BUDGET 2010 - PRE-BUDGET SUBMISSIONS AND MEETINGS

The Minister for Finance receives written submissions from both individual members of the public and organisations in the weeks prior to the introduction of the annual Budget.

These submissions outline the specific views of the individual or interest group and cover both taxation and expenditure issues in the forthcoming Budget.

The issues raised in these submissions are considered in the context of the Budget and Finance Bill.

Attached is a summary of the main points in the submissions made by the main organisations the majority of whom are parties to *Towards 2016*.

Oral briefing will be provided on issues raised in the submissions.

The Group may wish to consider the issues raised.

ORGANISATIONS INCLUDED:

IBEC

Priorities for Economic Recovery

IBEC's strategy for economic recovery can be summarised as follows:

- Restore order to the public finances
- Ensure proper functioning of the financial sector and deliver substantive improvements in the availability of credit to businesses and households
- Reinvigorate the labour market by protecting existing enterprises and employment; reducing administered wages and prices; supporting training; and implementing effective active labour market policies
- Retain focus on restoring competitiveness through strategic investment in education; infrastructure; energy; and R&D and innovation

Correcting the public finances

- There should be no relaxation of the target to reduce the General Government Deficit below 3% by 2013
- The bulk of the fiscal adjustment process should be frontloaded to Budget 2010. This will boost consumer expectations of future economic prospects and reduce debt servicing costs
- The fiscal adjustment in Budget 2010 of €5 bn should consist of a €4bn reduction in current expenditure; €0.5 bn in tax base broadening; and €0.5 bn in capital expenditure savings
- The €4 bn current expenditure savings should comprise of €1.4 bn in public sector pay; €1.3 in social welfare costs and €1.3 in delivery of services

Taxation

- There must be no further increase in the income tax burden
- Health and income levies should be incorporated into the existing tax rate structure
- In the absence of a complete overhaul of the PRSI and welfare systems, there should be no further increase in, or removal of, the employee PRSI ceiling
- Tax relief on personal pension contributions should remain at the marginal tax rate
- The tax system should remain supportive of recent Government initiatives to promote employee financial involvement
- Excise on alcohol should be reduced in order to stem the losses to the Exchequer from the growth in cross-border shopping
- A revenue raising carbon tax should not be introduced in the current economic climate

Delivering the Smart Economy

- In order to maintain Ireland as an attractive location for international skills (needed to deliver the Smart Economy), the remittance basis of taxation should not be removed
- Funding and implementation of the Strategy for Science, Technology and Innovation (SSTI) should be maintained
- Savings accrued through the removal of duplication in administration and research in the SSTI, should be re-allocated to technology transfer and programmes that will yield a commercial return within a five year period
- Release resources from the residual National Training Funding investment account to support in-company training
- Companies should be allowed to offset the R&D tax credit relief against either their employer's PRSI liability or corporation tax
- Introduce flexibility in the selection of the base year for the R&D tax credit scheme

Stimulating Enterprise and Employment

- A Government backed trade credit insurance scheme should be introduced urgently
- A further tranche of funding should be provided through an expanded employment subsidy scheme and through the Enterprise Stabilisation Fund
- Introduce a dedicated bursary system for graduate internships
- Apply a reduced employers' PRSI rate or similar stimulus for any new jobs created during 2010

IRISH CONGRESS OF TRADE UNIONS

General

- Ensure a properly functioning banking system exists
- Reduce energy prices
- Improve broadband infrastructure
- Improve the planning process
- Cuts in the NDP, as indicated in the revised Program for Government, may delay our recovery
- The most vulnerable should not suffer disproportionately as a result of our the economic collapse
- Through working together to find equitable economic solutions, Ireland can emerge stronger
- Working together, it is possible to develop better businesses, more educated and skilled workers, reduce inequality, improve public infrastructure, protect poorer citizens and solve the considerable problems we face
- Use the current crisis to build an inclusive society and a more productive economy

Jobs – the priority

- Provide economic stimulus through borrowing
- Increase investment in public infrastructure and public transport
- Review planning legislation to ensure it does not hinder economic recovery
- Increase investment in education and training

Public Spending Cuts

- Public spending in Ireland is low compared to other European countries
- Fundamentally disagree with proposed McCarthy cuts – should have considered impacts other than saving money
- No cuts in Social Welfare rates although some scope for reductions in overall Social Welfare budget
- No cuts in education
- Exercise caution on any capital expenditure cuts
- Ensure official unemployed numbers accurately reflect the true position
- Opposed to privatisation of state companies

Taxation

- The increased reliance on consumption taxes was disastrous
- Significant wealth and income in the country remains untaxed, the tax contribution from the wealthy should be increased
- Introduce a 49% income tax rate
- Introduce a site tax on land
- Increase Corporation tax
- Raise the minimum effective tax rate to 30%
- Many tax allowances for business are not legitimate expenses and should be reduced
- The campaign against tax evasion and avoidance should intensify (business owe €1.8bn in taxes over the last 3 years)
- ICTU request a figure for the amount of Fiduciary Tax paid
- The eradication of tax breaks should be speeded up
- The political impact of cuts can be reduced by ensuring tax is progressive
- Ireland should adopt a more sustainable economic model, using the budget surplus accrued during positive economic times to offset times of budget deficit
- Overall, disappointed with Commission on Taxation report, inequality between treatment of the rich and less well off was not addressed

Appendix 1 – Commission on Taxation

- The outcome was flawed due to governments narrow, biased terms of reference and selection on members
- Report is too pro-business (the reason the economy crashed was because the government, regulators, Finance and ET&E are to pro-business)
- Welcomes the termination of many tax subsidies
- Considers maintaining low direct taxes on incomes and business profits as regressive
- Congress point to positive aspects of high tax Nordic country model
- The existing low tax regime means the scope for fiscal stimulus is limited
- Consideration should be given to terminating Transfer Pricing
- Opposed to elimination of trade union membership tax credit
- The assertion that the recommendations are cost neutral without providing costings is questionable. There is concern that taxes would shift from business and unearned income to middle income families
- Consideration should be given to a site tax instead of a property tax
- Congress does not support the taxation of child benefit until there is strong state support in place for child care
- In favour of the aim of excluding the minimum wage from taxation
- Against the introduction of an earned income credit, seen as costly and regressive
- The substitution of Depreciation for Capital Allowances could have a major impact on tax revenue
- Congress agrees that lower tax rates on a broader base are preferable
- Retention of the Artists exemption, at a modest level is supported. It is seen as a contradiction to abolish this while introducing a new tax break for sport stars
- Congress consider the 12.5% Corporation Tax as too low and support EU tax coordination of rates but are oppose the current proposed Consolidated Tax Base
- Congress consider that Capital Gains should be treated as income and taxed at a higher level
- Congress support increased tax relief for pension contributions by standard rate taxpayers, but with reservations as middle income earners would loose, whereas reduced tax relief should be confined to high earners
- Congress is broadly supportive of capping tax free lump sums at €200,000, however the €500,000 free of CGT for self employed should also be restricted to €200,000
- The issue of large amounts of taxes forgone in pensions to the rich appears to have been avoided by the Commission
- Pensions are a broader issue, that Congress will consider further in light of the White Paper on pension reform

Banking & NAMA

- Fundamental change needed in the way business is governed
- Taxpayers are not getting a good deal in return for subsidising private interests
- Consider NAMA is flawed and was first to call for bank nationalisation
- NAMA legislation should be used to set up an office of indebtedness to protect householders experiencing financial difficulty

Appendix 2 – The Banking Crisis

- First to argue for bank nationalisation
- Recognises the need for an entirely new financial regulatory regime, both national and international
- Congress prepared to support NAMA if there is fundamental reform of the corporate governance regime for all Irish firms and an equivalent to NAMA is put in place for households at risk
- A State Holding Company should be established, as a passive investor in commercial state companies and could be utilised to store the state's bank shareholdings

- A social dividend aspect should be included in NAMA legislation, providing for houses, schools, health centres, sports and other community facilities. The opportunity to scrutinise past activity should be used proper governance schemes put in place for the future
- Tighter control of the banks is required. The leaders responsible for the current crisis still hold positions of power in the country
- Majority state ownership in one bank should be maintained after the current crisis, with guaranteed independence from politics.
- In addition to better regulation, the state could oversee future banking practices by maintaining part ownership of the banks
- Company law should be reformed to a European style stakeholder interest model
- State boards should have a more diverse representation
- Legislation should replace 'best practice' governance of all financial services companies
- Consideration should be given for appropriate laws to protect financially vulnerable householders, including write down of mortgages and extended repayment terms.

Reforming the Private Sector (Corporate Governance)

- Corporate governance laws for all firms should be re-written following the banking crisis, as company law relating to limited liability are now 'impaired'
- Move from shareholder model to broader stakeholder model
- Voluntary compliance of the Combined Code by Irish companies has failed and governance principals should be incorporated into legislation.

THE COMMUNITY AND VOLUNTARY PILLAR

Economic and Social Context of Budget 2010 as outlined by Community and Voluntary Pillar

- severe economic contraction
- high level of job losses and rapidly increasing unemployment
- collapsed tax revenues with a yawning structural deficit
- soaring national debt
- the need for Government to address the near collapse of the banking system
- rapidly increasing levels of poverty and deprivation
- the cumulative impact of cuts to welfare and social services on the most vulnerable
- the highest-ever levels of personal indebtedness[1]
- growing levels of inequality

In particular, CVP is acutely aware that vulnerable people and people experiencing discrimination and inequality have already been severely affected by cutbacks in public expenditure on services and supports.

The 17 members of the CV Pillar are clear that an *integrated social and economic recovery strategy* is urgently required to which all sectors of society should contribute if they can - but two vital principles must be respected:

- People who can afford to should contribute more to the recovery.
- Vulnerable people must not pay the price of recovery

- If implemented in full, the recommendations of the report of the *Special Group on Public Service Numbers and Expenditure Programmes* will decimate public services and impose a wholly disproportionate share of the burden of adjustment on poor and vulnerable people and on those experiencing discrimination and inequality through not having timely access to the services they need.
    - Lack of consideration in report for the community and voluntary element of work countering social exclusion.

- The CVP indicates that the McCarthy Report used a flawed methodology in its assessment. The key flaws outlined by the CVP in this methodology are:
    1. The failure to provide an integrated analysis. A particular individual could lose out under several headings (e.g. health, education, housing, social welfare, transport etc) with a devastating cumulative effect. If the Report's authors' had developed conclusions with the person as the main focus then their conclusions would have been quite different in a great many cases.
    2. No social impact assessment was carried out so the impact on society generally of implementing these proposals has not been quantified.

Reform of the tax system required;

- Despite significant increases in the tax-take from the PAYE sector in the last two Budgets, the scale of collapse in Ireland's tax revenues has been dramatic. While a proportion of the tax decline is related to the recession, a large part is structural and requires attention.

  Budget 2010 should start that process. Over the next few years policy should focus on increasing Ireland's tax take to 34.9% of GDP, a figure defined by Eurostat as 'low-tax' but a level sufficient to ensure that Ireland delivers appropriate public services. While Ireland should remain a low-tax

[1] The top ten primary debt types include personal loans, utilities, credit cards, mortgages, hire purchase loans, overdrafts, rent arrears, catalogues, fines, and sub-prime loans. (Comptroller and Auditor General, 2009 Annual Report 2008)

economy, Irish society cannot expect to have efficient European style public services unless we collect sufficient taxation.

An Integrated Social and Economic Recovery Strategy is required;

- While the Minister for Finance has stated that the scope for further income tax increases is limited - and that Government will look to expenditure cuts to achieve the adjustment required - the CV Pillar is adamant that if we are to protect vulnerable people and fund services during the adjustment we require a 5 point recovery strategy.

Proposal for a 5 point recovery strategy

1. **Increasing the tax take while keeping Ireland a low tax country (through broadening and deepening the tax base and without increasing income tax rates).**
    a. At present Ireland's total tax-take is low by EU standards despite the fact that those paying income tax have made substantial increases in their contribution to the total tax-take recently. Tax take could be increased by broadening base and addressing tax breaks.
    b. Implementing the recommendations of the Commission on Taxation report in relation to the 111 identified tax breaks (which benefit well off people) would make the tax system fairer and would be a good start to delivering an integrated recovery strategy.

2. **Securing better value for money in the delivery of our public services (beginning by eliminating the waste identified in the recent report of the C&AG).**
    a. best possible value for money needs to be secured for all public expenditure
    b. The temptation to take initiatives which may have short term gains but long-term negative consequences should be resisted. Before cutting services, the cost of providing the services, both pay and non-pay, needs to be addressed.

3. **Reforming the public sector (by implementing the recommendations contained in the report of the OECD).**
    a. Many of the people represented by C&V Pillar organisations find themselves in situations where they have to engage with a wide range of different government agencies e.g. health, education, welfare, housing etc. to access their entitlements. A more integrated structure is required which puts the person at the centre of its activities.
    b. OECD recommendations should be acted on immediately to ensure the public sectors efficiency, effectiveness and relevance.

4. **Target expenditure cuts where required but ensure that vulnerable people are protected. A good starting point would be the elimination of the waste identified in the C&AG's recent report.**
    a. Community and Voluntary Pillar members recognise full well that the country's finances are in bad shape and need to be rectified. However, Ireland is in this situation because of the activities of bankers, politicians, speculators, developers and many economists. Who should pay for the misdeeds of these people?
    b. The authors of the *Bord Snip* (McCarthy) report provide a clear answer: from their perspective the vulnerable, the disadvantaged and those living in remote communities should be the hardest hit!
    c. Cuts in welfare rates and in many services will mean that those who are vulnerable will bear the brunt of Government's attempts to balance its budget. The CV Pillar rejects this conclusion totally.
    d. Government Departments must not contemplate any cuts to services on which the most vulnerable are dependent before they have considered all the other possible options and the social impact of cumulative cuts taking place across government. In this context it is important to realise that tax 'breaks' are in fact Government expenditure and are recognised as such in the Budget process where these breaks are called tax expenditures.

5. **Focusing expenditure on the common good to provide required infrastructure and public services.**
    a. In the present situation it is also important to realise that actions can be taken that could simultaneously *promote the common good* and *assist economic recovery*. Ireland's infrastructure and public services are far from being at the level that could have been achieved if the fruits of the 'Celtic Tiger' had been used more sensibly. They are also far from the level Irish people would desire.
    b. It is essential that the Government recognises the need for investment in infrastructure and services and that these investments must form an integral part of any credible, integrated recovery strategy.
    c. Investments already made to improve social inclusion in the provision of education, health, housing, public transport and other services will pay long lasting dividends. It makes no sense to demolish such valuable infrastructure now.
    d. Without an integrated recovery strategy designed to fairly share the burden of adjustment, vulnerable people will pay the price of adjustment and state investment made to date will be wasted.

- This alternative approach will work if we recognise that the social and economic aspects of our lives cannot be separated from each other – we need high levels of social investment and services if we are to have a healthy economy and vice versa.

- We can achieve all of this if we focus on achieving the goals contained in the framework action plan ***Towards 2016***, with its vision of public services tailored individually to each of our unique needs.

CONSTRUCTION INDUSTRY FEDERATION

Public Capital Programme
- Increase capital investment in infrastructure, helping to sustain jobs in the near term and remedying infrastructure deficits as a means of improving our economic competitiveness and positioning Ireland to participate in the first wave of global economic recovery.

Residential Property Market
- Budget 2010 should abolish residential stamp duty in order to help stabilise the housing market, protect jobs, restore investor sentiment and kickstart Exchequer revenues.
- In addition, a time limited tax scheme for first-time house buyers should be considered as a means of supporting individuals and families to achieve the objective of home ownership and unlocking the estimated €1.2bn in VAT currently tied up in unsold new housing stock.

Planning and Development Act (2000, as amended) Part V: Social and Affordable Housing
- Reform of Part V legislation.

Competitiveness and Encouraging Inward Investment: Discouraging the Outflow of Capital
- Reduce Stamp Duty on Commercial Property to below 4%.

Sustainable Energy Initiatives
- Introduce a National Energy Refurbishment Programme.

Development Contributions
- Reform the current Development Contribution Scheme.

The Planning Process
- Reform of the Planning and Appeals Process.

Export Credit Guarantee for Construction
- Introduce an Export Credit Guarantee for Irish construction in order make the Irish construction and civil engineering industry a truly internationally traded service.

Public Procurement
- Establish a National Procurement Agency.

National Partnership Forum
- Create a National Partnership Forum.

Employer PRSI payments
- Give employers a holiday on PRSI payments to help reduce unemployment.

Taxation

- Deductions for Capital Allowances and Pension Contributions should be taken into account prior to calculation of the Income Levy.
- Absolutely no increase in taxation in Budget 2010
- An earned income credit should be phased in over a short period of time for the self-employed and be equal to the PAYE allowance.
- Increase Standard Rate Cut-Off point to at least €37,000 for a single person and at least €48,000 for a married couple
- Allow farmers to avail of income averaging for their farm income regardless of whether they or their spouse having another income from a trade, or a profession.
- Government must allow for greater flexibility in tax code due to cyclical nature of farm income.
- Allow for phased payment of tax liabilities in appropriate circumstances without applying an interest charge.

Stamp Duty

- Broadening of the bands for non-residential property rates.
- Where a farmer acquires land to create a viable holding, the liability for Stamp Duty should be off-set against income tax on farm profits.
- Expenditure of up to €300,000 on land purchases should benefit from this proposal.
- Retention of Stamp Duty exemption on the disposal of site to a child.

CGT

- Capital Gains Tax rollover relief should apply to the gains on disposal of farm land pursuant to a Compulsory Purchase Order where the proceeds are re-invested in farm land.
- Farmers should be able to write off any Capital Gains Tax liability which arises from the sale of land to consolidate their farm holding.
- The Retirement Relief consideration threshold should be increased to €1,000,000.
- Indexation for Capital Gains Tax should be reintroduced.
- Site to child exemption to apply to 'Windfall Gain' on sales or disposals to non-related persons.

Income Tax Relief and Leasing Land

- Extend the income tax relief on land leases between family members, where lease is for a definite term of five years or more.
- Abolish the age limit to qualify for the income exemption from farm leases.
- Land leasing income tax relief must be continued post 2012 despite Commission on Taxation Report recommendations for a review.

CAT

- The 80 per cent 'agricultural property' clause should be discontinued.
- Shares in farmer Co-operatives should be regarded as farming assets for the purpose of Agricultural Relief under Capital Acquisitions Tax.
- Farmers regarded as having carried on the business of farming for ten years prior to entering a lease agreement should qualify for Business Relief.
- Agricultural Relief for Capital Acquisitions Tax must be maintained at 90 per cent of the value of the property with no limit on asset value.
- The Two per cent increase in Capital Acquisitions Tax must be reversed.
- The thresholds for Capital Acquisitions Tax must be increased.

Farm Investment Incentives
- The 100 per cent Stock Relief facility should be extended to all farmers up to a maximum investment of €100,000 and the 25 per cent rate would apply thereafter.
- Accelerated allowances for capital expenditure on farm buildings for pollution control must be continued post 2010.
- Allow farmers choose between three or eight year write off period for agricultural machinery.
- Allow accelerated depreciation for all expenditure under the Farm Waste Management and Farm Improvement Schemes**.**
- Tax Relief on the purchase of milk quota to continue.

Funding Farm Schemes
- ICMSA oppose any further cuts in the funding of farm schemes.
- Government must now give assurances that they will provide a properly funded REPS or Agri-Environment scheme over the full five year period 2010 to 2014.
- ICMSA is totally opposed to any cuts in the Disadvantaged Area payments.
- Suckler Cow Welfare Scheme has already been cut by 50 percent and cannot sustain any further cuts.
- Savings must be identified in the management of the Department administrative functions.

Indirect Taxation
- All environmental goods and services used by farmers should be reduced from the current 21.5 per cent rate to 13.5 per cent.
- Farmers must be allowed to claim VAT back on all grant-aided expenditure under the Farm Waste Management / Farm Improvement scheme.
- A zero rate of VAT should apply to all investments in small-scale renewable energy products.

Social Welfare Issues
- Pension premiums paid by self-employed should be exempt from PRSI and Health Levy.
- Farmers in the Early Retirement Scheme should not be prohibited from continuing to contribute to a private pension.
- Those affected by the introduction of mandatory PRSI contributions for the self-employed in 1988 should qualify for the special 50 per cent Contributory Old Age Pension, where they have less than five years contributions and a full Contributory Old Age Pension where they have more than five years contributions.
- Occupational PRSI risk benefits should be extended to all farmers.
- Ensure the ongoing retrospective recognition of commercial partnerships to allow farmers' spouses qualify for the Contributory State Pension.

Rural Development and Environment Measures
- Due to the sector's total annual expenditure on oil and other energy products, ICMSA believe there should be a sectoral allowance or limited exemption.
- Grant aid should be available for all small-scale renewable energy projects, such as domestic wind turbines.
- Capital expenses incurred in developing rural enterprises or small-scale renewable energy projects should be allowed to be written off over a three year period.

IRISH FARMERS ASSOCIATION

Taxation

- The Income Levy system should be reformed by applying it to the taxable income after the deduction of capital allowances, thereby ensuring equitable treatment of all taxpayers;The Government should state its intention to move to a single system of taxation of income, in order to ensure equity, and to remove unnecessary compliance costs for self-employed taxpayers
- An Earned-Income Tax Credit should be introduced for self-employed taxpayers;
- CGT Rollover relief should be restored in the 2010 Budget for farmland sold under CPOs and subsequently replaced**.**
- DEHLG should clarify that old unoccupied residences on a farm are not "residential properties" for the purpose of the NPPR Act.

NAMA Legislation

- IFA is very concerned that the proposed 80% rate of CGT on the disposal of rezoned land will have major negative consequences for farmers and for the rural economy for the following reasons:
    - It is an attack on the right to free sale of private property;
    - It may drive sales of farmland into the 'black economy';
    - It is an inequitable imposition on farmers who intend to stay farming but have land rezoned by State or Local Authorities;
    - It will strongly discourage disposal of land and thus will stifle development in rural Ireland' and
    - It is viewed by farmers as a political over-reaction to national economic and financial problems not caused by farmers, but farmers are to be the main victims of the decision.
- IFA is also totally opposed to the proposed 80% CGT applying to disposal of land under CPO system, or to any other disposals of non-rezoned land at prices above the average agricultural price of land.

Protecting Vital Farm Schemes in the context of Cutbacks in Public Expenditure

- The proposed cuts to farm schemes outlined in the report of An Bord Snip Nua and the cuts already introduced in the 2009 Budget are inequitable and unacceptable and will seriously undermine the positive contribution of agriculture to the rural economy
- Alternative Savings in the Department of Agriculture Budget outlined in this proposal, which meet the Bord Snip saving requirement, must be implemented. At the same time, funding for vital farm schemes must be maintained.
- DAFF budget for 2010-2012 must include funding allocations for vital farm schemes as set out in this proposal
- Various Rural Schemes (Rural Transport Scheme, Rural Social Scheme and Rural Walks Scheme) should be continued to provide a vital support to all rural areas. Streamlining of administration to reduce overheads must also be a priority to ensure maximum impact.

Restoring Competitiveness to the Irish Economy

- Government must take action now to reduce uncompetitive business costs and pass through cost reductions to the agri-food sector, including Energy, Utility, Labour and Bureaucratic costs, the Regulation of the Retail Sector, Access to Bank Credit and introduction of an Export-Focused Credit Insurance Scheme.
- IFA has identified a catalogue of efficiency and administrative savings estimated at up to €80m, which, if implemented, would significantly reduce expenditure both at Department of Agriculture and individual farmer level.
- IFA proposes that a carbon tax must not be introduced until the uncompetitive elements of our economy are addressed by the Government and not before a similar tax is imposed on our main European and international competitors, as it would be trade distorting and further undermine competitiveness.

Sustainable Investment in Energy Security and Emission Reductions

- Renewable Electricity – On-Farm Energy - IFA proposes that the planning regulations are amended, a REFIT tariff be introduced and a package of additional measures are introduced including capital allowance relief and smart and net metering technologies.
- Renewable Heat - the amendment Afforestation and BioEnergy Scheme should be adopted and both the Biomass Mobilisation Programme and a Biomass Public Procurement Initiative be introduced.
- Renewable Transport - the MOTR scheme should be amended, the HGV are incentivised to switch to PPO and that 1st generation processing technologies are installed.

Commission on Taxation Recommendations

- There should be no reduction in the rate of CAT Agricultural Relief, to promote structural reform and competitiveness.
- If Agricultural relief and Business relief are integrated, the detailed legislation should be amended to ensure that the leasing out of farmland is defined as "business" for the purpose of Business relief.
- IFA is opposed to the introduction of a ceiling of €3m on the value to an asset transferred to a family member for the following reasons: 1) the transferor normally receives no payment in the case of inter-generational family transfers. 2) the transfer is subject to the CAT payable by the transferee. 3) as CGT is payable only in lifetime transfers, farmers will choose to defer transfers of commercial farms until death.
- The CoT recommendation that taxable income should be computed for business income (schedule D, case I and II) based on accounts depreciation rather than capital allowances should not be implemented.

CHAMBERS IRELAND

Helping to Restore Confidence

- Reinstate the Book of Estimates Process
- Cut VAT rates
- Attack the Black Economy
- Drive ePayment
- Competition in Services Provision. We reiterate our concern regarding how the levy on health insurance was unveiled following very limited market consultation as well as having a retroactive element going back to January 2009. This levy is anti competitive and should be reversed.

Controlling the Local Government Cost Burden on Business

- Raise the levy on Second Properties
- Introduce Domestic Water Charges Now
- Rationalise grade structures
- Abolish increments now as these represent an unjustifiable inflationary cost at a time when the state faces unprecedented costs and revenue challenges
- Review overtime and other allowances which we believe could be much easier to control and enforce
- Maintain the embargo on recruitment
- Raise the pension age to 66 years
- Reform work practices to facilitate transfer of staff resources across the wider public service
- If necessary, redundancies for public servants with a view to reducing the publice service pay and pensions bill by a factor of ten percent in the short term

Stimuli for Business

- Use UK's Enterprise Finance Guarantee Scheme as a template for Ireland. Enterprise Finance Guarantee (EFG) Scheme is a UK £1bn loan guarantee scheme delivered through banks and other lenders that will enable an additional £1.3bn of lending to businesses up to end March 2010.
- Completing Strategic elements of the NDP Road Programme
- Regional Economic Development, eg Cork Docklands.
- Government must provide a number of tax incentives to stimulate private investment in the area in the forthcoming Budget and Finance Bill 2010. Provision of capital gains tax (GCT) rollover relief for certain non conforming businesses (eg heavy industry) to encourage them to relcotate outside of the Docklands
- Provision of 20% tax credit to businesses incurring captial expenditure on public infrastructure
- 100% Capital Allowances for development of premises for use in targeted sectors
- 100% Capital Allowances for construction of residential accommodation
- Specific reliefs designed to attract businesses engaged in research and development

NAMA and Promoting Property Sales in the Irish Property Market

- More Urgency Needed on Publishing Current Domestic Property Prices. We urge the Department of Finance to engage with both the Information Commissioner and the Department of the Environment to facilitate this market information being made available urgently.
- Commercial Property Market Issues. The case for a further modification to commercial property stamp duties is needed to make our market more internationally competitive. This rate should fall to 4pc.
- Growing Venture Capital. Raise business expansion scheme investment ceilings
- Revenue Opportunity for Ireland in Intellectual Property Tax Treatment. Adopt Swiss approach to withholding tax treatment of credits for foreign taxes.
- Use Public Tendering to Support Start ups and Pick the Best Solution. Create an Irish equivalent of the US small business innovation research (SBIR) programme
- Use world bank methodology for rating tenders

- Double Taxation Treaties. We believe that even more emphasis needs to be placed in growing our Double Taxation Agreements with view to supporting the ongoing growth in global financial services and other firms locating parts of their businesses in Ireland.
- Carbon Tax should only be introduced on a revenue neutral basis as part of a wider reform process.
- Enable the Unemployed to Train with the Employed in Training Schemes supported by the National Training Fund
- Synchronise National Minimum Wage Reviews with National Pay Agreements
- Defined Benefit schemes are currently under huge pressure. Accordingly, Government is going to have to provide as much flexibility as possible regarding the captial adequacy and solvency calculations associated with these DB schemes in the short to medium term
- It is our view that new legislation which came into effect in 2007 limiting the tax relief on charitable donations needs to be reviewed.

IRISH BANKING FEDERATION

Ensuring a world class payments infrastructure

- Action is required to address the relative over-dependence in Ireland on cash and cheques for payment transaction purposes.
- Removal of duty on payment cards is widely supported by the business sector and by consumer representative bodies.
- IBF and IPSO propose the complete abolition of duty on debit and ATM cards and reduced duty on credit cards from €30 to €25 per annum, while increasing duty on cheques from 50c to €1.

Improving Ireland's attractiveness for International Financial Services

- Support the development of sustainable knowledge-driven sectors in the economy.
- Measures to attract highly skilled foreign personnel to work in Ireland. There are a number of examples within the EU where countries have incentives in place for attracting foreign personnel to work in their country.
- IBF would welcome the opportunity to engage with Department officials in reviewing the existing rules and / or working on a new mechanism.

Technical issues

- Payment of preliminary tax : practical problems arising in estimating amount of tax to be paid.
- IBF would appreciate the opportunity to work with the Deparment and Revenue to find a workable solution to this issue.
- The IBF recommends a complete exemption of foreign dividends in order to make Ireland an attracitve location for holding companies and related headquarter activities.
- IBF calls for foreign branches of Irish resident companies to be exempt from Corporation Tax.
- IBF are of the view that a complete abolition of withholding tax on interest (other than DIRT) would act as a significant marketing tool for the Irish financial services industry and would have a minimal effect on overall tax revenue.
- The IBF recommends 1. updating the base date for CGT to a date around 1990 2. with a view to reducing the number of people who have to self-assess under CGT, examine either increasing the exemption limit or introducing a disposals limit, which would avoid the need for calculations in small cases to show no tax is due and 3. restoring indexation for capital gains tax.
- Section 571 of the TCA gives the Revenue Commissioners effective priority over fixed creditors with respect to CGT. We believe that Section 571 should be abolished.
- IBF propose that encashment tax should be abolished.

Labour costs

- The IEA recommend to the Minister for Finance not to include any tax measures which will reduce the take home pay of the average wage earner or increase the cost to an employer of employing people.
- Income tax and PRSI, health and other levies on private sector workers are at relatively high levels (full rate is now up to 56% of gross salary). Any increase in the private sector income taxation rates are likely to be counter productive and will impact on the competitiveness of Irish labour rates in the international trading arena.

Energy Costs

- Any carbon tax must not result in an increase in the cost of energy to the exporting community, if we are to avoid further losses in competitiveness.
- As a separate measure the Minister must ensure that the Energy Regulator reduces energy costs to industry by 20% to return energy industrial costs to the EU average.

Accessing Finance

- To provide the necessary underwriting to the Credit insurers to enable a rapid return to standard cover for international credit transactions. Action on this matter is now urgently needed.

Trade protection and exchange rate policy

- Allocate at least 1% of GDP (approx €1.7billion) for a two years period, to stimulus measures to enable the retention of market capability and the return to strong growth of the export sector. In sourcing the funds for these measures we recommend the re -allocation of large amounts of the funds currently allocated to FAS.

  These Stimulus measures should include;
  - Expand the existing Stabilisation fund beyond the EU deminimus level for a period of 2 years.
  - Expanding the Employment Subsidy Scheme to include all exporters from micro through mid size to large companies, without restriction on prior access to other funds in the period to the end of 2010.
  - Immediate introduction of a State backed export credit insurance scheme.
  - Cutting energy (electricity and gas) costs to industry by 20% before the year end'09.
  - Increase the Bord Bia promotion fund allocation to assist food and drink exporters into non sterling markets.
  - Create a fund specifically to assist the development of our broad range of services companies to expand sales overseas, including the first year cost of an export sales manager.
  - Introduce a productivity fund specifically for the transport sector (sea, air and road) to maintain the world class standard now necessary to meet the international supply chain challenges.

Spending Cuts in Public Sector

- Annual Wage increments and earnings increases arising from whatever source in the Public sector must be stopped immediately (the Dept of Finance October report shows that Public sector average weekly earnings increased by 3.4% in Q1 2009).
- The Public sector Pension Levy is currently yielding €1.4 billion pa, achieved through the average 7.5% deduction from public sector wages. This should be doubled to 15% in the December Budget, yielding a further € 1.4 billion.
- Elimination of overtime rates and special allowances will deliver substantial savings.
- We recommend the Minister set up a high level team from the existing senior ranks of civil service to tackle these issues on a section by section basis (much as recommended by the OECD in its last Public Sector Review for Ireland).

- Benchmarking to average European Public Sector rates must be implemented in the budget for senior civil service grades.

Carbon Tax measures

- To proceed very cautiously with any Carbon taxes to avoid creating uncompetitive sectors in our export industry. A rebate from any carbon tax on exported goods should be considered for the next 2 years.
- There is a special need to take into account the very difficult trading situation, which he commercial transport and shipping sector find themselves in. This sector is already making it's full contribution through existing carbon emission tax measures.
- Further we would endorse the Commission recommendation that companies already engaged in Carbon trading be exempted from any new taxes. We also recommended that incentives to participate in binding energy agreements should go hand in hand with any new legislation.
- To encourage greater use of the low emission Rail Freight transport option, an incentive for industry to use higher levels of RAIL Freight should introduced, as is common place across the EU.

R&D and Innovation

- The Tax Credit legislation be modified to enable expenditure on market research and market development costs be accepted as R&D for tax credit allocation.

Promoting Export Entrepreneurs

- To foster entrepreneurs and the growth of export companies, the IEA are proposing that the Minister introduces a special tax regime for export oriented Entrepreneurs who set up in Ireland.
- Ease the burden of personal risk on prospective export entrepreneurs through tax structures that reward entrepreneurial sacrifice where the embryonic enterprise matches criteria likely to spawn a successful export business.
- Give special income tax status to founder shareholders during critical early stages when the business must engage in reinvestment (For example the encourage entrepreneurs to establish in Ireland they could be given a three years tax holiday for all individuals who are non resident and become Irish residents and set up a business employing least five people).
- Educate / provide access to expert advice on development and commercialisation of ideas. In this regard we support the taxation Commission recommendation for 'Persons who are made redundant should be entitled to offset any retraining costs they incur on certified courses against income for the previous 6 years.
- Align County Enterprise Boards support programmes with well-defined objectives to encourage export business start up and development. Effectively turning the CEB's into talent scouts for potential export entrepreneurs.

Personal Tax Facilitation

- The IEA recommend to the Minister that mortgage holders be allowed to transfer pension payments into reducing the outstanding house loan account either fully or partially.
- Mortgage holders on principal private residence are allowed access to their pensions to meet mortgage re-payments for a defined time period, e.g. three years. This would allow de-leveraging in the residential property market, give payment certainty to banks on residential loans and give a boost to consumer spending (help unemployed mortgage holders). This would be a timely short to medium term policy measure to meet the economic emergency Ireland faces.

IRISH TAXATION INSTITUTE

- There should be no increases to personal taxation introduced in Budget 2010
- We should set a target in this Budget to reduce the aggregate marginal rate of tax, PRSI and levies from its current level of 55% to below 50% by 2012.
- There should be a restatement of our absolute commitment to our 12.5% corporate tax rate.
- The Budget Statement should set out clearly the tax treatment of residential property over the coming three years
- There should be no reduction in the tax incentive for pension provision included in Budget 2010.
- To stimulate job creation, new businesses should be exempt from Employer PRSI for the first three years in respect of the first ten jobs created.
- The rate of interest charged on business and self-assessed individual taxpayers needs to be reduced from the current penal levels of 8 to 10% and aligned with commercial rates – hard pressed taxpayers who are struggling to make their payments on time should not be severely penalised by the State for their current cash-flow difficulties

- **Restore certainty in the tax system** by reaffirming 12.5% corporation tax rate; phasing levies into income tax system; personal taxes should not be increased in Budget 2010 and the combined marginal rate of income tax and PRSI should be reduced below 50% by 2012; retaining CGT retirement relief; reviewing PRSI system; providing advance warning for Site Valuation Tax & abolishing stamp duty as a result; reviewing and clarifying tax incentives, and retaining current pension reliefs.
- **Foster economic activity and innovation by -** extending Corporation Tax relief for start up companies; reducing the tax rate on distribution of cash reserves; retaining current exemptions for share based remuneration schemes and extending share option schemes; exempting new businesses from Employer PRSI for first three years; introducing a tax relief on retraining for the unemployed, and broadening the BES and SCS schemes.
- **Retain and attract human capital by** offering incentives to foreign executives to locate in Ireland, and retain and extend remittance basis of taxation and special regime for skilled foreign employees assigned here.
- **Tax Administration -** reduce administrative burdens on business by making the Appeals process fair and cost efficient; reduce penalties; extend self assessment; abolish the close company surcharge for service companies; raise the “small company” threshold and reduce Relevant Contracts Tax

IRISH HOTELS FEDERATION

- Maintaining the current real level of activity funded by the Fáilte Ireland and Tourism Ireland international marketing budget and initiating specific additional marketing activity to attract new business/conference visitors to derive maximum benefit from the availability of the national conference centre in 2010 and to regain lost ground in the British market.

- Avoiding any tax increases in tourism related products and services at national and local levels, introducing a three year freeze on all public sector charges at the 2008 level and reducing local authority rates by 30% for 2010. Any carbon tax should be revenue neutral and should not be used to increase the tax burden or to increases the tourism sectors tax burden.

- The Government should immediately remove the Air Travel Tax.

- Extending the employment subsidy available to exporting enterprises to the hotel/guesthouse sector

- Ensuring the availability of appropriately priced credit to the hotel/guesthouse sector

- Facilitating the orderly reduction of excess hotel capacity through adjustment of the clawback regulations attached to capital allowances for hotel development.

- The IHF calls for support measures within the overall context of recognising the need to reduce public expenditure.

- IHF urges that NAMA should be operated in a way which does not distort the operation of the hotel market either through below cost prices of NAMA operated hotels should this arise or inappropriate disposal of assets.

IRISH SMALL TO MEDIUM ENTERPRISES

- Addressing competitive issues, in particular the high cost environment in which businesses have to operate.
    - Reduce local charges & commercial rates & redistribute of the burden of commercial rates and water charges to other sectors, including the State and domestic households.
    - cuts in energy costs & introduce a comprehensive energy plan
    - Cancel the introduction of a carbon tax indefinitely.

- Reforming the public sector in order to secure value for money and increased efficiencies.
    - implementation of the An Bord Snip report
    - A significant reduction in public sector numbers & introduction of a Public Service Numbers Policy
    - A review of public sector pension costs and transparency & a new international benchmarking process
    - Outsource appropriate public service functions to the private sector.

- Introducing a comprehensive employment maintenance programme.
    - A reduction in Employers PRSI to 5% for salaries up to the average industrial wage to be phased in over a three year period. Above this rate, PRSI should reduce to 10%
    - A PRSI exemption for employing those who have been out of work for more than six months.
    - tax credit for training and staff development
    - Extend Employment Subsidy Scheme

- Introducing incentives for the development and growth of the indigenous sector.
    - Introduce a three year corporation tax back initiative for SME
    - Government Bank Guarantee Scheme on loans to SMEs.
    - 100% R&D tax credit for SMEs & innovation voucher scheme.
    - Enhance the Business Expansion Scheme and the Seed Capital Scheme.

- Maintaining and developing key, labour intensive, infrastructure projects.
    - Maintain and develop the National Development Plan, National Spatial Strategy, National Transport Management Agency.
    - Develop new schools and hospitals.
    - privatise bus transport

THE CARERS ASSOCIATION

Carers and the Irish Economy

- Census 06 indicates that there are 160,917 Family Carers in Ireland providing 3.7 million hours of unpaid care each week. Estimated to contribute more than €2.5bn annually to economy.
- Carers Association estimates that the average full-time Carer saves the Exchequer more than €40,000 per annum.

Priority issues for Carers Association

- Bord Snip Nua report and the Commission on Taxation set out numerous recommendations which do not consider the cumulative effects on individuals.
- Departments need to examine the potential for impact on vulnerable groups through a detailed social analysis.

Overview of impact of accumulation of measures on Carers by Department

- **DSFA –** suspension of Christmas bonus, a 3-5% reduction in welfare payments and a potential 30% decrease in income if proposed cuts to Half Rate Carers allowance are implemented;
- **DHC -** reduction in frontline services, home help hours and home care packages plus a reduction in the allocation for community and voluntary sector support.
- **DCRGA –** withdrawal of Scheme of Community Supports for Older People and a reduction in the allocation for community and voluntary sector supports.
- **DoE -** €60 million reduction in funding for Special Needs Assistants (SNAs)

Priority issues by Department for Carers Association

DSFA

- Half Rate Carers Allowance – Association believes the €110 per week and received by approximately €18,500 Carers offers 'excellent value'. Would only offer 5 hours of privately sourced home care per week.
- Allowance used to cover day to day costs of living
- Proposals to eliminate the dual payments proposed by An Bord Snip Nua would mean that Carers in receipt of Half Rate Carers Allowance facing potential reduction of 30% in incomes.
- Proposals to cut Social Welfare by 3-5% would have detrimental impact on Carers on top of loss of Christmas bonus (2% cut).
- Carers Association wants the Christmas Bonus reinstated.
- Publication of the National Carers Strategy.
- Income from the Households Benefits Package should not be treated as taxable income.
- Carers Association wants the Government to only apply means test to income of Carer not on household income;
    - Government should move towards increasing rate of allowance to €338 per week (equal to minimum wage)
    - Moving towards eventual introduction of a payment for full-time Carers linked to labour market equivalent.
- Allow Carers to receive full rate Carers allowance for each person they care for.
- PRSI contributions should be awarded to Carers on the same basis as paid contributions
    - Ensure Carers are not caught in the changing criteria for retirement pension (i.e. 520 paid contributions needed compared to 260 at present.)
- Carers Allowance section in DSFA should be adequately resourced.
- Award family Carers the fuel allowance as a non means tested payment.
- Increase the number of hours a Carer is permitted to work from 15 to 19.5 – to be eligible for Community Employment Scheme.

- Family Carers who are in seasonal employment or week on week off should be allowed to average their total work hours over a 52 week period and if under average of 15 hours per week still be eligible for Carers Allowance.
- Abolish habitual residency clause
- Increase respite care grant to €3,000 to allow Carers take statutory holiday entitlement of 20 days per annum.
- Carers Association wants funding for an extensive information campaign outlining welfare rights, entitlements, supports and health services available to Carers.
- Do not proceed with proposal of An Bord Snip Nua to end dual welfare payments.

DHC
- Association calls on Government to introduce a specific budget for in home respite for all full time Carers to them to take a 6 hour break from caring duties per week.
- Increase provision of residential respite care services including emergency and after hours respite care.
- Increase funding towards provision of respite care for children with autism, special needs or mental health issues.
- Increase funding for home help services.
- Increase funding towards Home Care Packages
- Introduce a legal right to a comprehensive Needs Assessment for family Carers to include health and social issues.
- Medical Cards
  - Provision of a non-means tested medical card and annual check up to all full time Carers.
  - Renewal of prescriptions should be extended from a 3 month to a 6 month period.
- Young Carers – provide a budget of €5 million to advance recommendations in report on Young Carers.
- Increase core grant funding for voluntary organisations operating in older person Carer sector.

DEHLG
- Increase funding for housing adaptation grant scheme

DCRGA
- Reinstatement of scheme for Community Support for Older People.
- Ensure continuing support for Carer training accredited and linked to NFQ.
- Fund specific back to work training programmes for Carers whose caring role has ceased.

DoT
- Invest additional resources into the Rural Transport initiative acknowledging the importance of the programme for elderly, mobility impaired and Carers who are rurally isolated.

DoF
- Tax relief should be given to Carers for certain categories of expenses associated with caring e.g. technical aids, medical care, care products, home renovation and bought in support)
  - Tax relief could be offset against taxable income for previous year and should be retrospective for 6 years.
- Carers Association calls on Government to ensure effective linkage and coordination of Carer related policy at national, regional and local levels and to foster multi-agency, cross-departmental cooperation.

Society of Saint Vincent de Paul

Overview

- These are extraordinarily difficult and challenging times for the Society of St Vincent de Paul and those who seek our help. 2009 has seen a continuing increase in the number of calls for assistance received by our regional offices, with an increase of up to 30% being experienced in some areas, and we expect this trend to continue into 2010.
- The Society notes that much of the public debate surrounding the recession has been dominated by discussion of how to restore competitiveness, credit ratings and consumer confidence. Polarised positions have been taken with little movement towards common ground. The social welfare budget is now viewed as excessive and a drag on the economy.
- It is our sincere hope that the government's rhetoric matches the reality of its actions in Budget 2010, and that the most vulnerable are protected. We say this as a member of the *Poor Can't Pay Campaign*, a group of charities, trade unions and community organisations which have joined forces to make sure that:
    - There is no cut to the basic social welfare payment for adults and children
    - There is no cut in the Minimum Wage
    - That the traditional Christmas Bonus gets paid
- The Society understands the need for economic stability and supports greater efficiencies in public services. It is worth remembering, however, that Ireland remains one of the wealthiest countries in the world, and that a longer-term social consideration should apply when considering cuts, particularly in education, heath and other vital public services.

Social Welfare

- *Social Welfare rates* - It is SVP's firm belief that if welfare rates or pensions are further reduced then that reduction must be as small as possible. The planned removal of the Christmas Bonus will represent a 2% cut in income for welfare recipients.
- *Christmas Bonus* - SVP asks that the Christmas Bonus be reinstated as a matter of urgency to alleviate the anxiety of hard pressed families and pensioners.
- *Child Benefit* - Any reduction in Child Benefit will cause real problems for most families, but particularly so for those on low incomes, and will most certainly result in an increase in child poverty. We reject any crude straight cut in rates because this will impact disproportionally on vulnerable low-income families, consequently the proposal for a cut of at lest €30 per month per child, is both cruel and unfair.

We ask that low-income families are protected by ensuring that either:

- Child Benefit remains at its current rate for families on social welfare payments or on incomes up to and including those on Family Income Supplement (FIS)

or

- Any reduction in Child Benefit to low-income families will be compensated for by a corresponding increase in the Qualified Child Increase, and FIS payments

Education

- *Struggling with the cost of school - t*his September SVP members saw a huge increase in the numbers of parents seeking help with school related costs, books, extra charges for curricular activities, Transition Year costs and other assorted charges, due in no small way to last budget's education cuts.
    - SVP welcomes the recent commitment to reverse last budget's stealth cuts which saw the removal of the school book grant from non DEIS schools, along with the loss of the amalgamated grants which funded such activities as Transition Year, Leaving Cert Applied, various subjects, including music and the Junior Certificate Programme.

- We ask that these amalgamated grants are made available again to schools with immediate effect to help relieve the pressure on school budgets and to ensure that children experience school in as positive a way as possible

- *School Transport* - we acknowledge it is a very expensive scheme but we ask that the fee structure for the School Transport Scheme returns to the 2008 levels for all secondary school students and that a waiver be introduced for students from households without a medical card and with incomes up to the €45,000
    - For families without a medical card whose incomes are above €45,000 a fee of €225 per student should apply with a maximum of €400 per household
- *Special Needs Assistants* - it is our experience that the number of children with special needs has not decreased, particularly in disadvantaged areas, so the need for SNA's is a great as ever. Therefore SVP believes that more can be achieved by better management of existing Special Needs Assistants rather than the proposal to reduce the number of SNA's.
    - We ask that DEIS schools in particular retain their current quota of Special Needs Assistants
- *English Language Support teachers* - we ask that the number of Language Support teachers does not drop below 1,500 as of September of this year, until actual and well documented evidence justifies any further decrease
- *Funding the National Educational and Psychological Services (NEPS)* - we ask that the just agreed recruitment of 28 new NEPS psychologist posts is prioritised and delivered as soon as possible to support school children who need immediate diagnosis and intervention
- *Student Support Scheme* - SVP is very concerned at the increase of 11% in costs for attending third level over the past two years. In particular we are concerned at the increase in registration fees, now €1,500 for some undergraduate courses, and we know that this is causing severe hardship for many low income families we visit.

Health

- *Medical Card* - we ask that in the absence of a Social Health Insurance model of funding health care that the current medical card income guidelines and HSE disregards and allowances are retained and that people who find work keep their medical card for at least three years
- *Drug Payment Scheme* - we ask that the Drug Payment Scheme threshold remains at €100 a month and that the scheme continues to be administered on a monthly basis.
    - We ask that the proposed €5 charge for prescriptions is not imposed on medical card holders and those on the Long Term Illness Scheme with household incomes of up to €35,000 are exempt from this proposed co-payment.
- *A&E Hospital Charge* - we ask that the A & E charge, if attending without a doctor's referral letter, is not increased.
- *Child and Adolescent Mental Health* - we ask that the additional 40 Child and Adolescent Mental Health Teams committed to in the period 2006 to 2010 are delivered.

Housing

- *Rent Supplement Scheme*- it is our strong view that the Department of Social and Family Affairs should negotiate directly with landlords on rent reductions and not put this burden on vulnerable tenants with no bargaining power
    - There should be no further cuts in Rent Supplement and no increases in the contribution payable by tenants from their welfare payment towards the rent
    - We support the An Bord Snip proposal that people on Rent Supplement should be transferred onto the Rental Accommodation Scheme after six months instead of a year. But this will mean that Local Authorities must work more effectively to ensure that a sufficient number of units of appropriate standard are available.
- *Social Housing* - SVP supports the idea of a social dividend to be gained from a land and housing strategy whereby families in need of accommodation are housed in the empty properties taken on by NAMA

    - SVP requests that adequate funding is provided to ensure that commitments contained in *Towards 2016*, the NDP and the *National Action Plan for Social Inclusion* in respect of social housing are honoured
- *Homelessness* - SVP welcomes the publication of the Homeless Strategy and implementation plan but we know that the target of ending long term homelessness won't be met unless adequate resources are made available. We are concerned at recent cases where due to poor quality of private rented housing former residents of our homeless hostels had to return to their homeless accommodation.

Other issues of concern to SVP

- *Discontinuation of the Family Support Agency* - we ask that the invaluable work of the Family Support Agency is safeguarded
- *Community Employment Allowance* - Retain the Community Employment Allowance for those employed on FAS registered schemes
- *Exceptional Needs Payment* - Do not remove the Exceptional Needs Payment, it is the scheme of 'Last Resort' for very vulnerable people
- *Asylum Seekers* - there should be no reduction in the very small payments made to Asylum Seekers, they have been static for ten years, common decency requires that the rate be increased
- *MABS* - Sufficient funds, training and appropriate redeployment must be used to keep MABS waiting lists to a reasonable level
- *Fuel Allowance* - Energy costs in Ireland are still high so we request that there be no reduction in the Fuel Allowance payment in Budget 2010
- *Back to School Clothing and Footwear Allowance* - Maintain this payment at its current rate to protect those least able to afford the high costs associated with the start of the school year
- *Waste Charges* - Sufficient resources must be provided for the introduction of a consistent, countrywide system to assist both social welfare and low income households with their domestic waste charge, approaches could include waivers or allocations of bags, tags and bins
- *Carbon Tax* - In the event of a Carbon tax is introduced over the coming year we ask that:
    1. Waivers must be available for those on social welfare payments and up to FIS income levels
    2. Families and individuals living in the least energy efficient housing stock must be compensated, either through tax reliefs or welfare payments
    3. Energy efficiency programmes must be introduced to improve the energy efficiency of older local authority social housing and private rented sector accommodation rented by tenants on Rent Supplement
- *Alarms for poor and vulnerable older people*- The Community Supports Scheme for Older People must continue to provide alarms, locks and lighting to those in need.
- *Rural Transport* - SVP strongly opposes any cut back in the already poor level of Government support for this vital service. Despite the excellent work done by very committed people in some local communities the reality is that some areas of the country have very limited or indeed no rural transport service at all. Any reduction in this vital service will add to the increasing sense on isolation and loss felt by rural communities, who in recent years have had to cope with the reduction in the number of Post Offices, Garda Stations, Pubs and even Churches.

MACRA NA FEIRME

Protecting Young Farmer Schemes and Reliefs

- Young farmers who take over a farm usually indulge in expansionary activity therefore the 25% Stock Relief and100% Stock relief are of considerable benefit to them. Macra na Feirme propose retaining these reliefs and extending them for a further 3 years up to 31 December 2013.
- The 100% Stamp Duty relief for young trained farmers is vital in encouraging the early transfer of land to committed and progressive young trained farmers. This relief should be retained.
- Any change to the transfer tax codes, especially the current 90% Agricultural Relief (CAT) would have a detrimental effect on the transfer of land and the ability of young farmers to set up in the industry.
- Retirement relief allows farmers transferring their agricultural property to a family member to be exempt from Capital Gains Tax on certain transfers. Retirement Relief should be retained in its current format with unlimited relief.

Other Taxation Issues

- Profit assessable to the income levy should be determined after the deduction of:
    a. Capital Allowances
    b. Trading Losses Carried Forward
    c. Pension Contributions
- Income sources exempt from income tax such as forestry income and leasing income from farmland (leases > 5years with tax exempt thresholds) must also be exempt from the income levy.
- A Young Farmer Land Restructuring Relief should be introduced to allow young trained farmers restructure their holdings without being liable for transfer taxes.

Reversal of Scheme Closures, Suspensions and Cuts

- Schemes for young farmers have been seriously eroded in the last two budgets. Macra na Feirme is calling for the reversal of the suspension and closure of schemes especially structural schemes such as Young Farmer Installation Aid. The reintroduction of a modified Installation Aid scheme for young farmers is recommended.
- Other Agricultural schemes –The Early Farm Retirement and the REPS 4 schemes should be re-introduced

Other Issues Arising

- The new Agri-Environment scheme should not be presented as a replacement to the REPS scheme. It is merely an effective means of utilising modulation funds.
- Teagasc Third Level Agricultural Colleges must be in a position to replace staff who for example are on maternity leave, retirement or absence due to long term illness on the same basis that all other Third Level Colleges can replace staff under the above circumstances.

IRISH NATIONAL ORGANISATION FOR THE UNEMPLOYED

This pre budget submission addresses both the immediate and long-term aspects of the following issues: income adequacy; welfare to work and job maintenance; active labour market programmes; supporting employment including self-employment; education and Training; and taxation policy

Income Adequacy

- Maintain the basic social welfare rate;
- Bring the Qualified Adult Payment up to 100% of the main claimant
- Re-instate the Christmas Bonus
- Re-instate the full rate for 18 and 19 year olds
- Restore the full child benefit payment in lieu of 18 year old to ensure that its discontinuation does not exacerbate the issue of early school leaving
- No further reduction in Rent Supplement (RS) supports
- Provide supports to Rent Supplement tenants to negotiate a rent reduction with their landlords
- Ensure that everyone who is solely dependent on a social welfare payment automatically accesses a medial card
- Increase the Fuel Allowance to €22:given rising gas and solid fuel costs
- Increase the Back to School Clothing & Footwear Allowance to €215 for children aged 2-11, and to €330 for children aged 12-22, given rising educational costs
- Increase the income limits for accessing the Back to School Clothing & Footwear Allowance, in particular for one parent families and apply this upper limit to all income including Community Employment
- Ensure that people remain on jobseekers benefit for a minimum of 12 months as less than twelve months duration reduces an unemployed person's eligibility for education, training and employment schemes
- Introduce further measures to improve social welfare systems so that people who become unemployed have their claims processed and paid as quickly as is possible.

Welfare to Work and Job Maintenance

- Review and address all anomalies in the social welfare system to ensure improved consistency across schemes with regard to eligibility and the potential impact on secondary benefits. All such changes made should be upwards
- Re-introduce the Back to Work Allowance and target it at the long-term unemployed and other long-term social welfare recipients.
- Address 'in-work' poverty, by automating access to Family Income Supplement through a flagging mechanism within the tax/welfare systems.
- Enable participants on the Back to Work Enterprise Allowance to apply for Family Income Supplement (FIS)
- The INOU is conscious that for many people on reduced hours, accessing a social welfare payment is particularly problematic because their hours of work are irregular. In the interest of job maintenance and retaining people in employment this dynamic should be explored
- Arising from this issue the daily income disregard should really operate on the basis of hours worked not days worked. At present the daily rate of €20 with a max of €60 per week should be increased to the equivalent of €25 per day with a max of €75 per week, or working off the National Minimum Wage the equivalent of €8.5 hours work per week
- Reduce the deduction (of net wages) from the welfare payment from 60% to 45% where a claimant has child dependents
- Review the implementation of the Community Childcare Subvention Scheme (CCSS) and address the welfare to work issues arising
- Promote the realisation of a truly accessible and affordable childcare system

- Increase the income threshold for accessing a medical card to meet the National Minimum Wage level or a total of e18,300 i.e. strive to keep it consistent with the tax system specifically where low paid workers start to pay tax.
- Not to eradicate any of what the McCarthy report termed ‘double payments’ until considerable work is undertaken to re-design a more flexible, modern, and client centred social welfare system.

Active Labour Market Programmes
- Considerably increase the number of places on Community Employment and the Community Services Programme
- Rejuvenate the Jobs Initiative and to target it at particularly excluded groups including older unemployed people
- Seriously address the issue of progression and work with non-participating employers to open up new avenues of employment
- Continue working on the training and education elements of these programmes to ensure that people improve their skills base and provide them with marketable qualifications
- Not to reduce the additional supports for lone parents and disabled people. Indeed the INOU would argue that as CE constitutes employment then the concept of ‘double payment’ does not arise; and that the additional costs of participation are such that on equity grounds these payments should be maintained
- Re-visit the new Work Placement Programme in particular to address the issue of participation costs for people. The INOU is also struck by the low take-up by employers and believes the Government must do more to sell this and other labour market programmes to employers if they want these programmes to succeed.

Support Employment Including Self-Employment
- Extend the duration a participant can stay on Back to Work Enterprise Allowance (BTWEA) to a more realistic time period. Most commentators say it takes at least three years for a business to become established
- Ensure that the necessary supports are there locally for people to prepare their business idea and that the Back to Work Enterprise Allowance would kick in from when they commence their business
- Attend to the welfare implications for people addressing their unemployment through self-employment.

Education and Training
- Ensure a seamless transition from welfare to work/education/training. The INOU is conscious that current arrangements are not facilitating people moving from welfare to training and back and will ultimately discourage people from taking up opportunities that will improve their long-term employment prospects
- Provide a broad range of quality and accessible training and education options that provide people with learning opportunities and clear progression paths to further education and training if required or potential employment
- Ensure that people’s participation on training and education courses is voluntary. Otherwise there is real danger that people will end up on the wrong course. And that is not an efficient use of resources
- Key elements of a pro-active and client centred service include
    - assisting unemployed people in identifying pathways to progression
    - ensuring that employment related services meet the needs of unemployed people
    - improving the responsiveness and flexibility of training, education and employment services to more effectively link training and education to the workplace in a rapidly changing labour market.
- Not to implement the McCarthy report’s recommendation to eliminate the payment of €31.80 to support long-term unemployed people to engage in training
- Place a greater emphasis on the employers’ role in education and training

- Immediately publish the Action Plan for the National Skills Strategy to ensure that education and training developments are taking place within an overall vision / strategy for the labour market.

Taxation

- Not to introduce any further increases on income tax rates
- Remove anyone earning less than National Minimum Wage from the income levy net
- The introduction of a carbon tax is inevitable. However, it is important that any developments in this area are poverty proofed and that alternative and constructive strategies are devised to support disadvantaged communities and others to reduce their carbon footprint. Such an approach is equally necessary should a property tax be developed
- In order to broaden the tax base and raise additional revenues the INOU would urge the Minister for Finance to take immediate action on the Commission on Taxation's recommendations on tax expenditures. Addressing the issue of unfair and inequitable tax expenditures that have tended to favour the better off would help to redress this growing sense of inequity
- INOU would not agree with the Commission's call to tax social welfare payments. In general those welfare payments that are not taxed are those that are means tested and which play an important role in supporting individuals and communities who are already living below the poverty threshold.
- Child Benefit should not be taxed

Labour Market

- Rolling out the more labour intensive elements of the National Development Plan would be a welcome development and one for which the INOU is calling.
- Building a more integrated and client centred employment service that actively strives to match the right person with the right opportunity is vital if we are to build a truly inclusive labour market and economy. Such a service is crucial to ensuring that the development of a 'smart@ and greener economy provides employment opportunities for as many people as possible.

IRISH SENIOR CITIZENS PARLIAMENT

Social Welfare

- Increase pension rates by €10 per week
- Reinstatement of additional week's payment in December
- €11 increase to Qualified Adult Allowance for over 65 and paid to all qualified adults in their own right
- Changes to the qualification for the state contributory and non contributory pensions
- Transition pension phased out and the State (old age) pension paid at 65
- Pension arrangements for those wishing to work past 66
- Living alone allowance be increased to €18 per week
- Age allowance to be increased to €15 per week
- Abolition of Means Test for family carers or increase in the amount of disregard for personal savings up to €40,000
- Respite care grant should be increased to at least €2000 for each care recipient and number of facilities increased
- Foreign currency retirement pension income to be protected from severe fluctuations in exchange rate
- All contributions regardless of class of stamp be taken into account for social welfare purposes
- Fuel allowance to be increased to €25
- Household benefits package to be maintained at the present and viewed as a benefit not a taxable income
- Introduction of a national programme of home insulation
- Pension increases to be protected against clawback in differential rent system
- Free travel scheme to remain in place ,travel vouchers for older people living in rural areas and protect the funding for the rural transport initiative

Taxation

- Tax exemption limit to be increased from €20,000 to €21,000
- Health levy exemption limit increased for over 65 to 69 and 4% applied to portion of income over limit only
- Increase the current income levy exemption from €20,000 to €21,000 for single person and from €40,000 to € 42,000 for couple
- Abolition of levy on household and car insurance policies
- Introduction of a refundable tax credit system
- Update MED 1 form
- Age tax credit to be indexed and set at a rate of 25% over and above the single and married personal tax credits
- Older people to be exempt from any property tax
- Exemption from stamp duty on Trading Down
- Measures to protect older and vulnerable people from carbon tax
- Older people to be exempt from future water charges
- Social Welfare pensioners to be exempt from all service charges

Health Care

- Access to good primary care, acute care and mental health care
- Publication of clear and comprehensive information for Older People
- Planning and data collection
- Primary care team delivery to ensure target of 500 by 2011
- Reintroduce the universal entitlement to medical card to all people over 70
- Introduce a universal health care system

- Increase diet supplement payments
- Free driving medical examinations for 70 years and over
- Increase number of stroke units across the country
- Introduce an all Ireland air ambulance service
- Chiropody services should be free medical card holders
- Free dental care for over 70
- National screening for all older people with no age barriers
- Health promotion information to be disseminated through groups that are in contact with older people
- Integrated community care services be mainstreamed and available in all areas
- Greater co-ordination and co-operation between various services providers for home support services
- Home help hours increased and extended to all who need it
- Meals on wheels to be made a universal services available nationwide on a seven days per week basis
- More day care centres for growing needs
- Extension of home care package scheme
- Choice for long term care
- Resistance to any changes to the Fair Deal care costs contributed by individuals from their residence
- Elder Abuse Service should continue to grow
- Implementation of the action plan on dementia
- Palliative care programme to be extended
- Additional non-acute hospital facilities
- Rejection of proposed amendments in Report of the Special Group on Public Services numbers and Expenditure Programmes to the drug repayment scheme and rejection of the introduction of a co-payment of €5 for each prescription under the medical card and long term illness scheme
- Introduction of a specific budget line for Core Grant Funding within the Department of Health or the HSE

Environment
- More flexible models of sheltered housing/compensation scheme
- National programme of home insulation for older people

Enterprise
- Assist older people to remain in the labour market if they wish and protect their benefits including medical card and other secondary benefits
- Stamp out age discrimination
- Legislation to be immediately introduced to cover the employment rights of workers recruited by agencies
- Issuance of receipts to be made obligatory on all retailers

Transport
- An adequate public transport system with access for all in reach of their homes
- Transport services available for older people to access hospitals
- Funding for Rural Transport Initiative to be protected

Justice
- Launch of a country wide information campaign on elder abuse
- Develop a strategy to remove the inequalities against Older People
- Re-introduce and extend the Community Supports for Older People Scheme
- More Gardai on the beat and more regular interaction with Older People
- A grant system for a burglar alarm for Older People

Foreign Affairs
- Extension of Free Travel for Irish pensioners travelling in Europe to be put on EU agenda

- Retention of the Free Passport Scheme for those aged 65 and over.

Education
- Importance of access to lifelong learning opportunities
- Encouragement to take part in Adult Literacy Programmes

Communications
- One-Stop-Shops set up to function as Post Offices, Citizens Advice Centres and Providers of Health Services such as Chiropody, Physiotherapy, Warfarin Clinics and Libraries with computer facilities should be examined
- Free Broadband to all parts of the country
- Effective way to look at our use of natural resources

Arts
- Promote greater participation in the Arts by Older People
- Continue funding the Bealtaine Festival
- Funding of grants for sporting, physical and related activities for Older People to keep pace with the increase in the Older Population

DRINKS INDUSTRY GROUP OF IRELAND

Taxation

- There should be a reduction of 20% in alcohol excise in Budget 2010 to support Economic Recovery, restore Economic Confidence and sustain Employment in the Drinks Industry and to reduce Cross Border Tax Revenue Loss
- The practice of charging VAT on the excise component of the price of alcohol should be ended

THE SOCIETY OF THE IRISH MOTOR INDUSTRY

Taxation

- Introduction of a Scrappage Scheme in January 2010 to operate for 12 months
- Introduce a VRT Refund Scheme for Exported Used Cars
- Carbon Tax should not simply be another burden on motorists; it should represent a shift from purchase taxes to usage.
- Review the current Road Tax System with regard to Categories F and G
- Clarification and consultation regarding planned/removal of VRT
- Retain the lower VAT rate on service and repair on vehicles

Fiscal Policy

- Take initiatives to ensure that Finance is reasonably available for businesses

Industry Supports

- Reform of the current Registration Number Plate System to eliminate the seasonality in car sales

THE CONSULTATIVE COMMITTEE OF ACCOUNTANCY BODIES-IRELAND

Taxation

- Tax policy needs to change and concentrate on attracting and retaining the decision makers, who will in turn create jobs – incentivise decision makers
- Resist the temptation to place the entire tax burden on the high earner – maximum effective tax rate should be introduced to put a gross liability cap on tax payable
- Encourage entrepreneurship as the basis of a solid indigenous industry – supportive tax framework to build economic success and tax revenue for the future

Enterprise Supports

- Bring national spending on R&D and innovation infrastructure up to international standards by allowing tax credit refunds for R&D tax credit
- BES and Seed Capital Relief should be more accessible and more widely available to help the indigenous industry over the credit rating crisis

DISABILITY FEDERATION OF IRELAND

- Protect funding for disability-specific services and facilities
- Continue to improve access to mainstream public services for people with disabilities
- Recognise the role of voluntary disability organisations in achieving social inclusion for people with disabilities
- Maintain an adequate income for disabled people in recognition of the extra cost of disability