PEOPLE BEFORE PROFIT
FIGHTING FOR WORKERS & ECO-SOCIALISM

Budget 2024

A Better Future is Possible

A Budget for a Left Government

The World We Live In

Unprecedented inequality

We live in a world facing economic and social crises driven by unprecedented and intensifying inequality. Globally the richest 1% have nearly twice as much wealth as the rest of humanity put together. In Ireland the top 1% of society owns 27% of wealth and the number of people in Ireland with net wealth over $50 million (€46.6 million)), has more than doubled from 655 to 1,435 between 2012 and 2022.[1]

Crises of climate and biodiversity

We are at a critical stage in the development of the environmental crises. Recently, researchers found that we have exceeded six of the nine boundaries for keeping the earth habitable. The rate of global temperature increases is accelerating and biodiversity is collapsing. The recent floods that destroyed a large portion of Derna in Libya are believed to have killed more than 20,000 people. There is little time left to reverse the descent towards climate and ecological breakdown. Radical action is required to transition to a zero carbon world before calamitous consequences become unavoidable.

Far right and fascist politics

The far-right are gaining ground as they exploit the despair of people struggling to get by in a time of increasing precarity and unravelling living standards. They represent a major threat to black people, people of colour, to the LGBTQI+ community and to trade unionists and socialists. The economic inequality and manufactured scarcity of housing and public services that they exploit must be addressed urgently.

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1 2023-06-14_opening-statement-jim-clarken-ceo-oxfam_en.pdf (oireachtas.ie)

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SUMMARY

Budget 2024 takes place at a time when the state is in possession of unprecedented fiscal resources and the country is witnessing record levels of aggregate net household wealth and corporate profits. Corporate profits, for example, have almost quadrupled in the last decade from €74.775 billion in 2012 to €250.496 billion in 2021.

Yet paradoxically, the majority of workers, pensioners, students and those on low and average incomes are being hammered with savage cost of living hikes, whether it is the cost of energy, housing, food or childcare, and we are in the grips of the worst housing and homelessness crisis in the state's history.

Our vital public services from healthcare to education to public transport are also in a dire state – chronically under-resourced and under-staffed.

Finally, along with the rest of the planet, we face an existential climate, biodiversity and environmental crisis that is destroying the conditions necessary to sustain our existence. The government claims, despite the unprecedented resources available to it and enormous budget surpluses projected for the coming years, that it is not possible to fully address the problems our society faces in the short term without fuelling inflation.

People Before Profit reject this view as simply an excuse for the unwillingness of Fianna Fáil and Fine Gael to challenge the gross inequalities in the distribution of wealth in our society or the dictates of a market system that always prioritises corporate profit over the needs of people and the environment.

In reality, we have the resources to create a better, socialist society, where high quality, energy-efficient and affordable housing is available to all, where poverty is abolished, incomes and wealth are redistributed back to those who create it and where quality public services, free at the point of use, are accessible to all. All it needs now is the political will.

Tackling the housing and cost of living crises quickly and decisively

Our immediate priorities are ending the housing crisis as quickly as possible, and lowering prices and raising incomes to end the cost of living crisis. August was the 23rd month in a row in which the Consumer Price Index rose by more than 5%. Basics such as food and energy continue to rise at rates higher than the headline rate of inflation, while wages, benefits and pensions have increased below the rate of inflation. Most people's real incomes have been cut. It's unsurprising then that one in three people say they are "just getting by financially."

Cost of living pressures have been increased with the massive increases in interest rates, with ten increases in the fourteen months to September 2023. Mortgage interest repayments increased by 51.3% in the year to August 2023. This has added a new dimension to Ireland's housing crisis. Homelessness figures are at record levels following the removal of the eviction ban and the failure of the government to even meet its own targets for social and affordable housing.

Rents continue to rise, forcing many young people to remain living with their parents. It's clear we need a radical intervention by the state into the housing market and to address the cost of living crisis. At the heart of these related crises is a reliance on the market and the lack of controls on the profits of banks, developers, food and energy companies. A recent report from the OECD makes it very clear that across the globe wages have risen less than profits and that there is scope to reduce profits and increase wages without price increases.

It is equally possible to eliminate poverty, dramatically increase investment in the delivery of social and affordable housing, properly fund and resource our public services and make the necessary investment in key infrastructure and climate measures if such measures are financed through a radical redistribution of wealth and income.

People Before Profit's Budget for 2024 is based on the urgent need for fundamental system change to an ecosocialist society and economy based on fulfilling human needs and protecting our natural environment. We propose to begin a rapid transformation of Irish society on a scale and at an unprecedented pace that reflects the serious crises we face. In this Budget 2024 document, we outline some of the steps that People Before Profit would insist on as part of a Left government committed to breaking from the priorities of the market and capitalism and beginning a rapid ecosocialist transformation of Irish society.

Alongside the budgetary proposals presented here, People Before Profit would also take key sectors of the economy into public ownership, including the banks and major financial institutions, the energy system, private ospitals and other sectors. We would also use any available surplus to establish a social investment fund for future investment in public infrastructure and services.

Creating capacity

The scale and speed of transformation that we propose will require substantially increased capacity in construction, retrofitting, renewable energy infrastructure, the health service and other public services. Workers can be attracted by a minimum living wage of at least €15 per hour, good, secure terms and conditions and a legal entitlement to strong union representation.

An estimated 64,000 people emigrated from Ireland in the last year, often because of the high cost of rent and precarious, low paid employment. Affordable housing and decent pay and conditions can help to stem the flow of people from the country. In addition, more women are likely to join the labour force in response to the improvements we would make.

There must also be a shift of capacity away from socially damaging and low social value economic activity, with workers switching to the high social value priority areas. Vacant homes, hotels and empty office blocks should be assessed, acquired and redeveloped to resolve the housing and homelessness crisis and to accommodate workers that move to Ireland for the high quality jobs created. Redeploying and redeveloping existing buildings is also more environmentally friendly than new builds.

Unprecedented resources are available to achieve this, with a projected fiscal surplus of €65 billion over four years to 2026 including a surplus of €16 billion in 2024 alone. And this is before accounting for the large opportunities to raise revenue through taxes on wealth, profits and high earners.The resources are available and the need to do it is urgent and unavoidable.

Our budget and vision for the 2020s has five key components:

1. Ending homelessness and the housing crisis
2. Tackling the cost of living crisis, increasing workers' rights and incomes, and making poverty history
3. Providing universal access to free, high quality public services
4. Emergency just transition to a zero-carbon society
5. Taxes on wealth and profits to fund public services

1. Ending homelessness and the housing crisis

- Double the delivery of social and affordable homes to 20,000 (social), 4,000 (affordable) and 7,200 (cost rental)
- Introduce more punitive "use it or lose it" taxes on vacant and derelict buildings and sites
- Establish a state construction company
- Increase the renter's tax credit to €2,000

2. Tackling the cost of living crisis, increasing workers' incomes, and making poverty history

- Increase headline social welfare and pension rates to €300 per week, plus a 50 additional "cost of disability" premium
- Abolish the USC for those earning under €100,000 and index link tax allowances
- Increase public sector pay by 10% for all those earning below €100,000 and legislate for a minimum living wage of at least €15 per hour
- Increase Child Benefit by 20% and abolish means test for carers
- Restore the pension age to 65
- Cap energy prices to average EU levels, reducing energy bills for each household by on average €1,000

3. Providing universal access to free, high quality public services

Education

- Eliminate all school costs for parents
- Increase capitation grants to schools by 50%
- Cut the pupil teacher ratio to 15:1 and increase supports for those with additional needs Increase Child Benefit by 20% and abolish means test for carers
- Abolish graduate and postgraduate fees
- Enhance student supports and pay all postgraduate workers a living wage
- Provide 30,000 extra affordable student beds by 2029

Health

- Add 1,000 permanent acute beds and 100 Level 3 ICU beds
- Free Primary Care including GP Care
- Invest an extra €500m in Mental Health Services
- Eliminate all emergency department and hospital parking charges
- Reduce the Drugs Payment Scheme threshold by 50% to €40

Childcare

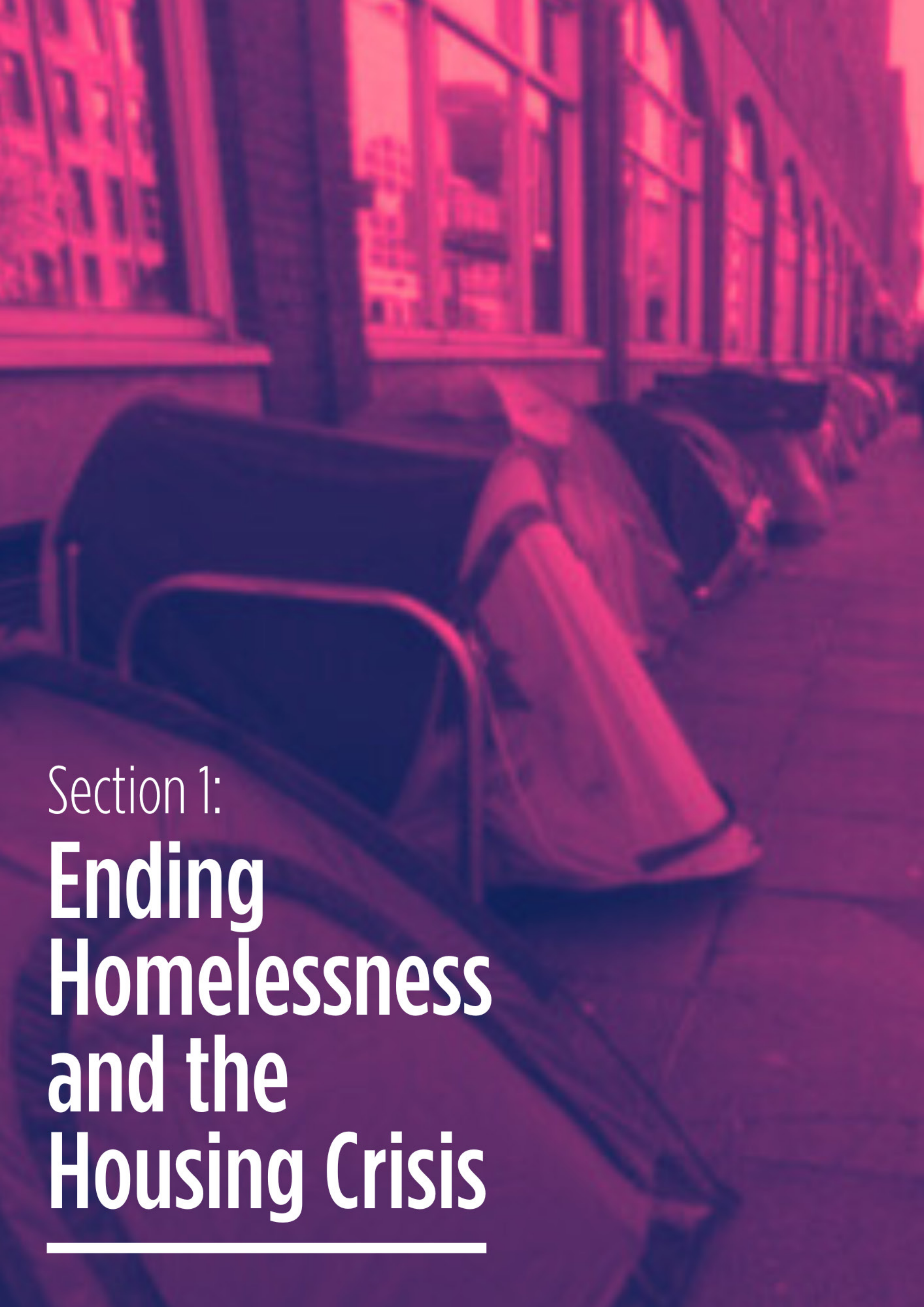
- Free childcare for all as a step to a fully public National Childcare Service
- Increase wages for all childcare workers by €2 an hour
- Extend paid maternity leave to a full year and paid paternity leave to 28 weeks

4. Emergency just transition to a zero-carbon society

- Make public transport free and frequent
- Double funding for public transport services, the NTA Active Travel Programme and the Rural Transport Programme
- Retrofit 10,000 social homes and double investment in retrofitting grants
- €1 billion investment in renewables
- Abolish the Ccarbon Ttax
- Provide substantial funding to expand the ACRES Cooperation scheme and establish a scheme to expand organic, agroecological and regenerative farming
- Triple the funding for broad leaf afforestation, mixed native woodland and rewilding programmes
- Double investment and staffing of National Parks and Wildlife Service
- Abolish the M50 and Eastlink tolls to reduce costs of living, city centre traffic and air pollution
- Abolish charges for waste collection and take the service back into public ownership

5. Taxes on wealth and profits to fund public services

- Raise Corporation Tax to 20% for large corporations and close loopholes - €20 billion
- Wealth tax on the Top 5% of households - 2% of accumulated wealth, excluding family home - €5.9 billion
- Four new tax bands for top earners - €3 billion
- 4% levy on profits of pharmaceutical companies and private health companies - €1 billion
- Windfall tax on energy companies - €1 billion
- Tech taxes to fund RTE and public service media - €1 billion
- Higher PRSI rates for employers - €2.56 billion
- Increase Capital Gains Tax from 33% to 40% - €0.5 billion
- Tax on Commercial Aviation - €0.77 billion



Section 1:

Ending Homelessness and the Housing Crisis

Housing Emergency Measures

The Housing emergency has long since spiralled out of control.

With average rents far in excess of HAP limits or the income of even well-paid workers - tens of thousands of whom are also over the threshold for social housing/HAP support - any household without accommodation or facing eviction is now under threat of homelessness.

The government decision to lift the no-fault eviction ban has substantially worsened this situation with each month seeing new records of families, individuals and children being made homeless.

The 12,847, and rising number of people in emergency accommodation find themselves in an increasingly desperate situation – many trapped in homelessness for years.

Current emergency accommodation is both inadequate and inappropriate. With many families and individuals trapped in homeless services miles away from the schools, services and support networks that they need.

Average house prices at €309,000 (national) and €637,000 (South County Dublin) are similarly out of the reach of the majority of workers, particularly single income households,locking out a whole generation of working people from home ownership.

Government policy has been overwhelmingly dependent on private developers, corporate landlords and private investment funds who are unwilling and unable to deliver housing that's affordable to ordinary working people.

The social and affordable/cost rental targets in the government's *Housing for All* plan are woefully inadequate to meet the scale of the emergency and in any event the government have failed to meet their own targets.

People Before Profit believes immediate non-budgetary measures need to be taken, particularly the immediate reinstatement of the no-fault eviction ban and the introduction of a new rent control regime which resets rents at levels that are affordable based on income.

In terms of budgetary measures, People Before Profit proposes an immediate doubling of the social, affordable and cost rental targets, to 20,000, 4,000 and 7,200 respectively (currently 10,000 Social, 2,000 cost rental 3600 affordable) each year to 2030.

Delivering such increased targets will require the establishment of a state construction company with thousands of construction workers, apprentices, architects, surveyors, engineers etc. employed directly by the state.

In the shorter term and for Budget 2024 until state construction capacity is expanded, the state and local authorities can double social and affordable home delivery through a more expansive and aggressive acquisition programme of vacant, derelict buildings and sites, HAP and RAS properties and new private build homes which are currently unaffordable.

As part of this emergency programme, People Before Profit propose the introduction of far more punitive "use it or lose it" taxes and policies targeting vacant and derelict buildings and sites.

In the short term, while substantial reliance on HAP/RAS persists, HAP thresholds will have to be raised to the level of actual rents in each area. Equally, an increased investment in the Dublin Regional Homeless Executive (DRHE) is necessary to provide an increase in both quality and quantity of emergency accommodation. We would also increase the renters' tax credit to €2,000 as a short term, interim measure, pending rent controls and reductions

The state construction company would seek to hire an estimated 5,000 building workers in year one, which works out at an average of about 160 building workers per local authority. The new construction company would absorb NAMA and the Land Development Agency (LDA) and their assets and associated administrative staff. The new construction company would enable faster, large-scale delivery of social and affordable housing completions in 2024 and beyond.

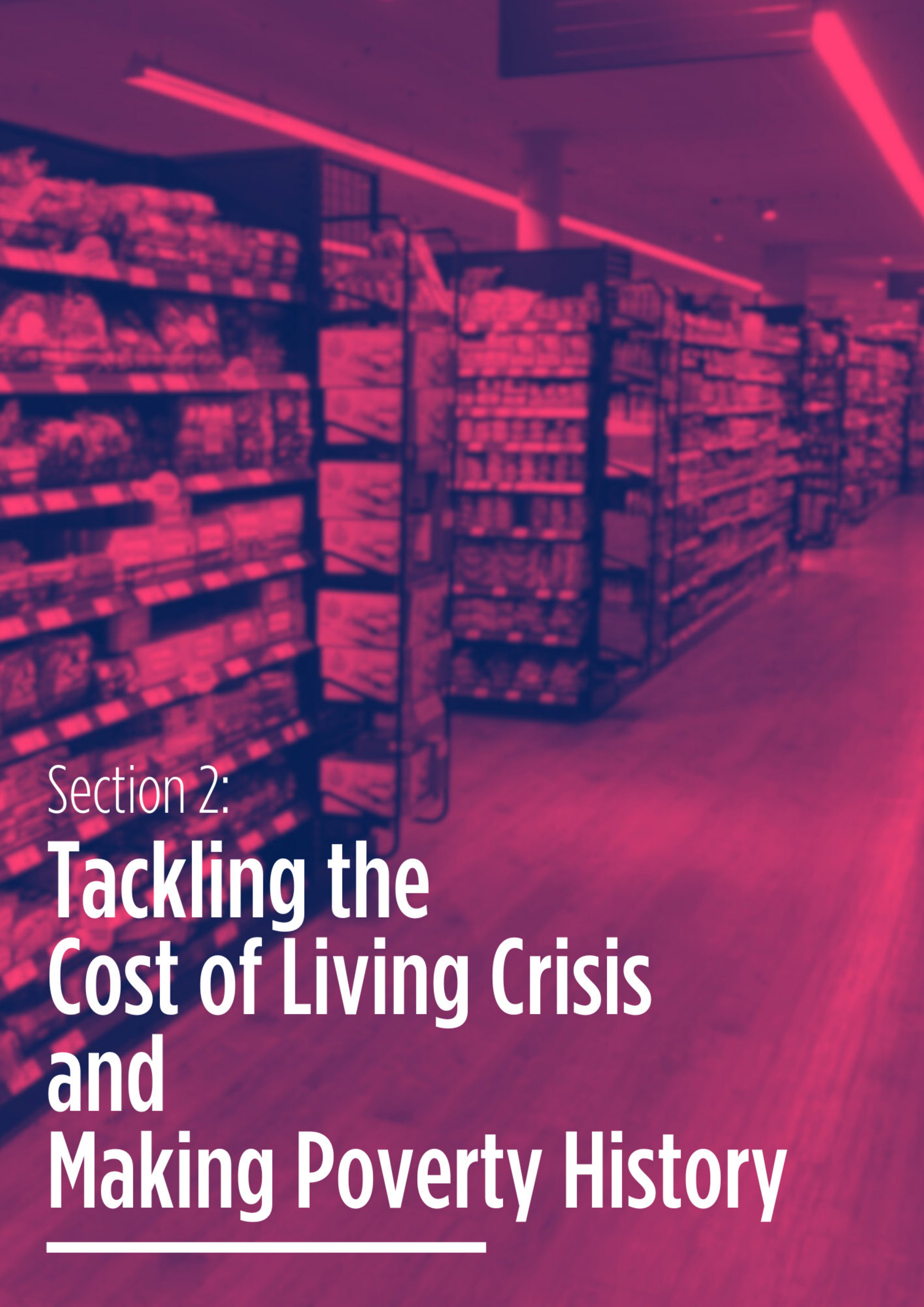
The huge windfall revenues currently available to the government, particularly from the corporate sector, as well as other tax measures on excessive wealth (See the revenue raising section), can fund this emergency housing programme. While requiring a large upfront capital cost, these measures in the medium to long term can be cost neutral, as reliance on HAP/RAS is reduced and replaced with rental revenues coming into the state. This is also a prudent expenditure of windfall revenues, as the programme will not represent a long-term increase in current expenditure that is dependent on unreliable corporate tax receipts.

The total cost of redress for defective apartments is estimated at up to €2.5 billion. We are allocating €300 million in 2024 to ensure 100% redress for homeowners. We are also allocating €210 million to ensure 100% redress for mica-affected homeowners.

We propose:

Proposal	Cost (€ Million)
State Construction Company – Set Up Costs	500[1]
Increase HAP limits by 15% to bring in line with increased rents	76.5[2]
Acquire 2000 extra homes for cost rental	300[3]
Acquire 3600 extra homes for affordable to buy	270[4]
Acquire 3000 extra developer/HAP/RAS homes for additional social homes at an average cost of €277,000	832[5]
Build 7000 additional homes for social housing at an average cost of €318,112	2226[6]
Increase funding to DRHE to increase both the quality and quantity of emergency accommodation in Dublin	50
100% redress for homes built between 1991 and 2013 with defects (300 million in year 1 - may increase based on cost and government estimates)	300[7]
Mica redress	210[8]
Increase the renter's tax credit to €2,000 as an interim measure pending rent controls and reductions.	600

1 PQ 39308/23
2 Rents increased by 15% between 2021 and 2022 acc to DAFT
3 PQ 39415/23
4 PQ 39415/23
5 PQ 23510/23
6 PQ 23511/23
7 PQ23510/23
8 PQ23510/23



Section 2:

Tackling the Cost of Living Crisis and Making Poverty History

Despite being one of the richest countries in the world, poverty is increasing in Ireland, concentrated amongst the low-paid, those relying on social welfare payments, especially single parents, pensioners and people with disabilities.

Almost 20,000 more children were living in poverty in 2022 than in the previous year. This poverty continues solely because successive governments have chosen not to end it.

People Before Profit will make poverty history by ensuring everybody has an adequate income. In this section we set out our proposals for raising incomes. In further sections we set out our proposals for reducing costs for households.

In 2023, the 60 percent median income poverty line is €318.53 for a single person.[1] Nobody should be below this income level and in this budget, given the resources available to the state and the ongoing cost of living crisis, we should take a decisive step to take all those on social welfare and pensions out of poverty.

Therefore we will

- Increase headline social welfare rates to €300 per week in 2024 and €350 per week in 2025, plus a €50 additional cost of disability premium
- Restore the pension age to 65
- Remove the means test for Carers Allowance
- Increase Child Benefit by 20% and extend payment to 19 year olds

It's also clear that the current minimum wage is inadequate and that workers need a living wage. Research by St. Vincent de Paul suggests that in 2023 the National Minimum Wage for full time workers will provide for 70.9% of their expenditure needs, leaving them short by €162 a week.[2]

Further, in general terms wages have fallen behind price increases. Wages increased by 4.1% in the year to the first quarter of 2023, while inflation rose by 7.7% in the same period.

In light of this we would redress the balance between employers and workers by ensuring that all workers have the right organise and take effective industrial action.

Public sector workers got an increase of 4% in 2022 when inflation was 8.2%. They are due 3.5% in 2023 with inflation currently running at 5.8%. Their real incomes have fallen.

- Legislate for a minimum living wage of at least €15 per hour for all workers
- Increase public sector pay by 10% for all those earning below €100,000
- Legislate for mandatory union recognition and reform of the 1990 Industrial Relations Act to allow workers to advance wage claims effectively
- Index link tax allowances
- Abolish the USC for those earning under €100,000

Finally, it is clear that energy and food costs have risen substantially in the last year and at rates higher than the headline rate of inflation. Households are paying twice the EU average for electricity and 50% more for gas. Almost one-third are living in energy poverty. In the context of rapidly falling wholesale prices, urgent action is needed to reduce costs for consumers and protect their incomes from raising energy prices. Action is also required

1 https://www.socialjustice.ie/article/poverty-ireland#:~:text=In%20recent%20years%2C%20driven%20once,on%20Income%20and%20Living%20Conditions.

2 https://www.budgeting.ie/download/pdf/mesl_2023_-_annual_update_report.pdf

to curb profiteering by banks and food retailers.

In light of this we would:

- Cap energy prices and renationalise the energy sector
- Cap essential food prices and mortgage interest rates at 3%
- Extend eligibility for the Fuel Allowance to all pensioners and to all in receipt of the Working Family Payment. We would abolish the waiting period of a year for those on Job Seekers' Allowance and increase the rate by €20 per week.

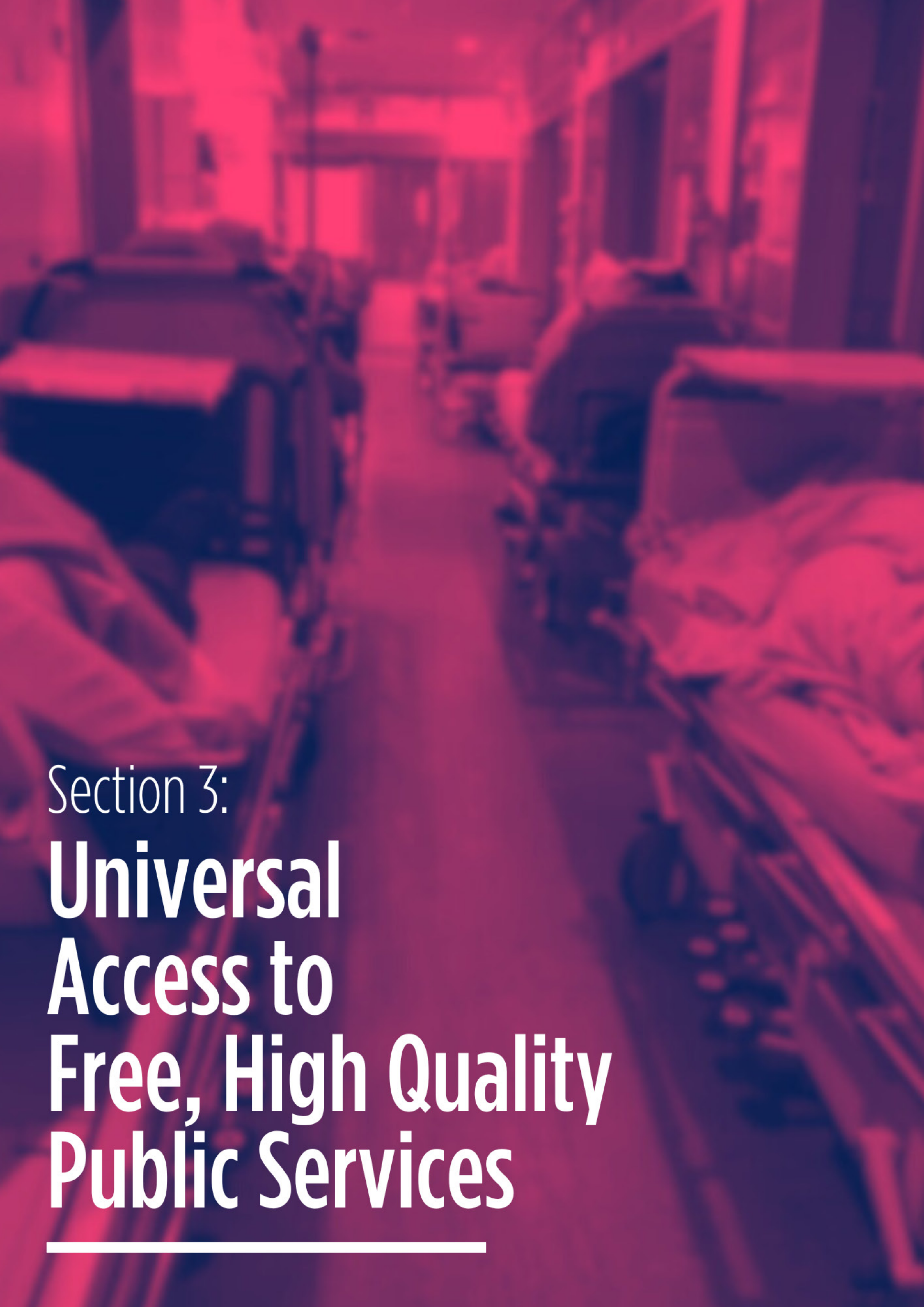
Proposal	Cost (€ Million)
Increase basic pensions and welfare payments, other than disability-related payments, to €300 per week in 2024	2,938.1[3]
Increase Disability Allowance, blind pensions and Invalidity Pension to €350 per week in 2024	1,533.5[4]
Restore the pension age to 65	355[5]
Increase Child Benefit by 20% and extend payment to 19 year olds	586[6]
Abolish the means test for Carers' Allowance	397[7]
Increase public sector pay by 10% for all those earning below €100,000	2,500[8]
Index link tax credits	438[9]
Abolish USC for all those under €100,000 and introduce a Higher Income Social Charge of 10% on income over €100,000	3,300[10]
Extend eligibility for the Fuel Allowance to all pensioners and to all in receipt of the Working Family Payment	483[11]

3 PQ23794/23
4 PQ23787/23 and 23964/23
5 PQ23794/23
6 PQ23787/23 and 23964/23
7 https://data.oireachtas.ie/ie/oireachtas/committee/dail/33/joint_committee_on_social_protection_community_and_rural_development_and_the_islands/reports/2023/2023-07-12_report-on-pre-budget-submission-to-The-department-of-social-protection_en.pdf
8 PQ24033/23
9 Based on Revenue Ready Reckoner – Pre Budget 2024 p. 5
10 PQ23528/23
11 PQ23792/23

Continued

Abolish the waiting period of a year for Fuel Allowance for those on Job Seekers Allowance	19[1]
Increase Fuel Allowance by €20 per week for current and proposed new recipients	532 [2]
Increase foster carers' weekly allowance from €325 per week for children under 12 and €352 per week for children 12 and over to €500 per week	43.3[3]
Extend Child Benefit to 4,190 children under the age of 18 in the international protection process	8.5
Cap energy prices at EU average levels and fully renationalise the energy system	1,800

1 PQ23792/23
2 PQ23792/23
3 An average weekly increase of €160 per child by an estimated 5,200 children in foster care. The plight of Ireland's foster carers: 'Do I give the kids back? Or do I face poverty in my old age?' (irishexaminer.com)



Section 3:

Universal Access to Free, High Quality Public Services

The Irish state has chronically underfunded and weak public services, undermined by two-tier systems, charges for services and means-testing for access. We will immediately set about developing universal public services that are free at the point of use and funded by progressive taxation.

Means tests will be ended as they create socially constructed division into the 'deserving' and the 'undeserving', between different categories of claimants, and between claimants and taxpayers. Universalism removes the bureaucratic overhead associated with operating means-test processes and is crucial to the promotion of social justice and solidarity.

Our budget will incorporate the first of several large multi-year increases in investment in health services, education, childcare services and arts and culture.

- We will ensure that education is truly free by eliminating the many school costs that parents face, including voluntary contributions, by abolishing college fees, enhancing student supports and paying postgraduate researchers a living wage
- We will eliminate remaining hospital charges, halve the drugs payment threshold, provide free Primary care including GP services to all, greatly increase investment in mental health services and establish a single tier National Health Service that treats people according to their health needs, not their financial means. All private health care will be removed from the public health system to create a single tier public health care system, and private hospitals will be taken into the public system to accelerate the increase in capacity required We will implement the recommendations of the Disability Capacity Review Action Plan
- We will provide free childcare for all and establish a National Childcare Service that is free at the point of access, funded from progressive taxation, and extend paid leave for mothers to a full year and paid leave for fathers to 28 weeks
- We will transform RTE into a high quality public service broadcaster by increasing public funding to €500 million for 2024, removing all advertising, sponsorships in RTE, placing a cap on pay, ending precarious low paid work, abolishing the TV licence fee and funding RTE from a corporate tax levy on the ICT sector
- We will double current funding to invest in the measures outlined by both the National Campaign for the Arts and the Music & Entertainment Association of Ireland
- We will make all public transport free and frequent
- We will abolish charges for waste collection and take the service back into public ownership

3.1 Education

Education should be free and of high quality. In fact, it is meant to be free, yet parents spend thousands of euros every year on educating their children. It's unsurprising that:

- Half of primary and two-thirds of secondary school parents say they are worried about meeting costs this year,
- One in four secondary school parents said they had to take out a loan or borrow from friends in order to meet back to school costs.

This is scandalous in one of the richest countries in the world where the government is sitting on a huge budgetary surplus. People before Profit would make primary and post-primary education free by eliminating the many costs for books, Ipads, uniforms and travel that parents face.

It would also outlaw so-called voluntary contributions which amount to more than €30 million a year.[1] We would also improve services for those with special needs to ensure early assessment and SNA support for all students who need an SNA.

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1 Irish Times August 12, 2023.

In light of this we would:
Eliminate all school costs for parents

- Provide free school meals and transport
- Increase capitation grants to schools by 50%
- Cut the pupil teacher ratio to 15:1 to enable high quality education for all
- Increase the number of SNAs, SETS and educational psychologists.

College fees are the highest in the EU and present a barrier to participation in higher education. There is also a major student accommodation crisis and students are being severely affected by the cost of living hikes. Postgraduate researchers are being hugely exploited and need a living income.

We would:

- Abolish undergraduate and postgraduate fees
- Invest in affordable student accommodation
- Enhance student supports and
- Pay postgraduate researchers a living wage.

Proposal	Cost (€ Million)
Abolish all charges (including voluntary contributions) and provide free school books and uniforms	495.1 [2]
Provide free school meals	561[3]
Provide free school transport	19.5[4]
Increase capitation by 50%	104.5[5]
Reduce pupil teacher ratios to 15:1 in primary and post-primary	405.6 [6]
Increase the number of SNAs and SET posts by 1000 each	115.6[7]
Increase the number of psychologist posts in NEPS by 50%	17[8]

2 Barnardos Back to School Survey 2023 estimates that average costs at primary are €317 per pupil and €783 at secondary. In 2022 there were 558,143 children in primary school and 406,392 in secondary (See Department of Education Statistical Bulletin July 2023)
3 PQ23790/23 and PQ23791/23
4 PQ39518/23
5 PQ24109
6 PQ24104/23
7 Based on PQ24107/23 and 24108/23
8 PQ39519

Continued

Abolish the student contribution charge for EU undergraduates and apprentices and abolish charges for PLC students	272.4 [1]
Fund towards abolishing fees for EU postgraduates and mature or repeating students	100
Fund to ensure all PhD researchers receive a stipend of at least €30,000 per year	102[2]
Double maintenance grants and reduce adjacent rate to 24 kilometres	94.3[3]
Increase mental health supports on campuses to ensure one counsellor per 1,000 students	17.5
Provide 30,000 extra affordable student beds by 2029 (€300 million in first year)	300

3.2 Health, mental health and disability

We have a two-tier, fragmented health service, with a chronic lack of capacity and staffing in Emergency Departments, acute and elective hospital services, ICU, public health teams, primary care and GP services, mental health and disability services, step-down and nursing home places, home care and more.

Irish hospital waiting lists are the worst in Europe. Over 1.1 million people are are on some form of waiting list for health care - more than 1 in 5 of the population[4]. The number of "long-waiters" for treatment has risen 22-fold over the past decade[5]. Many take out private health insurance because they are afraid of relying on public hospitals. But they end up paying three times – with health insurance, hospital charges and in taxes.

Mental health needs major investment.Mental health services in Ireland are chronically underfunded - the mental health budget for 2023 is approximately €1.2 billion, a little over 5% of the overall health budget. The World Health Organisation recommends that national mental health budgets should equate to 12% of overall national health budgets, Sláintecare recommended at least 10% and the UK spends 13% to 14% of their health budget on mental health. Mental Health Reform recently illustrated the decline of the mental health budget in Ireland from 13% of the overall health budget in 1984, to 7.3% in 2004 and just 5.1% in 2023. Mental Health Reform stated in their Budget 2024 submission that "The Government must increase spending on mental health to 10% of the total health budget[6]

We need a national health service - We need an extra 5,000 hospital beds in the

1 Based on estimates in https://www.gov.ie/en/publication/907cb-funding-the-future-an-annual-options-paper-on-the-cost-of-higherwealth-education/
2 Based on PQ24073/23.
3 Based on estimates in https://www.gov.ie/en/publication/907cb-funding-the-future-an-annual-options-paper-on-the-cost-of-higher-education/
4 More pain for patients on waiting lists as Government action plan set to significantly miss end of year targets (ihca.ie)
5 https://www.ihca.ie/news-and-publications/hospital-list-%E2%80%98long-waiters%E2%80%99-on-the-rise-again-as-increased-capacity-becomes-more-critical
6 Budget 22 - Mental Health Reform

medium term[1], incorporating the private hospitals, appropriately staffed with additional nurses, doctors and other health workers, to address the core hospital capacity problem. An adequately resourced hospital service would then form part of an all-Ireland National Health Service - a single tier, comprehensive public health service, with a focus on social determinants of ill-health, incorporating public health teams, primary care andGP services, mental health and disability services, step-down and nursing home places and home care, that is locally accessible and free at the point-of-use, funded by progressive taxation.

Proposal	**Cost (€ Million)**
Add 1,000 permanent acute beds with appropriate staffing	436 running costs 850 capital costs[2]
Additional 100 Level 3 ICU beds	85 running costs 175 capital costs[3]
Free Primary Care including GP Care	881[4]
Abolish all Emergency Department charges for public patients	104.5[5]
Reduce Drug Payment Threshold by 50% to €40 per month	79.2[6]
Scrap Prescription Charges for Medical Card Holders	60[7]
Reinstate pre-crisis Dental Treatment Services Scheme	34[8]
Abolish car parking charges at HSE Statutory Hospitals	7.5[9]
Introduce a state funded universal contraception scheme	64[10]

1 IMO calls for 5,000 additional hospital beds, including 1,600 next year – The Irish Times
2 PQ24179
3 PQ 24180
4 PQ 24180 ESRI, 2023 EXTENDING ELIGIBILITY FOR GENERAL PRACTITIONER CARE IN IRELAND: COST IMPLICATIONS (esri.ie)
5 PQ 24184/23
6 PQ39519
7 PQ23792/23
8 Slaintecare report
9 PQ 24186/23
10 PQ 24187/23

Continued

Bring staffing in public health teams to WHO recommended levels	5
Invest in Mental Health Services to bring spending in line with Mental Health Reform recommendation of 10% of Health Budget by 2026 • 2024 funding increase is part of a 3 year plan to double mental health budget from €1.3 billion in 2023 • Increase in funding to incorporate the €115 million increase in funding sought by Mental Health Reform • The increase in funding will be used to increase primary mental health care services and the capacity of the secondary CAMHS service as quickly as possible to end the waiting lists and ensure mental health care for everyone that needs it	500
Hire 300 additional Whole Time Equivalent clinicians to ensure timely completion of all Assessment of Needs as required by the Disability Act	30[1]
Implement the recommendations of the Disability Capacity Review Action Plan	750[2]

3.3 Childcare

Quality childcare remains unaffordable and out of reach for many parents with government investment still only half[3] the EU average. Fees are among the highest in the EU while childcare workers are overworked and underpaid. Many are on wages as low as €13 an hour[4] despite private childcare providers making millions in profits. Leave for parents is also severely underpaid and based on an outdated, sexist model where fathers receive minimal paid time off. This places the burden of childcare on women from birth and contributes to the gender pay gap.

A survey by the National Women's Council found that more than 1 in 3 women with children have had to give up work due to the high cost of childcare, rising to 60% among lone parents.

To address these problems, People Before Profit propose extending paid Parent's Leave and amalgamating it with Maternity and Paternity leave with the objective of reaching 12 months' paid Leave for each parent. In year one, we would increase Parent's Leave for both mothers and fathers by 19 weeks each, bringing paid leave for mothers up to a full year and paid leave for fathers to 28 weeks[5]. This would cost €487m.

We would also legislate to oblige employers to top Maternity, Paternity and Parent's Benefit up to 100% of pay. This would incentivise take-up, particularly by fathers, many of whom cannot afford to take Paternity or Parent's Leave at present.

We would also abolish childcare fees through an additional state investment of €363 million in 2024. Wages for all childcare workers would be increased by €2 an hour and

1 PQ: 24189/23

2 Inclusion Ireland estimate the cost at between €500 million and €1bn

3 https://www.siptu.ie/media/media_23785_en.pdf

4 https://www.workplacerelations.ie/en/what_you_should_know/hours-and-wages/employment%20regulation%20orders/early-learning-and-childcare-sector/ Wages for young workers are even less, starting at a pitiful €9.10 an hour for workers under 18.

5 Mothers currency receive 26 weeks' paid Maternity Leave and 7 weeks' paid Parent's Leave; fathers currently get 2 weeks' paid Paternity Leave and 7 weeks' paid Parent's Leave.

and higher rates of pay would be provided for more highly qualified staff in line with the pay claim lodged by their trade union, SIPTU. This would cost approximately €142 million and would be the first step in moving all childcare workers towards public sector pay scales on a par with teachers. In addition, we would double the current funding for children with disabilities to participate in preschool education, at a co st of €45 million. This would amount to a total investment in existing services of €550 million.

A major expansion of childcare services is also needed as many parents have been unable to avail of it due to cost. As a first step, we propose investing an additional €450 million in providing new fully public, free childcare places that could begin to become available from early next year. This would be part of the transition process to a fully public National Childcare Service which would also involve taking the major private childcare chains into public ownership, replacing contracts with private providers with public provision and employing new and existing childcare workers as public sector workers. In total, this would amount to an increase in childcare spending for Budget 2024 of €1.5 billion, bringing us closer to the European average in childcare spending.

Proposal	Cost (€ Million)
Bring paid leave for mothers leave to a full year and paid leave for fathers to 28 weeks	487 [1]
Introduce legislation to oblige employers to top all parents' benefits up to 100% of pay	Nil
Abolish childcare fees through additional public funding	363[2]
Wages for all childcare workers would be increased by €2 an hour and higher rates of pay would be provided for more highly qualified staff in line with the pay claim lodged by their trade union, SIPTU	142[3]
Double the current funding for children with disabilities to participate in preschool education	45[4]
Invest an additional €450 million in providing new fully public, free childcare places that could begin to become available from early 2024	450

3.4 The Arts, Culture, the Gaeltacht, RTE and Public Media

Ireland has an extraordinarily rich cultural history and yet our investment in Arts and Culture is way behind other EU countries. Huge numbers of our artists, actors, musicians, film workers and crew suffer low incomes and insecure employment status. People Before Profit would bring the funding to the EU average of 0.6% of GDP over the coming years.

In 2024 we propose doubling the current funding to invest in the measures outlined by

1 39123/23

2 Last year's 25% reduction in fees cost €121m, meaning to reduce another 75% to get to 100% would cost €363m Roderic O'Gorman: Parents should not expect 25% cut in childcare fees in Budget 2024 (irishexaminer.com)

3 https://www.siptu.ie/media/media_23785_en.pdf

4 https://www.siptu.ie/media/media_23785_en.pdf

both the National Campaign for the Arts and the Music and Entertainment Association of Ireland, including, amongst other measures, ensuring that social protection payments for disabled artists are protected from any means testing. While substantially increasing investment in culture and the arts, such investment must be strictly conditional on genuinely quality employment and training for all those working in the arts.

Increased investment in promoting the Irish language and in the Gaeltacht is necessary. People Before Profit would allocate €50 million to increase funding for Údarás na Gaeltachta, Roinn na Gaeltachta and Foras na Gaeilge for investment and supports in the Gaeltacht and to support Irish speaking outside the Gaeltacht.

This would include €10 million for Údarás's capital budget to create new jobs (projects supporting language planning and language centres especially), to upgrade and refurbish buildings and to combat inflation, funding to employ a Youth Officer in all language planning areas in the Gaeltacht and for an additional officer in all Gaeltacht Service Towns, and funding to support raising families with Irish.

Outside the Gaeltacht, this would mean increasing funding to support language planning, supporting scholarships, increasing the number of Irish language centres and moving TG4 to the same level of funding as S4C in Wales.

We would transform RTE and public service media. We would increase public funding for RTE to €500 million, including a rapid modernisation budget for capital expenditure, and allocate a further €500 million in public funding for other public service media organisations.

We would scrap the regressive TV licence fee and advertising and sponsorships by RTE.

We would cap pay to end excessive salaries for the few at the top, and also end bogus self-employment and poverty pay and conditions, underpinned by mandatory trade union recognition.

We would democratise RTE – radically reforming the current Board to make it representative of RTE workers and civil society, with Board members subject to recall.

Funding for RTE and public media would be raised through a 1% tax on all Information and communications companies, expected to raise €500 million. A further €500 million for other public media would be raised through an additional 1.25% Big Tech Tax on the largest ICT companies. This funding for other public media would ramp-up over 3 to 5 years, with €100 million allocated in year 1.

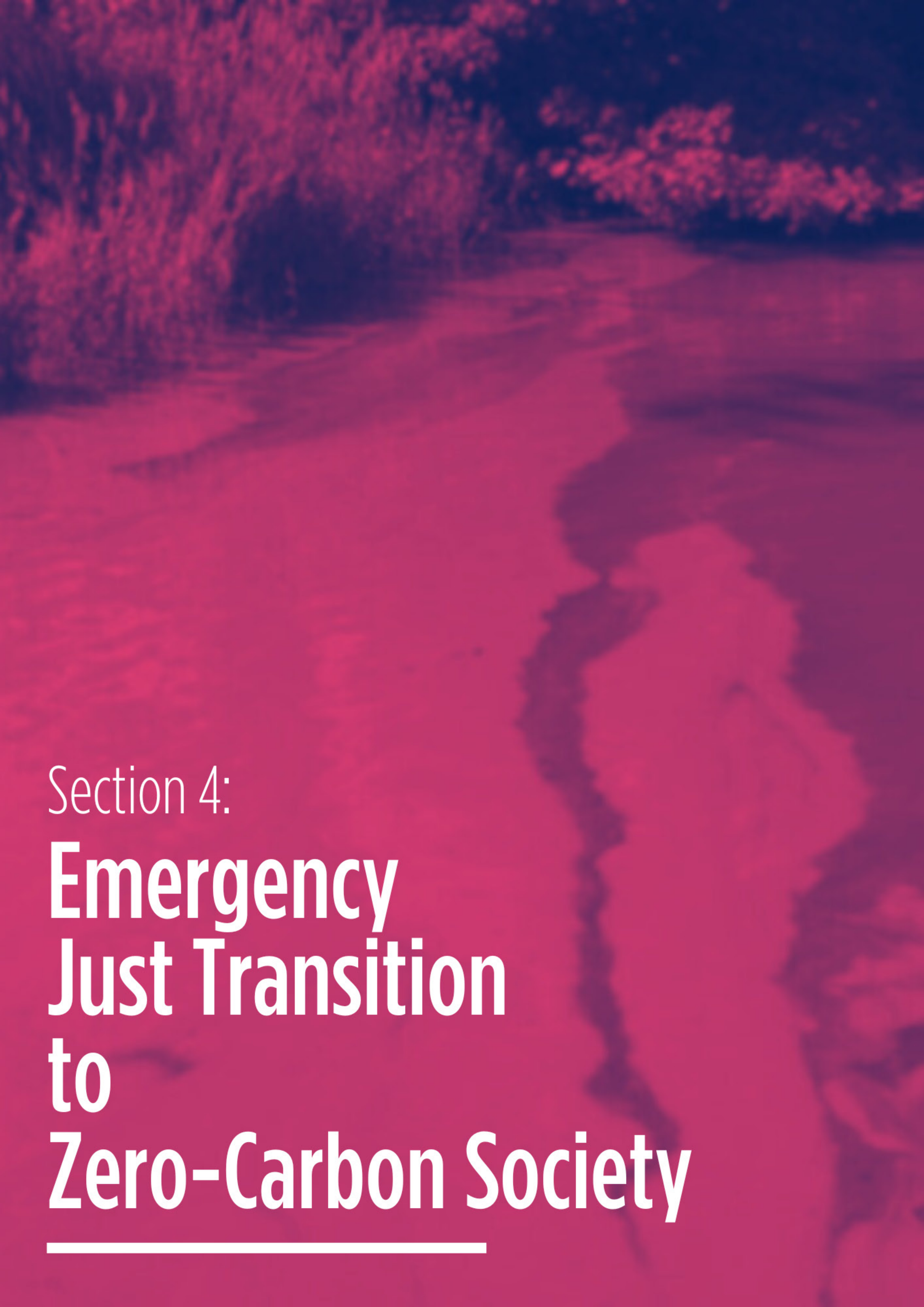
Funding to sports in Ireland, particularly to grassroots clubs is also significantly below that of our EU counterparts, particularly in terms of facilities and infrastructure. We propose to increase sports funding by 50%

Proposal	Cost (€ Million)
Double funding of arts and culture (other than RTE and public media)	357 [1]

1 Revised Book of Estimates 2023 Page 164 244538_26edc78f-49db-454f-817f-b27a40d030bc.pdf

Continued

Increase funding for Údarás na Gaeltachta, Roinn na Gaeltachta and Foras na Gaeilge for investment and supports in the Gaeltacht and to support Irish speaking outside the Gaeltacht	50
Transform RTE and public media	600



Section 4:

Emergency Just Transition to Zero-Carbon Society

The rate of global temperature increases is accelerating and biodiversity is collapsing. Recently researchers found that we have exceeded six of the nine planetary boundaries keeping earth habitable. As this document is being finalised there are reports of up to 20,000 dead in the floods.

The Government's Climate Action Plans represent a rolling failure as our greenhouse gas emissions continue to rise at the fastest pace in Europe. Friends of the Earth commented on the plan earlier this year,

"It provides for annual reduction of 4.8% in the period 2021-25 and 8.3% in the period 2026-30, which can be interpreted as pushing the 'heavy lifting' outside of the remit of the current government. This back-loading of emission reductions begs the question of whether the government's intermediate target of reducing residential emissions from 7 million tonnes of CO_2-equivalent to 5 million tonnes by 2025 can be achieved"[1].

The wide miss of the inadequate 4.8% emissions reduction target in 2021 and again in 2022 means there is now virtually no chance of the Government staying within its own deeply inadequate carbon budgets for this decade.

We cannot rely on the market to tackle climate change, as the Green Party has tried and failed. We would mobilise an emergency just transition on the large scale and at the rapid pace that is required to reach a zero-carbon society by the end of this decade, with at least 10% reduction in carbon emissions each year.

Among our priority areas for this budget are public transport, retrofitting and investment in renewable energy:

- We will immediately make public transport free and commence a massive investment to make frequent public transport available across the state
- We will mobilise the resources necessary to retrofit every home with an energy rating of B2 or lower to at least B2 by the end of this decade. The capacity provided by the state construction company will be central to this emergency programme
- We will stop all plans for expansion of existing data centres and rescind approvals for new data centres. We will also rescind planning permission given by the EPA for diesel and gas back-up generators for data centres
- We will commence a massive investment in renewable energy sources, afforestation programmes and services to protect and restore biodiversity. We will also radically alter the remit of Coillte and abandon their plans for sitka spruce plantations or any partnership with investment funds aimed at making profits from our forests
- We will introduce legislation to ban private jets from our airspace, take steps to stop growth in commercial aviation, ban SUVs from urban areas, and ban car advertising
- A left government would also seek to reduce the overall number of cattle by first targeting the big farmers and ensuring a just transition for smaller farmers. Those that have benefited from dairy expansion are a small portion of farmers. Cuts to the herd should come from those with cattle numbers of over 500. Additional taxes on the big agri-industrial interests who have made billions of euros in profits from dairy expansion will be used to ensure smaller farmers can switch to sustainable practices in horticulture etc. and on growing the food we need while making a decent living.

4.1 Frequent and free public transport

Across Europe initiatives are being taken to get people out of their cars and into public transport to cut carbon emissions and also reduce costs for commuters and travellers. For many years People Before Profit has been advocating for free

1 still_left_out_in_the_cold_-_full_report.pdf (friendsoftheearth.ie)

public transport and extra capacity to meet the demand for free public transport.

The Green Party in government has continued to emphasise private electric vehicles as the solution to transport emissions and have allowed investment in public transport to lag far behind what is needed, as major investments in key infrastructural projects are delayed or side tracked. We would transition rapidly to free, green public transport to get people out of cars and reduce the number dying from air pollution. We will double investment in active travel infrastructure, rural transport and transport for people with disabilities in 2024, as a first step towards the nationwide, frequent and free public transport that we urgently need.

We would abolish the M50 and Eastlink tolls at an estimated cost of €176 million. This would be a cost of living measure and would incentivise people not to drive through the city centre - two-thirds of city centre traffic currently is just passing through. The Dublin Commuter Coalition are advocating for abolition of the tolls to reduce air pollution in the city centre and make public transport faster an d more efficient. This would also facilitate pedestrianisation of large parts of the city centre.

Transport for people with disabilities

There has been a shocking lack of action by Government to introduce a personal transport scheme for people with disabilities that supports their needs and allows them to live independently and participate fully in all aspects of life as required by the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD). We would address this through substantial funding to establish the schemes and supports necessary.

Proposal	Cost (€ Million)
Make public transport free	540[2]
Make public transport clean - purchase 500 battery-electric buses	342.5[3]
Make public transport frequent - Expand public transport fleet • Include radical measures to develop a personal transport scheme for people with disabilities that supports their needs and allows them to live independently and participate fully in all aspects of life	563.6[4]
Double funding for the Rural Transport Programme based on doubling door-to-door and other Local Link services	43[5]
Double the NTA Active Travel Programme programme funding • Target 2,000 kilometres of additional projects for cycling and walking infrastructure • Triple funding of the Safe Routes to School programme from €5 million to €15 million	290[6]

2 23797/23
3 23798/23
4 23800/23
5 23799/23
6 23801/23, 23802/23

Continued

Rebalance transport infrastructure capital investment from roads to public transport • Invert 2023 investment profile of €1.22 billion on roads and €876 million on public transport[1] - no new roads except where needed for safety reasons or to bypass towns • Initiate plans for light rail in Cork, Galway, Limerick and Waterford	Nil
Abolish the M50 and East link tolls to encourage bypassing of Dublin city centre and lower air pollution	176

4.2 Ramp Up Investment In Retrofitting

Energy poverty in Ireland is at its highest level ever recorded, with almost a third of households estimated to be spending more than 10% of their income on energy[2].

The Government's retrofitting programmes remain piecemeal and rely largely on private companies providing the retrofits. State support is available only on a small scale for most people and disproportionately benefits those with the wealth to co-fund deep retrofits. As a result, the government is failing to achieve its own unambitious Climate Action Plan retrofitting targets by a large margin. Friends of the Earth commented recently,

> "The plan re-commits to retrofitting 500,000 homes by 2030 and installing 680,000 renewable energy heat sources in both new and existing residential buildings. Based on progress to date, these targets are implausible.[3]"

The Government must move away from a focus on market-based mechanisms for retrofitting and instead prioritise improving access to new schemes, including grants, zero-interest or low cost loans or other models of financing retrofits, as well as street-by-street insulation programmes and district heating systems. A Left government would mobilise the resources necessary to retrofit every home with an energy rating of B2 or lower to at least B2 by the end of this decade. The capacity provided by the planned state construction company will be central to this emergency programme. This would both cut costs for householders and reduce emissions.

Proposal	Cost (€ Million)
Double investment in retrofitting grants	529 [4]
Retrofit 10,000 social homes in 2024	270[5]

1 Revised Book of Estimates 2023 244538_26edc78f-49db-454f-817f-b27a40d030bc.pdf
2 Energy poverty at highest recorded rate | ESRI
3 still_left_out_in_the_cold_-_full_report.pdf (friendsoftheearth.ie)
4 Revised Book of Estimates 2023, page 131
5 https://www.google.com/url?q=https://merrionstreet.ie/retrofitting_programme_for_social_housing_announced.167193.shortcut.html&sa=D&source=docs&ust=1696505945984180&usg=AOvVaw1pSw1fryYT8dqM0wiWP-JP

4.3 Renewable Energy

The neo-liberalised energy sector is not only driving the cost of living crisis, but also ensuring continued investment in new forms of fossil fuel exploration and extraction which remain profitable. Private energy companies have delayed the transition away from fossil fuels while current policy means the effective privatisation of renewable energy in wind and solar on whatever terms these private firms dictate.

Renationalisation of the energy system is the only way to address the climate and cost of living crisis and make the essential changes we need to our energy system. We need to develop a plan to reduce energy use, generate 100% of electricity from renewables and electrify everything. In order to do this, it is essential that the energy sector is renationalised, and operated as a non-profit, public utility run as a public service under the democratic control of workers and communities. It should be used to rapidly drive electrification of all aspects of the economy, a rapid and just transition to 100% renewable energy, and reductions in energy usage. A Left government would nationalise and transform the energy system as follows;

- Re-integrate ESB Group and operate it on a not-for profit mandate
- Transform the Commission for Regulation of Utilities to a People's Power Agency
- Reduce energy usage throughout the economy based on prioritising people's needs over corporate profits
- Nationalise the major private electricity generators
- Recognise renewable power as a natural resource – to be developed publicly

We would legislate that all future major renewable power projects must be developed by the ESB Group in the public interest. Wind, solar, tidal and all other sources of renewable energy are natural resources which should be developed in the public interest, not subject to private profiteering. We would then ramp up investment in renewables with an additional €1 billion investment in 2024.

Proposal	Cost (€ Million)
Invest in renewables	1000

4.4 Biodiversity and sustainable farming

In response to the land use and biodiversity crises and to guarantee a just transition for small and medium farmers, we propose to substantially increase funding for sustainable and organic and re-generative farming, for afforestation programmes and for the National Parks and Wildlife Service.

Proposal	Cost (€ Million)
Expand the ACRES Cooperation scheme to enhance biodiversity and climate action • To apply to 50,000 small to medium sized farmers in year 1, providing an income supplement of €21,000 per year (double the current scheme supplement).	1050

Continued

Establish a scheme to expand organic, agroecological and regenerative farming • - recruit 10,000 farmers in year one with a €21,000 per annum income supplement	210
Triple the funding for broad leaf afforestation, mixed native woodland and rewilding programmes • Estimated cost of €1,100 per hectare for tree planting on 100,000 hectares • Estimated €350 per hectare for rewilding/emerging woodland on 314,000 hectares	224.8[1]
Acquire the Conor Pass and establish as a national park	10
Double investment and staffing of National Parks and Wildlife Service	25[2]

4.5 Abolish The Carbon Tax

People Before Profit has been opposed to the Carbon Tax since its inception. It is an unfair tax on those who bear least responsibility for the climate emergency. It takes no account of ability to pay and there is no evidence that it works. The rationale for the Carbon Tax in encouraging people to shift from fossil fuels has been undermined by escalating fuel costs. With energy costs still very high, people do not require further sticks to make them reduce their use of fossil fuels.

In 2023 the Carbon Tax is estimated to raise €623 million, with further increases planned for 2024 that would raise an additional €151 million. People before Profit would cancel the increase planned for 2024 and abolish the existing carbon taxes. In its place we will apply a tax on commercial aviation, raising €773.3 million in 2024.

Proposal	Cost (€ Million)
Abolish the Carbon Tax	774[3]

4.6 Abolish waste charges and renationalise the service

We will abolish charges for waste collection and take the service back into public ownership. We will restructure waste services to make them more efficient and environmentally friendly. We will legislate to force companies to reduce packaging waste at source and incentivise recycling and composting through more frequent collections relative to general waste.

1 Revised Book of Estimates 2023 Page 142 244538_26edc78f-49db-454f-817f-b27a40d030bc.pdf
2 Revised Book of Estimates 2023 Page 298 244538_26edc78f-49db-454f-817f-b27a40d030bc.pdf
3 Budget 2023 The Use of Carbon Tax Funds 2023 235732_93f95f31-bc1e-4823-993f-af16492fe628.pdf

Proposal	Cost (€ Million)
Abolish charges for waste collection and take the service back into public ownership	400[1]

1 Average charges €289 per AA 2020 survey by 1.85m households, less waivers, overhead and profit margins - estimated at €400m

Section 5:

Tax Wealth and Profits to Fund Public Services and End Inequality

People Before Profit is proposing a set of revenue raising measures which would truly transform Irish society and transfer resources from the wealthiest and create a more equal society where the needs of the majority can be met through general taxation.

For many years now People Before Profit has argued and presented data to support raising additional revenue from those in society who have most. It is clear now that the political will is missing to make those in society who have most pay their fair share. But it is also clear that the current crisis has highlighted the significant profits being made by corporations and the additional wealth that's being accrued by the wealthy.

5.1 The Budgetary Position

Going into this budget the state's finances are extremely healthy with unprecedented resources available to address the various crises facing ordinary people. The Summer Economic Statement[1] showed that:

- Tax revenues to end-June were €40.9 billion, which was 11% higher than last year.
- An Exchequer surplus of €0.3 billion was recorded in the first half of the year. This compares with a surplus of €4.2 billion in the same period last year. The annual decrease is driven by the transfer of €4 billion to the National Reserve Fund earlier this year.
- On a 12-month rolling basis – a better measure of underlying trends – the Exchequer recorded a surplus of €1.1 billion in June.
- Corporation tax receipts amounted to €10.35 billion to end-June, up by €1.8 billion on last year due to increased profitability in the multinational sector. Corporation tax receipts could exceed €24 billion for 2023.

Corporation tax receipts have grown significantly over time from about €4 billion in 2013 to over €22 billion in 2022 driven by increasing profitability (see table 1)[2]. As a result the government surplus has surged, being €8 billion in 2022 and predicted to be €10 billion in 2023 and €16.2 billion in 2024[3].

While the government is arguing that some of this is transitory and should not be used to fund ongoing expenditure, we do not agree that more sustainable additional revenues cannot be raised from the corporate sector or that all additional revenues already raised should be stored away for some rainy day in the future. The rainy day is happening now for many households and the resources available to the state should be used to protect them from the cost of living crisis and to invest in necessary infrastructure, such as housing.

The extra resources referred to above are only the tip of the iceberg. As set out in previous budget documents, People Before Profit believes there are significant sources of additional taxation that could be raised by making those who have wealth pay their fair share. A number of significant measures: increasing the corporate tax take, a windfall tax on energy companies, a wealth tax, a higher tax rate for high earners, increasing employers PRSI and increasing capital gains tax have the potential to raise billions of additional revenue to fund the needed spending on housing, cost of living measures, public services and ending poverty. These measures are set out here.

5.2 Raise the Corporate Tax Take

The additional corporation taxes referred to above reflect a longer term trend of increasing profits, and with it a significant shift in the distribution of national income between wages and profits. The labour share for the total economy was 32.2% in 2020.

1 https://www.gov.ie/en/press-release/49941-ministers-mcgrath-and-donohoe-publish-summer-economic-statement-2023/
2 https://www.revenue.ie/en/corporate/documents/research/ct-analysis-2023.pdf
3 https://www.gov.ie/pdf/?file=https://assets.gov.ie/253970/bbc5c70e-dfe3-4b65-bf76-a9ff87482650.pdf#page=null

Over time, a lower proportion of the income of the Irish economy has gone directly to workers, down off a peak of 49% in 2010[1].

As the table below demonstrates there has been a spectacular rise in corporate profits over the last decade, by 235% since 2012, with growth only halted in 2020 by the global pandemic and lower balancing charges than previous years. But with the surge in the corporate tax take in 2021 and 2022 it is clear that profits have increased again at an exceptional rate. This trend will continue into 2023 when, as indicated above, receipts could exceed 24 billion.

Table 1: Corporate Tax Revenues[2]

Year	Total Profits Declared Before Deductions (Millions) €	Taxable Income After Deductions Millions) €	Total Corporation Taxes Paid (Millions) €	Effective Rate Of Corporation Tax
2021	250,496	152,525	15,323	6.1%
2020	193.212	110,458	11,833	6.1%
2019	195,282	106,439	10,938	5.6%
2018	182,734	96,049	10,211	5.5%
2017	159,025	79,654	8,104.8	5%
2016	158,788	71,475	7,159	4.5%
2015	143,926	65,076	6,248	4.3%
2014	95,374	50,703	4,930	5.1%
2013	80,672	40,462	4,078	5%
2012	74,775	43,242	4,374	5.8%

It's also clear from the table that corporations have not paid the headline 12.5% rate, (already one of the lowest in the western world) on pre-tax trading profits, but rather have paid less than half of that. The biggest and most profitable corporations have written down their taxable profits through the use of a myriad of tax loopholes (deductions, reliefs and allowances). Through acquisitions, royalty and interest payments on intellectual property (intangible assets) mostly to their own subsidiaries, the largest and most profitable corporations have magically transformed tens of billions in sales revenues from profits

1 See https://www.cso.ie/en/releasesandpublications/ep/p-pii/productivityinireland2020/chapter4gvaandthelabourshare/

2 https://www.revenue.ie/en/corporate/documents/research/ct-analysis-2023.pdf

into costs, thus writing down their taxable profits. The Revenue Commissioners figures on the Costs of Tax Expenditures, amount to a shadow budget, worth tens of billions in forgone tax revenues overwhelmingly benefiting a small number of extraordinarily profitable multinational corporations (Table 2).

Table 2: Corporate Tax Expenditures - Cost to the Exchequer €m[1]

Year	2021	2020	2019	2018	2017	2016
Capital allowances	12,790	9,960	10,430	9,465	8,166	7,830
Intra-group transactions	23,061	35,275	16,185	12,559	16,815	9,195
Certain companies reconstructions and amalgamations	374	496	1,708	273	425	198
Losses incl capital allowances brought forward	1,749	1,363	1,694	1,886	2,045	2,093
Research and Development tax credit	753	658	626	355	488	670
Group relief	576	704	548	536	513	412
Knowledge development box	14	16	12	10	12	6
Total	39,317	48,472	31,203	25090	28,470	20,404

While Ireland has signed up to the OECD minimum effective corporation tax rate of at least 15%, People Before Profit believes it is long past time for this country to abandon its corporate tax haven model and increase the headline rate to 20%, a figure at least commensurate to the proportion of income tax paid by the average worker. Equally if not more important-we must impose a minimum effective rate to close down loopholes and dramatically reduce the scale of reliefs credits and allowances available to large corporations to reduce their tax bill.

For example, if we take the €24 billion that will be raised in 2023 and assume, based on historical data, that it represents no more than a 6% effective tax rate, and if we made the OECD proposal of a 15% corporate tax rate, a minimum effective rate applied to pre-tax trading profits on a straight line basis, we estimate that €60m would be raised. Raising the rate to 20% gives you €80 billion.

Our proposal is far more modest – we would increase the headline rate to 20%, close loopholes and even with a possible change in behaviour of the corporations, we would conservatively estimate that an extra €20 billion could be raised.

1 https://www.revenue.ie/en/corporate/information-about-revenue/statistics/tax-expenditures/costs-expenditures.aspx

Proposal	Revenu (€ Million)
Raise Corporation Tax to 20% for large corporations and close loopholes	20,000

5.3 Pharmaceutical and Private Health Levy

The pharmaceutical industry in Ireland is deeply bound up with tax avoidance activities. Research by the Institute on Taxation and Economic Policy in the United States has shown that a number of major pharmaceutical companies have offshore activities in Ireland[1].

Ireland's pharmaceutical industry is also highly profitable thanks in no small part to the waiting times in Irish hospitals, which often force people to use expensive pain relieving medication. The pharmaceutical industry has a strong profit motive in keeping people on this medication, but this is both expensive and often comes with damaging side effects. People Before Profit believes in a different model of health and wellbeing. Our goal is to reduce dependency on medication through tackling waiting lists, investing in primary health care centres and promoting healthier lifestyles. To help pay for this, People Before Profit would place a special levy of 4% on the profits of the pharmaceutical industry in 2024.

Proposal	Revenu (€ Million)
Introduce a 4% levy on the profits of Pharmaceutical Companies and Private Health Companies	1,000[2]

5.4 A Windfall Tax on Energy Companies

As indicated in the introduction, profiteering by energy companies has contributed significantly to the current cost of living crisis. ESB interim results for the first half of 2023 revealed a €676 million operating profit, an increase of €157 million on the same period in 2022. Last year, the ESB Group recorded profits of €847 million compared to €679 million in 2021, an increase of 25%[3]. Centrica, which owns Bord Gáis Energy, reported an operating profit of £3.3 billion in 2022, up from £948 million in 2021, an increase of 248%. SSE reported an operating profit of £2.5 billion in their fiscal year ending 31 March 2023, up from £1.5 billion the previous year (up 66%). Energia reported an operating profit of €354 million in their fiscal year ending 31 March 2023, up from €178 million the year before (up 99%)[4].

In response to PQ 31016/23 the Minister for Finance said that a windfall tax of 50% on the profits of all energy providers would generate approximately €460 million for a full year. This estimate is based on the 2021 tax returns of energy providers, the last year for

1 For more information see https://itep.org/offshoreshellgames2017/
2 PQ30997/23
3 https://www.thejournal.ie/esb-group-profits-6172589-Sep2023/
4 https://dublininquirer.com/2023/08/16/while-reporting-billions-in-profits-energy-companies-keep-prices-for-irish-consumers-high/#:~:text=ESB%2C%20which%20is%20mostly%20state,%C2%A3948%20million%20in%202021

which full figures are available. Given the recent surge in the profits of energy companies, People Before Profit believes that a conservative estimate would see the revenue from this tax rise to €1 billion if applied to profits for 2022 and 2023.

Proposal	Revenu (€ Million)
Windfall tax on energy companies	1,000[1]

5.4 Increase Employers PRSI

Irish workers pay above the average contribution for workers in the European Union, but this is not true of their employers. The Irish Congress of Trade Unions says that taxes collected on employers are less than half the half the EU average and the state could have collected €8.3 billion in additional revenue in 2019 had they taxed employers at the same level as comparable EU states[2].

To move towards the EU average, People Before Profit would increase the 11.05% rate of PRSI by 2%. Mindful of the impact of extra cost at the lower end of the employment market we would maintain the 8.8% for incomes not exceeding €410 per week and monitor for any negative impacts and we would introduce a high earners PRSI contribution for employers hiring workers on more than €90,000. This would be levied at 19.75%

Proposal	Revenu (€ Million)
Establish a new employer PRSI rate of 19.75% on any salaries paid over €90,000 per year;	985[3]
Increase the 11.05% employers PRSI rate to 13.05% on salaries paid below €90,000 per year	1,574[4]

5.5 Increase the Tax Take from Higher Earner

Conservatives like to highlight the amount that high earners pay in tax, but the flip-side of this narrative is how unequal wages are in the first place. The Central Statistics Office states that average wages in Ireland are around €42,692 with 65% earning less than the mean. Median earnings are €33,540[5].

On the other hand, there are just over 140,000 individuals earning over €100,000 making up around 4% of the total tax payers and earn between them a whopping total of just under €29 billion, 22% of all income[6]. Earning a wage of over €100,000 is a privilege that must come with attendant responsibilities to the rest of society. Accordingly, we would introduce the following tax bands to collect more from the top earners;

1 PQ31016
2 ICTU (2022) p.11
3 PQ 31000/23
4 PQ 31001/23
5 https://www.cso.ie/en/releasesandpublications/ep/p-eaads/earningsanalysisusingadministrativedatasources2021/distributionofearnings/
6 See https://www.revenue.ie/en/corporate/documents/statistics/income-distributors/individualised-gross-income.pdf

- 50% on earnings between €100,000 and €150,000
- 55% on earnings between €150,000 and €200,000;
- 60% on earnings between €200,000 and €275,000 and
- 65% on earnings over €275,000

Proposal	Revenu (€ Million)
Introduce four new tax bands for top earners	3,015[1]

5.6 Introduce a Wealth Tax on Millionaires

According to the latest Central Bank Quarterly Accounts, as of the end of Q1 2023 the net worth of Irish households was greater than €1 trillion, an increase of €37 billion in just one year. This includes €508 billion of financial assets and €708 billion in housing assets, less €143 billion in liabilities[2]. Oxfam has shown that wealth inequality has risen in recent times with two people in Ireland having more wealth, €15 billion, than the 50% of the population at the poorest end, who altogether have €10.3 billion[3].

In 2017, the Department of Finance estimated that the top 10% had 53% of the wealth and the Bottom 50% had 1.4% of the wealth. Analysis by the Think Tank for Action on Social Change (TASC) gives similar figures for the top 10%, but goes on to analyse the wealth of the top 5% and those in the top 1%. This showed that the Top 1% had 14.8%, the Top 5% had 37.5% and the Top 10% had 53.8%.

Applied to current figures this means that the top 5%, just 93,000 households, have €388 billion, an average of €4.2 million each. To allow for a family home, we would exclude up to €1 million per household and tax the remaining wealth of this group at 2% per annum. This is defensible both on the basis of the social needs of the rest of the population and on the basis that much of this wealth is invested and generating a return. In some respects our proposal is more modest than organisations such as Oxfam[4]. The key issue for us is that action is now taken to redistribute the considerable wealth of a tiny minority to benefit the vast majority in society. The revenue raised from a wealth tax would more than cover the cost of lifting many households out of poverty.

Proposal	Revenu (€ Million)
Tax the Top 5% of households 2% of their accumulated wealth less 1 million for a family home	5,900

1 PQ 30999/23

2 https://www.centralbank.ie/statistics/data-and-analysis/financial-accounts

3 https://oxfamilibrary.openrepository.com/handle/10546/621477

4 Oxfam Ireland is calling on the Government to apply a wealth tax on elite Irish wealth at graduated rates of 2%, 3% and 5% above a high threshold of €4.7 million. This would raise €8.2 billion annually. https://oxfamilibrary.openrepository.com/handle/10546/621477

5.7 Increase capital Gains Tax

Vulture Funds and Real Estate Investment Trusts have made a killing in the Irish property sector. Entering when prices were rock bottom, they are now in a position to make major profits off the misery of Irish working people. To claw some of this money back, People Before Profit advocates increasing the rate of Capital Gains Tax to 40% to bring it in line with the highest rate paid by PAYE workers.

Proposal	Revenu (€ Million)
Increase Capital Gains Tax from 33 to 40%	525[1]

5.8 Property Based Measures

From the start People Before Profit has opposed the local property tax. Conservatives often criticise us for opposing a universal property tax as somehow against socialist principles. The truth is that a blanket property tax amounts to a tax on many people's family home, often before they even own them. Our proposals in relation to property tax is to focus on those who own multiple homes or who are refusing to use zoned land or empty properties to house people.

We therefore are proposing the abolition of the LPT and its replacement by a number of other property related taxes.

5.9 Abolish LPT and Impose Tax on Non-Principal Private Residence Tax

178,237 individuals or funds own more than one home, broken down as follows:

- 125,486 own 2 homes
- 27,841 own 3 homes
- 10,414 own 4 homes
- 11,702 own between 5 and 10 homes each
- 1,815 own between 11 and 20 homes each
- 654 own between 21 and 50 homes each
- 179 own between 51 and 100 homes each
- 146 own more than 100 homes each

We would abolish the Local Property Tax on the family home and impose a Non Principal Private Residence Tax on second and more homes as follows:

- €1000 on a second home
- €1500 on ten or less NPPRs
- €2500 on 11 or more NPPR's

This would give a net gain of €500 million[2]

5.9 Abolish LPT and Impose Tax on Non-Principal Private Residence Tax

The zoned land tax that the government introduced in 2022 is not due to come into effect until 2024. It is also not sufficiently punitive to force developers to bring the homes back.

In 2014 there were 27,300 hectares of vacant land zoned residential. The updated figure on this is due out in December. A conservative estimate is that there are currently 15,000 hectares currently empty. We propose a new zoned land tax of €20,000 per hectare per year. This would raise €150 million.

1 Revenue Ready Reckoner – Pre Budget 2024 p. 14
2 PQ 31003/23, PQ 31004/23

According to the Census 2022 there are over 166,000 empty homes in the state excluding holiday homes. 65,000 of these were also vacant in 2016 and over 40,000 have been vacant since at least 2011.

People Before Profit proposes a €1,000 tax per month on vacant homes with the aim of bringing these back into use. If 40,000 remained vacant for the full year of 2024 this would raise €480 million.

Proposal	Revenu (€ Million)
Non-Principal Private Residence Tax	500
Tax on vacant homes	480[1]
Tax on vacant land zoned residential	300
Increase commercial stamp duty to 10%	160[2]

5.11 Funding RTÉ and public media

We would increase public funding for RTÉ to €500m and allocate a further €500m in public funding for other public media organisations. We would scrap the regressive TV licence fee and advertising and sponsorships by RTÉ. Information & communications companies made net profits of €12.646 billion in Q4 2022. Extrapolating that annually would give an annual profit of €50.584 billion. A 1% tax on all of that would raise €500m based off a 1% tax.

A further €500m for other public media could be raised through a higher rate of tax just on large ICT companies. A report[3] from the Irish Fiscal Advisory Council found that the top ten corporate taxpayers paid €8 billion in corporation tax in 2021, with the top ICT companies in the top 10 paying around €5 billion of that. That's based off a notional corporate tax rate of 12.5%. So a 1.25% corporate tax levy (i.e. a 10% increase in their tax) just on the top ICT companies would raise €500m.

Proposal	Revenu (€ Million)
A 1% tax on Information & communications companies including social media companies would raise €500m based off a 1% tax.	500
A further 1.25% corporate tax levy on the top ICT companies	500

1 €12,000 per year per 65000 vacant homes
2 Revenue Ready Reckoner – Pre Budget 2024 p. 19
3 Understanding-Irelands-Top-Corporation-Taxpayers-Brian-Cronin-Fiscal-Council-2023.pdf (fiscalcouncil.ie)

5.12 Other revenue measure which People Before Profit has advocated on an ongoing basis:

Proposal	Revenu (€ Million)
Retrospective 12.5% tax on 20% of €28,872 billion profits from Intellectual Property	721.8[1]
A financial transaction tax of 0.1% on Shares and Securities and 0.01% on Derivatives	320[2]
Tax on Commercial Aviation	773.3[3]
Cut Pension Relief Threshold from €115,000 to €60,000	136[4]
Abolish Special Assignment Relief Programme (SARP)	36.6[5]

1 Based on Coffey Report and apply this to the only year for which we have accurate information. Seehttps://www.finance.gov.ie/wp-content/up-loads/
2017/09/170912-Review-of-Irelands-Corporation-Tax-Code.pdf pg 124.
2 Based on estimates from the Nevin Institute
3 This the value of the excise and VAT Exemption on Jet fuels for 2019. The figure for 2020 was much reduced due to Covid 19 restrictions. See https://www.cso.ie/en/releasesandpublications/ep/p-ffes/fossilfuelsubsidies2021/fossilfuelsubsidies/#:~:text=In%202020%20fossil%20fuel%20subsi-dies,a%2016%25%20increase%20on%202020.
4 Revenue Ready Reckoner – Pre Budget 2024 p.10
5 PQ 30998/23