorities in Budget 2026	(€m)
<ul style="list-style-type: none"> ➤ Make primary education and secondary education in Ireland fully free, over the next three years, including: <ul style="list-style-type: none"> • Fully funded classroom resources • Adequate Capitation Grants, removing need for 'Voluntary Contributions' • Free school transport 	75
<ul style="list-style-type: none"> ➤ Reduce average class sizes in primary schools. The Irish average is 22.5. (In the EU it's 19). This should be reduced by one in each of the next two years. (Costing €7m in 2026, €21m per student in full year). 	7
<ul style="list-style-type: none"> ➤ Allocate a budget to developing a strategic plan for Inclusive Education. 	0.5
<ul style="list-style-type: none"> ➤ Hire an additional 1,000 Special Needs Assistants in 2026 	35
<ul style="list-style-type: none"> ➤ Introduce Special Educational Needs Coordinators (SENCOs). 	14.2
<ul style="list-style-type: none"> ➤ Increase funding for Hot School Meals by 10%, and ring-fence this funding to improve the quality and nutritional value of the food. 	30
<ul style="list-style-type: none"> ➤ By 2030, all schools should have at least one specialist emotional counsellor/therapist on staff. €35 million should be invested in this in Year 1. 	35
<ul style="list-style-type: none"> ➤ Invest in books for young people to read for pleasure via School Library Grant. 	10
<ul style="list-style-type: none"> ➤ Fully fund the School Completion Programme. 	12
<ul style="list-style-type: none"> ➤ Ring-fence funding to begin eliminating the use of pre-fabs in schools. 	25
<ul style="list-style-type: none"> ➤ Provide pension parity for school secretaries and caretakers. (No cost estimates available). 	
Total investment in Education in Budget 2026	243.7

Further & Higher Education

Third level students are severely affected by rising costs and an acute shortage of affordable accommodation. Despite Ireland having a high rate of students attending third level, accessibility issues remain. **Budget 2026 should include key measures to reduce financial barriers to education.**

Budget 2026 should also recognise the important role of Community Education, both in developing adult literacy in Ireland, and in acting as a first step on a learner's skills development journey. Despite its importance, Community Education is currently underfunded relative to other areas of Further Education and Training.

Higher education and research fuel innovation, which is **key to talent development and economic and social prosperity**. This should be reflected in Budget 2026.

Further & Higher Education Priorities in Budget 2026	(€m)
➤ Increase core funding for Higher Education institutions.	40
➤ Increase public investment in R&D via third level institutions by €75 million.	[75] ⁷
• This should include specific funding to attract 'scientific refugees' from countries where freedom in R&D is being cracked down upon.	
➤ Maintain the €1,000 reduction in third level fees into 2026.	100
➤ Double Health and Social Care places in Higher Education, including for:	30
• Occupational Therapists.	
• Speech & Language Therapists.	
➤ Ring-fence funding for the SUSI grant:	40
• Increase grant levels to reflect the increasing cost of living.	
• Expand eligibility, to include more part-time students.	
• Make the grant more generous for low-income students needing most support.	
➤ Increase grant funding to third level institutions to build student accommodation that is actually affordable to students.	100
➤ Increase funding for Adult Literacy by €5 million, and increase Community Education funding by 20%.	10
➤ Additional funding for Youthreach and Community Training Centres.	5
Total investment in Further & Higher Education in Budget 2026	325

⁷ This €75 million is accounted for separately, on Page 7, and so not included in the total on this page.

Energy

Government should use a significant portion of the corporation tax windfalls to invest in a greener future. This should be done via the creation of a **Wind Energy Fund** (WEF).

The WEF 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, especially in off-shore wind**, with the aim of ensuring secure energy supply and making Ireland a **net exporter of clean energy in years to come**.

Among the projects which should be considered for funding from the WEF are:

- Investment in exploiting Ireland's off-shore wind energy potential.
- Upgrading the national grid to allow for this additional wind energy potential.
- Funding research in Green R&D at Irish third level institutions.

Ireland currently has three commercial semi-state bodies engaged in developing wind energy projects, and this area in particular should receive significant investment. We have enough renewable energy resources to become a net exporter of energy by the end of the decade. A WEF would ensure State involvement in a **strategically important and potentially lucrative** sector of the economy.

This fund should receive capital funding of €1 billion in each of the next five budgets, ring-fenced from the planned investment in the Infrastructure, Climate and Nature Fund. Windfalls 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 money to invest in critical infrastructure** now and create a strong, resilient society and economy for the future. Once-off capital spending on large transformational projects is the most appropriate way to spend these surpluses.

Solar Energy

Budget 2026 should also have a focus on making individual households and homes more resilient to energy price and supply shocks.

There should be a government goal of ramping up installations to a point where **100,000 homes per year are having solar panels installed** 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 yet.

An initial **€100m 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 2026.

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.

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 significantly. **Government needs to act with the urgency this crisis requires.**

Other Measures on Renewable Energy

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 Ireland's 2030 target of 9,000 MW of new onshore wind energy cannot be met. **The planning system must be funded to do its job.**

Ring-fenced funding within the Infrastructure, Climate and Nature Fund	(€m)
➤ Capitalise a Wind Energy Fund.	1,000 ⁸

Additional Energy measures in Budget 2026	(€m)
➤ Create a €100m fund to provide grants to households to install solar panels.	100
➤ Increase funding for retrofitting of social housing, and targeted no-interest home retrofit loans to bridge the affordability gap.	100
➤ Invest to upgrade Ireland's electricity grid.	40
➤ Renew the VAT reduction on domestic gas and electricity until end of April.	56
➤ Resource the planning system to support Ireland's climate objectives, including around renewable energy projects, starting with an additional €5m in 2026.	5
Total additional Energy spending in Budget 2026	301

⁸ This €1 billion would be ring-fenced from the government's planned €2 billion investment in the Infrastructure, Climate and Nature Fund.

Climate Adaption, Nature Protection & Food Security

Significant investment is being made in the Infrastructure, Climate and Nature Fund (ICNF). It is important that **a large portion is ring-fenced for nature protection measures**, and not solely spent on infrastructure projects. As part of the Budget 2026 process, Government should legislate to ring-fence 25 per cent of the ICNF for nature protection measures.

Farmers will play a major role in Ireland reaching our climate targets. They must be supported to make the necessary changes. The ICNF can play a role here too, and Government must begin developing a **compensation scheme for farmers**, who have invested in dairy infrastructure and would like to move to more sustainable forms of farming.

We must also plan for what we know is coming. Regardless of the progress we make on climate change mitigation, **climate adaptation measures will be necessary too**. Our plans include actions and changes relating to drainage and flood mitigation, afforestation and nature protection, early warning systems and protocols for dealing with situations that will arise, and a plan to incorporate nature-based solutions into climate adaptation.

Climate and Nature in Budget 2026	(€m)
➤ Ring-fence funding for climate adaptation measures.	30
➤ Increase National Parks and Wildlife Service funding by 10%.	7.8
➤ Establish a new Wildlife Crime Unit in An Garda Síochána.	0.5
➤ Additional funding for the Agri-Food Regulator with improved powers to enforce EU rules on unfair trading practices in the supply chain and to penalise breaches.	2
➤ Remove the VAT from sexed semen. (Cost estimate not available).	
➤ Include additional supports for organic farming, to include: <ul style="list-style-type: none"> • Additional investment in the Organic Farming Scheme (OFS), and ending the exclusion of REAP participants from also taking part in the OFS. • Ensure the Organic Farming Scheme is open annually, not just ad-hoc, and that necessary funds are being allocated to support the development of new organic markets and value chains both in Ireland and Europe. 	10
➤ Maintain the Tillage and Horticulture Support Scheme, and increase payments.	12
➤ 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, based on the length of coastline within the county.	8
➤ Maintain the Mineral Oil Tax rebate for fishing vessels, and ring-fence funding for fuel supports for fishers to reduce dependence on fossil fuels.	5
Total additional spending in Budget 2026	77.3

Transport

One of the starkest differences between Ireland and other European countries is our poor public transport system. **Under successive Irish Governments, one abandoned or delayed public transport plan has followed another.** Transport policy has focused on moving cars, not moving people.

Our Transport policy is informed by the core tradition of social democracy; **ensuring that our national resources and collective efforts are marshalled to the benefit of society** as a whole rather than the individual.

Transport Priorities in Budget 2026	(€m)
<ul style="list-style-type: none"> ➤ Extend the TFI 90 Minute fare (currently €2) to surrounding counties, with strategically located Park & Ride facilities, and an expanded 120 min time limit. <ul style="list-style-type: none"> • €50m should be ring-fenced in Budget 2026 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. 	40
➤ Double funding to the Rural Transport Programme and to Local Link to increase availability, providing more local and circular routes servicing towns and villages.	25
➤ Create a new National Transport Policing Unit.	5
➤ Improve Electric Vehicle charging infrastructure, especially in rural areas.	10
➤ Restore the Electric Vehicle grant to €5,000.	26
<ul style="list-style-type: none"> ➤ 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: <ul style="list-style-type: none"> • 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. 	12
➤ Provide funding for the maintenance by Local Authorities of infrastructure delivered through Active Travel allocations.	10
➤ Increase funding to create additional accessibility on public transport, including at train and DART stations, more accessible buses, and other measures.	[20] ⁹
Total additional investment in Transport in Budget 2026	128

⁹ This €20 million is accounted for separately, on Page 11, and so not included in the total on this page.

An Gaeilge, and Media

Caithfidh na Daonlathaithe Sóisialta dúthracht lenár dteanga náisiúnta a fhorbairt, a chosaint agus a athbheochan mar shócmhainn shárluachmhar shocheacnamaíoch agus chultúrtha. Tabharfaimid aird ar leith ar réigiúin agus pobail Ghaeltachta agus tacóimid leo go praiticiúil, go háirithe de bharr go bhfuil go leor acu faoi mhíbhuntáiste socheacnamaíoch riamh anall.

Teastaíonn cur chuige uile-rialtais trasrannach i leith na Gaeilge agus phobal na Gaeilge, laistigh agus lasmuigh den Ghaeltacht.

Misinformation, disinformation and mal-information are arguably the **biggest contemporary threats to our democracy and to the rule of law**, muddying our social (and to a lesser degree, our traditional) media landscape. More than ever, we need a diversity and independence in our media landscape. Our Budget proposals include a small levy on streaming services to help fund supports for independent newspapers and media around Ireland.

An Gaeilge and Media spending in Budget 2026	(€m)
➤ Capital funding for Údarás na Gaeltachta for a housing scheme, an infrastructure fund to create jobs, development language projects, and other measures.	16
➤ Funding to support Irish language development, including Irish Language Networks, scholarships; youth schemes; summer camps, and media organisations falling under the remit of Foras na Gaeilge.	10
➤ Ringfence funding to develop <i>Policy for the Irish Language in the Education System from Early Childhood to Third Level</i> , based on the Common European Framework of Reference.	0.5
➤ Increase funding for Irish language media, including TG4.	8
➤ Introduce a levy on streaming services, as recommended in Coimisiún na Meán's <i>Feasibility Study of a European Works Levy in Ireland</i> report last year.	+24.2
➤ Ring-fenced funding for Government advertising for local newspapers.	6
➤ Continue the funding provided in 2025 to the independent radio broadcasting sector to support public service content.	3
➤ Essential capital works and maintenance of the radio transmission system.	1.5
➤ Increase funding for the VAT compensation scheme for charities and normalise the provision of multi-annual funding arrangements within the charity sector.	5
Total investment in Budget 2026	25.8

Arts & Culture, and Sport

Participation in sport and physical activity can assist the achievement of both health and social goals. **Maximising participation levels in sport and recreation** is key not only for keeping people active, but also in the fight against obesity, the sustaining of communities, the integration of people from diverse backgrounds, and the promotion of mental well-being.

We would raise the betting tax (see the Revenue Raising table on Page 35) from 2 per cent to 5 per cent and use the €150 million generated to fund a programme of capital grants in sports clubs in disadvantaged areas and create a €100 Sports and Cultural Activity voucher for all children, to ensure that no child is prevented from taking part by the cost of sports club membership.

For too long, the arts have suffered chronic underinvestment – we have among the lowest levels of arts funding as a percentage of national income in Europe. Capital investment in arts and culture, while important, must be carefully balanced with current investment in the work of arts practitioners. **The ‘Basic Income for Artists’ pilot scheme** has been an important step towards properly supporting people working in the sector.

Cultural and Sporting Priorities in Budget 2026	(€m)
➤ A €100 Sports and Cultural Activity voucher for all children aged 6 to 18.	97
➤ Increase Sports Capital Grant funding by 10% (€25m) and fund an additional programme of grants (€25m) to sports clubs in disadvantaged areas, and the building of municipal swimming pools in under-served communities.	50
➤ Introduce a VAT compensation scheme for sporting organisations, similar to that already in place for charities, with initial funding of €5 million in 2026.	5
➤ Ringfence funding for the promotion and establishment of initiatives that promote inclusion for underrepresented groups in sports.	1.5
➤ Begin phasing out funding for greyhound racing by end of government’s term.	+4
➤ Extend the Basic Income for Artists scheme, and: <ul style="list-style-type: none"> • Expand participation, and reform criteria so they don’t continue to effectively exclude disabled artists. • Use the findings from the study to ascertain the best way to efficiently support artists and the sector more widely. • Begin plans to implement a permanent scheme to ensure artists can work without the risk of poverty. 	45
➤ Increase capital spending in the arts sector.	15
➤ Abolish the charge for nightclubs seeking Special Exemption Orders	1.8
Total investment in Budget 2026	211.3

Justice, Home Affairs and Migration

It is vital that we take robust steps to **address crime and its causes**. Budget 2026 must also **take steps towards creating a progressive penal system** which prioritises reducing recidivism and is reflective of the needs of victims. Greater attention must also be paid to improving mental health and addiction services in the penal system.

Domestic and sexual violence services are overstretched and underfunded, so cannot meet the ever-increasing demand. The Social Democrats are committed to accelerated investment in this area and fully resourcing the National Strategy. We also support the delivery of Ireland's commitments under the Istanbul Convention. **Budget 2026 must create momentum towards a safer Ireland with zero tolerance of domestic abuse and violence against women.**

Our Alternative Budget 2026 proposes a significant investment in developing **fair, humane, and rights-based immigration procedures** reflecting Ireland's international obligations and values. Our approach is rooted in protecting the dignity of people seeking protection in Ireland while ensuring legal systems are fair, functional, and adequately resourced.

We also propose a new strategic spending priority to combat the growing threat posed by unregulated algorithmic systems on digital platforms. At the heart of this proposal is a **commitment to defending democracy, protecting public discourse, and restoring control to citizens**, not tech oligarchs. Recommender Algorithms on platforms like YouTube, TikTok, Instagram, and X (formerly Twitter) now shape the flow of political information for much of the population, especially young people. These opaque systems are designed to maximise engagement, not democratic health. The result is an online environment where disinformation, extremism, and emotionally manipulative content are systematically amplified while independent journalism and civic voices are drowned out.

Department of Justice Priorities in 2026	(€m)
<p>➤ Increase investment in resourcing An Garda Síochána, including:</p> <ul style="list-style-type: none"> • Returning the number of Community Gardaí to the 2010 peak. • Hitting recruitment targets by improving working conditions. • Ensuring Gardaí are resourced to improve responsiveness such as sufficient civilian staff to free up Garda time, and an adequate number of squad cars. • Permanently embedding 16 Gardaí in the new independent Corporate Enforcement Agency which will investigate and prosecute white collar crime. 	65
<p>➤ 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.</p>	0.5

<p>➤ Invest to reform the Irish Prison Service, including:</p> <ul style="list-style-type: none"> • Properly resourcing the recommendations of the High Level Task Force on mental health and addiction in the prison system. • Implementing ‘Restorative Justice’ practices. • A pilot Supported Bail Service. • Ratifying the Optional Protocol to the UN Convention Against Torture (OPCAT) and creating a financially independent inspectorate under OPCAT. • Supporting children and families of those in the prison system. 	4
<p>➤ Tackle Domestic, Sexual and Gender-Based Violence, through both protection and prevention measures, including:</p> <ul style="list-style-type: none"> • Provide sufficient additional funding to ensure an extra 380 emergency accommodation units that would meet our obligations under the Istanbul Convention on Domestic Violence. • Devote sufficient capital spending in each of the next five budgets with a view to meeting Ireland’s Istanbul Convention obligations by end of 2030 (€42m in 2026) and commit the additional current spending necessary to operationalise the new spaces (€7.6m in 2026). 	49.6
<p>➤ Increase funding on integration and asylum processing, including:</p> <ul style="list-style-type: none"> • Additional funding for the International Protection Office to acquire more staff and resources so that applications can be dealt with efficiently. • Expanding and properly resourcing the Legal Aid Board, including the creation of a dedicated asylum and immigration legal unit, as well as funding for interpretation, medico-legal reports, and specialised legal training. • Funding for a vulnerability and statelessness response fund to identify and support applicants with complex needs, including unaccompanied minors, victims of trafficking, and stateless individuals 	30
<p>➤ Allocate funding for a robust enforcement and reform programme around tech regulation to include:</p> <ul style="list-style-type: none"> • Funding to enhance the investigative and enforcement capacity of Ireland’s Data Protection Commission and Coimisiún na Meán, ensuring these bodies can lead action to restrict unlawful algorithmic processing of personal data. • Funding for legal and technical research to develop regulatory frameworks that enforce a “default-off” setting for recommender algorithms, so users – not foreign-controlled platforms – choose what they see. • Funding to support EU cooperation mechanisms that accelerate cross-border enforcement and litigation against platforms failing to comply. • Funding for public awareness campaigns and user-empowerment tools, helping people understand and control the systems shaping their digital lives. 	7
Total additional spending within Justice in 2026	156.1

International Affairs

The Social Democrats believe fighting global poverty and hunger should be an integral component to Ireland's foreign policy. Through implementation of the UN 2030 Agenda for Sustainable Development and a pledge to reach 'the furthest behind first' we can **provide the leadership to reduce global hunger and poverty**. Government should commit to reaching the United Nations target of allocating 0.7 per cent of national income to official development assistance (ODA) not later than 2030.

We are also proposing a €10 million fund to facilitate grassroots community initiatives to bring Palestinian children and young people to Ireland for education, cultural exchange, and/or specific medical treatments. As part of this same scheme, there will be an exchange programme for Palestinian public servants to be mentored in Ireland, including sponsored attendance at the Institute of Public Administration.

International Spending Priorities in Budget 2026	(€m)
➤ Increase Irish ODA, and set a clear pathway to reaching the UN-agreed target of 0.7% of national income by 2030.	150
➤ Increase Ireland's level of climate finance (€225 million in 2025), focusing on the adaptation needs of least developed countries and small island states.	50
➤ Conduct an updated comprehensive and independent 'Spillover Analysis' of Ireland's tax policies, focusing on fossil fuel investment flows, international tax justice, and potential negative impacts on developing countries' economies.	0.2
➤ Double (from 30 to 60) the number of paediatric medical evacuations from Gaza for treatment in Ireland.	2
➤ Ring-fence funding to bring Palestinian children to Ireland for education, cultural exchanges and (where relevant) medical treatment.	10
➤ Begin increasing Defence Forces (DF) funding to reach 'Level of Ambition 2', with measures in 2026 to include: <ul style="list-style-type: none"> • Initiate the process of improving pay and conditions for DF personnel. • Recruitment towards the establishment level. • Equip the DF with the systems and technologies required to effectively carry out domestic defence and security functions, and international peacekeeping functions. • A review of Undersea Cable security and DF capabilities related to same. 	100
Total Spending on International policy goals in Budget 2026	312.2

Rebuilding Public Service Capacity

Decent public services are a key foundation to social democracy, but 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 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 small number of people 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 people.

The Challenges

This ongoing commodification and wealth extraction is having disastrous consequences resulting in staff shortages, record waiting lists, and crumbling public infrastructure.

The ability to implement a universal health system with integrated care 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 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 people, **contracting out squeezes time and quality of care.**

Early childhood education and care (ECEC) is another area that has seen galloping privatisation. Research suggests that high quality ECEC can have positive and long-lasting impacts on children's outcomes, particularly for disadvantaged children. **We need to invest adequately in this area**, to ensure that all children have an equal start in life, but subsidising an increasingly corporatised childcare sector owned by international investors with little interest in fair outcomes for children will not have the effects we desire.

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 State with a multibillion-euro HAP bill for which not one single house will be built. Local authorities are entering into long-term leases with private landlords, including investment funds, that will eventually cost more than the house, but leave the State with no asset.

What can be done?

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 2026 should aim to **expand and strengthen the public model of provision across a number of areas**: healthcare, childcare, social care, transport and housing. This should include:

- Establishing a National Workforce Task Force **to address both the short-term and medium-term needs of our Health and Social Care sector.** The challenge of recruiting and retaining staff, across all disciplines, is increasing the privatisation of healthcare.
- Greatly expanding the existing **not-for-profit and affordable model of childcare** in which every child has a right to a place.
- Building a sustainable **home care service** and ending the current post-code lottery
- **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.
- More direct state involvement in the **building of affordable homes** for rent and purchase.
- Treating **public transport as a public good**, and opposing further privatisation of services.

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.

Income Tax Changes

If Government is serious about reducing the cost of living and giving 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, we must also ensure that workers on low incomes have additional cash to deal with things like increasing food and energy prices.

The Social Democrats have crafted a tax package that is **both fair and affordable**. It avoids the narrow effects of tax changes proposed by this Government that would see larger benefits for higher earners than low earners.

The Social Democrats proposes the following changes to the income tax system:

- Increase the two main Income Tax Credits¹⁰ by €150 (total €300 per annum) - €522 million.
- Make the two main Income Tax Credits refundable - €125 million.
- Begin phasing out those two credits for the highest earners – Saving €805 million.

We estimate that together, these changes would save around €158 million in 2026, with the huge savings from phasing out the two main Income Tax Credits above incomes of €100,000 covering our other income tax proposals and more.

Using the Tax Credit system is the fairest way available to the government to reduce taxes on income. This is because any increase in the credit is of equal benefit to all recipients, regardless of whether they earn the minimum wage, the average wage, or €100,000.

In this way, they are preferable to using changes in the Standard Rate Cut-off Point (SRCOP) to give an income tax cut, as changes to the SRCOP benefit only those above that line. A €300 per year increase in tax credits is worth exactly €300 to all earners, regardless of salary.

We believe that the withdrawal of tax credits above a certain income level is justified, and propose that this withdrawal begin at €100,000, at a rate of €1 credit withdrawal for every €10 in additional income, until the tax credits are exhausted at a salary of €143,000.

This will ensure that the benefits of increased tax credits accruing to higher earners can be clawed back, and that very high earners pay a little more in tax. This measure would also make the income tax system more progressive.

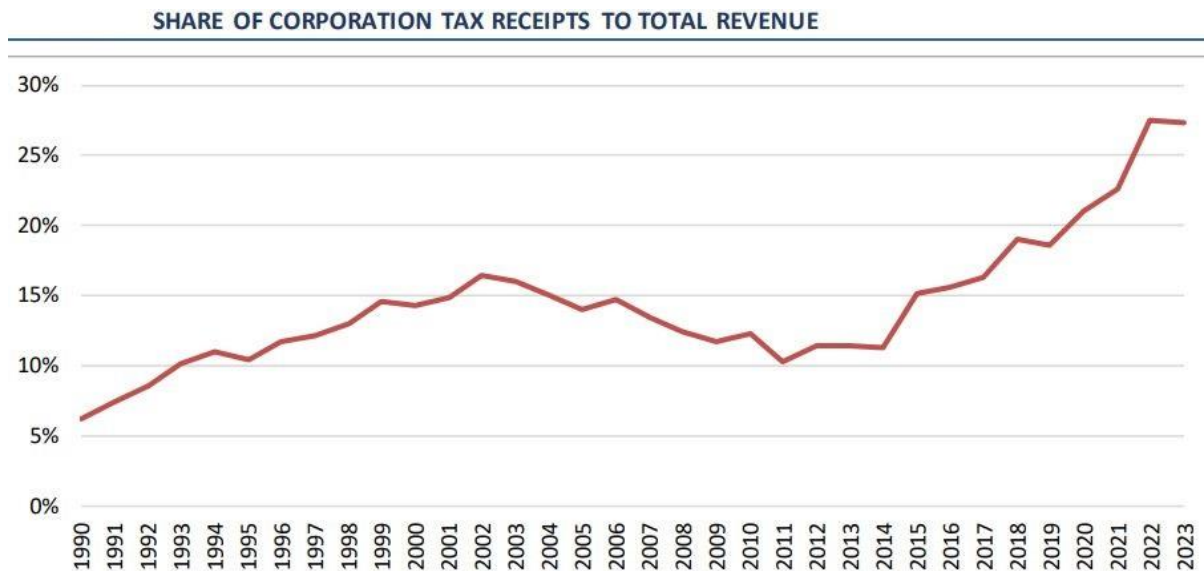
To ensure that low earners feel the full benefit of our proposed tax credit increase (and of all future tax credit increases), government should make the two main income tax credits refundable¹¹, as per our proposal on Page 12.

¹⁰ These are the Personal Tax Credit and the PAYE Tax Credit. The Earned Income Tax Credit should also be increased, to ensure the self-employed benefit as much as PAYE workers. As an individual is only entitled to claim one or other of the PAYE Tax Credit and the Earned Income Tax Credit (alongside the Personal Tax Credit which everyone gets), we refer to them above as to “the two main income tax credits”.

¹¹ Without this measure, people earning less than €21,500 would not be earning enough to feel the full benefit of our proposal, while people earning less than €20,000 would not be earning enough to feel any benefit at all.

Revenue Raising

It is well-documented that Ireland has been over-reliant for a number of years on temporary windfalls in corporation tax receipts. A responsible government **should set out a revenue-raising strategy to reduce this dependency** and create fiscal space to deliver more universal public services by broadening the tax base.



Source: ESRI's Quarterly Economic Commentary

The current 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 to likely be temporary, it would be prudent to assume that structural issues remain with the national finances.

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.

Some other revenue-raising measures are included throughout the document, listed within other policy areas and may not be included in the following summary table. The majority of the revenue raising measures listed on the next page represent measures not included in previous sections of this Alternative Budget.

Additional Revenue Raising in Budget 2026

Ireland cannot close the significant deficits in our social infrastructure and public service provision without acknowledging the need for sustainable increases in government revenue. The revenue-raising measures below are in addition to others throughout the document.

Additional Revenue Raising in Budget 2026	(€m)
➤ Begin phasing out income tax credits for the highest earners.	805
➤ Begin phasing out subsidies for developers over the next three budgets.	140
➤ Raising the betting tax on both in-shop and online betting from 2% to 5%.	150
➤ Increasing the Bank Levy so it raises triple the current level of funding.	400
➤ A minimum effective income tax rate for earnings over €400,000 of 32%.	110
➤ An increase from 7.5% to 10% in the stamp duty on non-residential property.	150
➤ Implementing a €300 charge on second homes/holiday homes.	108
➤ Implementing a €5 per night tourist tax, collected via accommodation providers.	245
➤ Taxing 'Super Wealth', as described in our General Election Manifesto.	200
➤ Standard-rating discretionary (non-pension) tax reliefs.	152
➤ Abolishing the Special Assignee Relief Programme.	48
➤ Raise additional money for direct R&D spending by removing the refundable element for unused R&D tax credits, decreasing deadweight in R&D support.	200
➤ Reducing Capital Acquisition Tax Business & Agricultural Relief from 90% to 70%.	60
➤ Abolishing Entrepreneur Relief ¹² on Capital Gains Tax.	175
➤ Increasing the rate of Employer PRSI by 0.3%.	336
Total raised from these changes in Budget 2026	3,279
All other revenue raising measures contained in other sections of the document.	174.2
Total raised (net) from all revenue changes in Budget 2026	3,453.2

¹² The ESRI has noted that relief is more likely to generate efforts to avoid tax on retirement than its intended purpose of spurring entrepreneurship or investment.

Financial Summaries

Table A: Summary of Budget Package	€m
Net Expenditure Increase in 2026	9,400
Including:	
➤ Additional Capital Spending in 2026	2,201.3
➤ Net New Current Spending in 2026	4,198.7
➤ Maintaining Existing Levels of Service	3,000.0

Table B: Total Revenue Changes in 2026	€m
Revenue Increases in 2026	3,453.2
Revenue Decreases in 2026	647
Net Revenue Increase in 2026, to fund additional spending	2,806.2

Table C: Reallocation from Funds in 2026	€m
Reallocation from the Infrastructure, Climate and Nature Fund to capitalise the Wind Energy Fund.	1,000

The monetary amounts noted in this document are, in general, in addition to amounts projected for 2025 and/or pre-committed spending or revenue-raising measures, including for the National Development Plan, demographic developments, and maintaining existing levels of services. They also allow for the capitalisation of the Future Ireland Fund and the Infrastructure, Climate and Nature Fund.

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