TSG 12/27

BUDGET 2013 - PRE-BUDGET SUBMISSIONS

The Minister for Finance receives written submissions from both individual members of the public and organisations in the period 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 a selection of the principal organisations and which have been received by the Department of Finance to date (7^{th} November). Note that many submissions are lengthy so, in order to provide this summary, extracts only have been included and much material has had to be omitted. Otherwise, the material in this paper is as supplied by the organisations making the submissions, i.e. it has not been rewritten. Equally, for reasons of space, not all submissions received could be considered for inclusion in this paper.

The Group may wish to consider the issues raised.

List of Submissions summarised

IRISH BUSINESS AND EMPLOYERS' CONFEDERATION (IBEC)

In our Driving Ireland's Economic Recovery campaign launched earlier this year we identified four main priorities needed to deliver economic prosperity:

- Restoring domestic demand
- Supporting job creation
- Keeping Ireland strong in Europe
- Delivering world-class public services.

This Pre-Budget Submission presents a range of fiscal measures focused on the first two of these priorities. With these priorities to the fore, our specific recommendations for Budget 2013 are underpinned by the following principles:

- The fiscal adjustment should continue as planned and must be done in the least harmful way possible to economic recovery
- Revenue should not be raised from taxes which are most damaging to growth and a new residential property tax should account for the vast majority of the taxation adjustment
- Employment costs must not be increased, in order to get as many people as possible back to work
- Additional investment is needed to support enterprise growth and employment, as firms continue to face credit constraints
- Innovative fiscal measures are needed to support domestic demand activity
- Enhancements are needed to Ireland's business tax offering in order to match recent improvements in key competitor jurisdictions such as the UK.

Four priority recommendations for Budget 2013

1) Do not increase labour costs in any way - either through changes to the PRSI regime or through measures such as a statutory sick pay levy on employment

2) Introduce innovative measures to support the domestic economy. Budget 2013 should:

   a. Facilitate the early access of non-core pension funds i.e. additional voluntary contributions (AVCs) and personal pension funds

   b. Introduce a grant or tax credit package to incentivise home improvement works during a three-year window of opportunity

   c. Switch universal social welfare payments such as child benefit to an electronic payment card model in order to maximise economic impact for the domestic economy .

3) Improve Ireland's tax offering for international business through enhancements to the R&D Tax Credit Scheme, the intellectual property (IP) tax offering and the tax treatment of mobile specialist workers

4) Support investment in Irish SMEs through the introduction of a roll-over tax relief for entrepreneurs to encourage reinvestment into Irish start-ups and growth companies and by extending and improving the Employment Investment and Incentive Scheme (EIIS) by introducing a risk-sharing model targeted at a wider group of new investors.

IRISH CONGRESS OF TRADE UNIONS (ICTU)

“10 Key recommendations for Budget 2013”

1. Undertake an investment stimulus of €3bn a year for three years to create some 100,000 new jobs overall and boost GDP by 2% per annum.

2. Introduce a new 48% tax rate for individual incomes over €100,000, along with a 1% Wealth Tax. Profitable corporates must contribute more (by restricting write-offs) abolish SARP, tackle tax fugitives and clamp down on evasion and avoidance.

3. Introduce the Financial Transaction Tax - 10 EU countries have already agreed to do. The tax could raise €500 million annually for Ireland.

4. The EU must mutualise Ireland’s bank debts, which were run up by private banks.

5. Deal effectively with the Irish Pension crisis with policies that boost pension take-up and phase in the reform of state pensions (raising the age for pension takeup) to allow workers time to adjust and prepare.

6. Extend the period of adjustment to 2017 and reverse the planned ratio of spending cuts to tax rises.

7. Congress supports Labour Market Activation but it must be fair and focused on encouraging people into the workforce and not just a way of managing expenditure cuts. Broaden the apprenticeship system and introduce a Youth Guarantee to help link young people to skills training and the workplace. Increase the effectiveness of monitoring of employment standards to staunch the haemorrhage of tax revenue being lost because of misguided public procurement practices.

8. Effective policies are needed to address poverty traps and fuel poverty. There must be far greater efforts to tackle inequality. The new eligibility criteria for the state pension, for example, impacts most severely on women. The level of cutbacks in disability funding to date – 14% over the past four years has gone too far and must be reversed.

9. There must be no privatisation of major indigenous enterprises to repay the debts of failed Irish banks. Indigenous enterprise should be developed under NewEra and become an engine of the recovery, not eviscerated.

10. The focus on public sector reform has detracted from the necessity to radically reform corporate governance in the private sector, where obsessive secrecy and perverse incentives abounded and the emphasis was on deal making rather than creating value. This must become a priority to stop the mistakes of the past being repeated.

IRISH FARMERS' ASSOCIATION (IFA)

1. Farming is experiencing a very difficult year in 2012. A combination of dreadful weather conditions, soaring input costs and falling prices in some commodities, is impacting on profitability and output at farm level. In addition, the impact on farm incomes of previous substantial cuts to farm schemes and the closure of key schemes, such as REPS, is now being seriously felt. In its mid-year Outlook, Teagasc estimated that farm incomes could be back at 2010 levels, representing a fall in incomes of 30%.

In Budget 2012, funding for farm schemes was significantly reduced, with a cut in funding for the Disadvantaged Areas Scheme and a 10% cut in funding for REPS. Between 2011 and 2012, there was a disproportionate reduction in net government funding for farm schemes of 17%, compared with a reduction of 6% across the full Agriculture Budget.

While the imbalance in the public finances must continue to be corrected, it is critical that the expenditure and taxation decisions taken support economic growth and protect the lowest income sectors. The exclusion of elements of the expenditure envelope from consideration in the budgetary process is inequitable and is resulting in much greater and more damaging cuts being imposed on the productive sectors and on those on lower incomes. IFA believes that this is not a sustainable strategy for correction of the public finances in Budget 2013.

In the context of the difficulties being experienced in farming in 2012, and the disproportionate cuts that have already been imposed on farm schemes, IFA believes that the maintenance of funding for farm schemes must be prioritised in the Agriculture Budget 2013. Any further cuts in farm schemes would clearly be discriminatory.

Full funding is therefore required for REPS and AEOS, with retention of funding for Disadvantaged Areas Scheme (DAS), Suckler Cow Welfare Scheme, Forestry and Targeted Agricultural Measures (TAMS).

2. It is critical that existing taxation measures that support restructuring, farm investment and land mobility are retained, and where restrictions in existing measures are proving a barrier to the development of the sector, these should be extended. This includes:

- Retention of 90%Agricultural Relief;
- Renewal of Stamp Duty Relief and Stock Relief;
- Relief from Capital Gains Tax for disposals for the purpose of farm consolidation;
- Extension of 50% stock relief to registered farm partnerships in all enterprises; and
- Scope of the proposed property tax must remain residential only.

Rising fuel prices are undermining competitiveness for the export-dependent sectors. Farmers are very frustrated that the commitment in the Programme for Government to exclude farm diesel from any further increases in carbon tax was not delivered upon.

To reduce the negative impact of soaring fuel costs on our competitiveness, Government must allow farmers to make a double income tax deduction on the full cost of the CarbonTax. The income tax system continues to discriminate against the self-employed, particularly at lower income levels. The PAYE tax credit of €1,650 results in employees entering the income tax net at twice the income level of self-employed, including farmers (€16,500 v €8,250).Government must make a commitment to removing anomalies in the tax system that discriminate against the self-employed and to ensure that any new taxation measures do not further discriminate against the self-employed.

3. Ireland faces a significant challenge to meet its commitments on renewable energy generation and emission reductions. Government commitment to a land-based renewables strategy will create new jobs and stimulate economic activity across the country, contributing to balanced regional development. Support measures in the Bio-energy Scheme, Bio-fuels obligation scheme, and the REFIT tariff must be improved if Ireland is to achieve its renewable energy targets.

IRISH CREAMERY MILK SUPPLIERS' ASSOCIATION (ICMSA)

2012 has been a particularly challenging year for Irish agriculture and has once again highlighted the cyclical nature and volatility of farm income. The combined difficulties of low milk price and incumbent weather conditions are having a devastating effect on farm income. Teagasc forecasts that average farm income will fall by at least 30 per cent in 2012, which ICMSA believes is very conservative at this stage. The weather and the inevitable costs that are following in the wake of a summer that has seen three times our normal rainfall is creating massive problems in terms of fodder shortage and additional feed costs on-farm.

ICMSA believes that one of the main difficulties facing farmers wishing to expand and develop their business is their ability to consolidate farm holdings and is an issue which ICMSA believes must be addressed in Budget 2013. Dairy farmers, in particular, must have access to land in close proximity to the milking facilities. Farm fragmentation which is a key feature of Irish farm holdings will seriously hinder the ability of individual farmers to grow and develop their business post-2015 and ICMSA believes that in the context of achieving Food Harvest 2020 targets, a taxation system must be put in place which will act as a catalyst to encourage the structural change required.

Adequate funding of farm schemes is crucial and these payments are critical to low income farmers and this has been highlighted in particular this year given the increased costs and reduced income of 2012. ICMSA believes that a properly funded environmental farm scheme is vital for farmers now committed to farming in an environmentally friendly manner and must not be targeted in Budget 2013 for any further cuts. Disadvantaged Areas Payments are a direct income support across the country and ICMSA believes these payments must be maintained and is totally opposed to any further cuts to DAS payments.

ICMSA has serious concerns regarding the proposed introduction of a Capital Asset Test for Third Level Grants and believes it is a general assault on the self-employed sector and a specific attack on farm families. ICMSA believes that farm assets are a productive business asset and considered "tools of the trade" and any capital value must not be attributed to them other than income derived from their use. The inclusion of farm assets would result in a particular bias against farm families and any new assessment system must be based on fairness, equity and transparency.

CONSTRUCTION INDUSTRY FEDERATION (CIF)

Key recommendations in this Submission include:

- The primary purpose of 2013 budgetary policy should be job retention and development in the local economy;
- Capital spending must be preserved as it offers government the best opportunity to achieve growth, create/maintain employment and at the same time deliver the infrastructure needed to maintain competitiveness;
- Expenditure of all capital monies under the PCP should focus on indigenous labour content so as to maximise the economic benefits internally. This will also assist in addressing high levels of unemployment in the young male sector;
- Government must focus on its current expenditure in targeting the Exchequer deficit to be reduced. Government will not succeed in achieving the targets required without addressing public sector numbers, allowances and associated benefits;
- Budget 2013 should identify a government minister and department to have primary responsibility for maintenance of a viable construction sector of appropriate scale to maximise its contribution to employment and economic recovery. The Department of Jobs, Enterprise and Innovation should be the nominated Government department with overall responsibility for the sector;
- A meaningful Construction Industry Forum should be established to assist in policy formulation processes relating to the industry and include government, construction industry and representatives from private sector clients who engage in construction services;
- Government should reaffirm its commitment to retention of the 12.5% corporation tax rate;
- The current rate of VAT at 13.5% for construction services should be reduced on a temporary basis to 9% akin to the rate currently applicable for the tourism sectors. This will act as a temporary stimulus to employment creation and private sector investment in the economy.
- Property Tax must be simple, easy to understand, assess and collect. A site value/ market related basis for determination of rate of tax will be inequitable creating a rural/ urban divide. A value based property tax will be sensitive to movements in property values and changes in the economic environment. It will not provide the certainty required for the Exchequer in terms of collectable revenues on an annual basis. To achieve fairness for property tax payers countrywide and certainty for the Exchequer, the level of tax determined should not be assessed on values, but should be assessed on the number of habitable rooms per dwelling. Revenues generated under the proposed property tax must be ring-fenced to support local services and infrastructure provision;

- A viable banking system must be restored so that development funding is available for sustainable projects. Mandatory lending targets should be established for the banks for new residential mortgage lending;
- Compliance mechanisms with REA rates of pay and associated costs must be enhanced to ensure that indigenous construction employers are not disadvantaged through the non-compliance by others, and in turn to guard against the benefits of Government construction investment leaving the State;
- Provide a facility to enable homeowners reclaim the VAT incurred on costs associated with the renovation and upgrade of their principal private residence;
- All construction clients should advise the Revenue of the commencement and identification of contractors employed for any construction project over a certain value;
- The Mortgage Interest Relief Scheme should be extended by a further period to assist many potential applicants purchase their new home;

COMMUNITY AND VOLUNTARY PILLAR: SOCIAL JUSTICE IRELAND

In making choices in Budget 2013 Government should be guided by the principle of protecting the needs of the vulnerable. 15.8% of Ireland's population is at risk of poverty with incomes below €10,842 for a single person or €25,154 for a household of four.

In practice this would mean maintaining social welfare rates to ensure that those on the lowest incomes are protected from the harshness of the Budgetary adjustments. It would also involve giving priority in healthcare to developing primary care teams and community facilities. It would give priority to primary care and community services over the hospital system. In education it would mean giving priority to funding primary education rather than expanding the resources available to fourth level education. It would also put the emphasis on reducing the proportion of the population with literacy problems. In housing it would prioritise the provision of resources for a sustainable programme of social housing provision to reduce waiting lists.

In the area of employment it would mean giving priority to supporting those who are unemployed rather than subsidising the further training of people who are already well qualified. In the context of any additional Investment spending it would give priority to initiatives that are good for the vulnerable and for the economy. On the issue of taxation it would mean ensuring that those with low incomes are not disadvantaged by the tax system and that Budgetary reforms are focused on making the taxation system fairer. In transport policy it would mean assigning priority to developing public transport and within this context it would ensure that rural transport was adequate, sufficiently resourced and further supported. In the area of foreign policy it would mean honouring Ireland's commitment to provide 0.7% of GNP in foreign aid by 2015 and avoiding any needless cuts in ODA.

Among our major proposals are the following:

1. Reduce borrowing by €3.5bn.

2. Do this through tax increases and expenditure reductions on a ratio of 2:1.

3. Introduce a Part-Time Job Opportunities Programme to create 100,000 part-time jobs for people who are long-term unemployed. This would cost €50m in 2013 and would be a positive step towards addressing long-term unemployment in a meaningful way.

4. Make tax credits refundable in Budget 2013. At a cost of €140m this proposal would directly benefit 113,000 low income individuals and begin to address the 'working poor' issue.

5. Extend the USC levy of 3% to all income in excess of €100,000 irrespective of its source. This would address the anomaly in the present system whereby only self-employed earners are subject to this additional 3% USC levy. This would increase income by an additional €50m in 2013.

6. Introduce a levy of 2.5% on all corporate profits in 2013. This would provide additional revenue of €750m for the Exchequer.

7. Implement the Commission on Taxation recommendations on tax expenditures, with the exception of proposals on Child benefit. This would save €100m in 2013.

8. Scrap the household charge and replace it with a Site Value Tax. The introduction of an SVT is a necessary part of a fairer taxation system. It would bring in an additional €340m in 2013.

9. Introduce a universal basic pension payment for all people over the age of 65 from July 2013. This would be set at €230.30, the current level of the Contributory Old Age Pension. Standard rating the tax break for all pension contributions to 20% would increase the tax-take by €700m in 2013 and would help fund the universal basic pension payment. This would be a fairer and more equitable way of organising the pension system in Ireland.

10. Remove the price differential between agricultural and road diesel, and replace this pricing arrangement with a rebate system for farmers whereby they can claim the price differential for agricultural diesel.

11. Provide an investment package of €7 billion for the domestic economy to drive Ireland's recovery. This focussed, off-balance sheet programme would have the dual impact of increasing domestic economic activity while also addressing some of the social and infrastructural deficits which remain in Ireland.

12. Introduce a tax of one third of one cent on each text sent by SMS through mobile phones or any other devices. This would provide an additional €40m in taxation revenue in 2013.

13. Introduce a 'bad nutrition' tax on the main components of junk food, fast food and soft drinks to yield €15m in 2013.

14. Invest €65m to enable 12-15 community nursing facilities with approximately 50 beds each to be replaced or refurbished in 2013.

15. Invest €50m for the infrastructural development of Primary Care Teams in 2013.

COMMUNITY AND VOLUNTARY PILLAR:
SOCIETY OF ST. VINCENT DE PAUL

(From their document "The Human Face of Austerity")

Those who have already borne the brunt of cutbacks and who are unable to take any more must be protected. To this end, Government must tackle the burden of the banking debt, reduce the non-core costs of providing public services and ensure that those who can afford it take more of the burden of the crisis on their shoulders. We appreciate that people who will be affected by this request may be generous donors to SVP, or may be SVP members, volunteering their time and talents to help people in need. But our request to Government is made so that those who are struggling to get by and have experienced deep cuts to income supports and services are protected from further cutbacks. Government must set out a road map for Irish society so that people are protected and can retain their hope and optimism for the future. This includes putting in place the conditions to encourage employment creation, for those out of work and for our young people.

The people we meet speak about the struggle to make ends meet and the stress caused by trying to get by on a low income and cope with life events like unemployment, debt, relationship breakdown, disability, and loneliness. They also talk about the need to have hope for a better future. We must see a road map from Government for all of Irish society which ensures that individuals and families can live a life with dignity during this crisis and which reassures us that we are heading towards a positive future. On behalf of the people we assist and those who are struggling in Ireland today, SVP is challenging the unfair burden which has been placed upon those least able to afford it. This publication shows the human face of austerity as witnessed by the Society of St Vincent de Paul. We need Government to respond and announce a budget for all of Irish society in 2013, a budget which does not cause further damage to our communities and citizens but instead provides us all with hope and a future to look forward to.

- Social welfare payments and schemes have been eroded steadily in the last number of years. One parent families, the unemployed, children and people with disabilities have borne the brunt of these cutbacks. The impact on many lives has been debt, energy disconnections, mortgage arrears and desperation…

- Despite education being a key enabler out of poverty and disadvantage, cuts to education services mean that vulnerable and less well-off people have difficulty accessing and staying in education. …people affected by cuts and increased charges for education and training highlight the impossible choices faced by many of those trying to improve their situation by gaining a skill or qualification.

- Individuals and families in low paid work are finding it harder than ever to make ends meet. Many are just outside the qualifying criteria for supports, and find that they are entitled to nothing and must pay for everything. Their struggles have been intensified by delays in accessing Family Income Supplement payments, increased charges for health and education, job insecurity and the increased tax burden on the lowest paid... Child Benefit and Family Income Supplement payments are vital supports for these families but there is a risk that these payments will be cut again.

- There are over 200,000 children living in poverty in Ireland today. child poverty is increasing due to the recession and has a lasting impact on the lives of children and families. Individuals in households with children are almost three times as likely to be in debt arising from ordinary living expenses compared with those living in households without children. children with additional needs are left waiting for essential services, where early treatment is vital, and for many help comes too late. Childhoods are being blighted by poverty and children’s life chances are limited…

- In Ireland people pay for many services, particularly health and education, which are free in other countries. Difficult life events such as unemployment and disability are compounded by the constant struggle of life on a low income.

COMMUNITY AND VOLUNTARY PILLAR:
IRISH SENIOR CITIZENS’ PARLIAMENT

Healthcare

To ensure that the recent HSE cuts to home help and personal assistant hours are reversed so as to ensure that citizens are encouraged and facilitated to remain in their own homes.

COMMUNITY AND VOLUNTARY PILLAR:
AGE ACTION IRELAND

INCOME AND TAXATION

State Pension
Protect and maintain the real value of the state pension, especially given its central role in poverty reduction and reliance on the state pension as the primary income source which accounts for over 60% of income of 65-74 year olds to 75% of those 75+ (European Commission 2012)

Pension Levy
Granted the extent of pension funds in deficit, we do not recommend this levy in next Budgetary year.

Household Benefits Package and Fuel Allowance
We strongly recommend the government reverse the cuts or guarantee to maintain these enormously important secondary benefits at their 2012 values. The context of this recommendation is the continuing problem of energy poverty contributing to up to 2,000 excess winter death annually. And also the important role the communication components the Household Benefit Package (Fee T.V. licence and Telephone allowances) play in combating social isolation among older people.

Home Adaptation Grants
We would recommend the Department of Environment, Community and Local Government reinstate the €10million cut in last year's Budget to this grant scheme. This grant is hugely important in supporting older people in their home. Notably as people deal with chronic disease and associated high rates of disability which calls for a need for basic items such as hand rails in bathrooms to be installed in a home before one can be discharged home from hospital.

Taxation
Age Action encourages the continued reform of the highly inequitable pension tax reliefs.

HEALTH AND LONG TERM CARE

Community Service
We call on Government to maintain the level of funding for vital community services, including home help, home care packages, day care, meals on wheels, chiropody, physiotherapy, and occupational therapy. Developing these services must be a priority for Government in this work on health reform in the coming years.

Secondary Care
We urge Government to tackle outpatient waiting lists as a matter of urgency. It is furthermore worthwhile to consider the staff capacity within the system to deliver care following the roll-out of Universal Health Care to fund Irish hospital care.

Primary Care
We recommend Government include payment for all aspects of chronic disease management at the primary care level in the new GP contract. In addition, we encourage Government to support the development of functioning primary care teams.

Nursing Home Care
We call on Government to review the inclusion and exclusion criteria for payment for items involved in the care of an old patient within a nursing home under the Nursing Home Support Scheme, with the view to rectifying this situation.

ENERGY POVERTY

National House Condition Survey
To address the information deficit regarding the numbers of people experiencing fuel poverty we call on the government to ensure resources are made available for a National House Condition Survey to be undertaken on a regular basis.

Housing Adaption Grants
We call on the Government to ensure the provision of housing adaption grant is equitable across the country with high priority given to older people without central heating and double glazing. Alternatively reinstate a scheme similar to the warmer homes scheme plus administered through SEAI.

PENSION POLICY

Tax Reliefs
The first priority must be to ensure all people in retirement have an adequate income through the State pension that allows them to live a life of dignity and independence.

The second priority must be to widen the coverage of pension provision by focusing on the 50% of the labour force that currently do have them.

Measures that have been introduced such as the pension levy or are being planned such as the increases in the State pension age and auto enrolment must be carefully monitored and evaluated.

COMMUNITY AND VOLUNTARY PILLAR: CARERS' ASSOCIATION

The top six priorities listed by the Carers' Association are as follows:

1. Honour the Programme for Government commitment not to cut social welfare rates

"Estimates calculated from Census 2011, show that the care provided by family and friends to the ill, frail and people with disabilities is now worth a staggering €4 billion each year."

2. No change to Half Rate Carers Allowance pending the introduction of the Single Working Age Payment

"Protecting the Half Rate Carers Allowance is one of the issues of greatest concern to Carers. While we welcome Government's announcement that Carers will be excluded from the Single Working Age Payment, we urge Government to recognise that any reduction or change to the Half Rate Carers Allowance pending its introduction would be regressive, hugely damaging to caring infrastructure…"

3. Recognise home as a centre of care and protect the Household Benefits Package & Free Travel Pass

"Home care has changed significantly in recent years with many Carers now delivering high level, complex and clinical care in the home. Managing medical procedures such as renal dialysis, peg feeding and intravenous injections, and running essential medical devices such as nebulisers, ventilators and CPAP machines, which require electricity usage well above the norm, is becoming routine in home care settings."

4. Provide adequate transition arrangements at the end of caring

"Moving from being a full-time Carer to a former Carer can have significant emotional, financial and social impacts. These losses are exacerbated by the perceived devaluing of former Carers by the State, including the cutting off of Carers Allowance, barriers to follow-on welfare supports and limited pension entitlements."

5. Eliminate backlogs in processing Carers Allowance

"The target time for approval of Carers Allowance is 12 weeks but in reality it can take up to two years (if appealed) without any alternative source of income. Despite assurances from the Department of Social Protection that delays in processing claims for Carer's Allowance would be resolved by June 2012 (with the completion of an IT modernisation programme), applications are now taking on average ten months."

6. Restore funding for the Housing Adaptation Grant Scheme

"The National Carer Strategy promises to prioritise funding for accessible living environments and includes an action to ensure Housing Adaptation Grants can be accessed by families in a timely way. "

COMMUNITY AND VOLUNTARY PILLAR: NATIONAL YOUTH COUNCIL OF IRELAND

In this submission NYCI outlines what we believe to be priorities for Government action and spending:

1. Supporting Youth Work Services
   - Assist the youth work sector to continue to support the 382,000 young people engaged in youth services, in particular the most marginalised people with sustained funding.

2. Address Youth Unemployment
   - Introduce a Youth Guarantee scheme to support young people who are long term unemployed.

3. Reducing Child Poverty
   - Maintain the current rate of Child Benefit for 2012
   - Maintain the real value of Qualified Child Increase for 2012

4. Tackling Alcohol Related Harm
   - Introduce a 1% social responsibility levy on drinks manufacturers to generate €25m to replace the sponsorship of large sporting and cultural events by the drinks industry and to support other initiatives to reduce alcohol related harm among young people.

COMMUNITY AND VOLUNTARY PILLAR: REMAINING MEMBERS

The remaining eleven members of the Community and Voluntary Pillar are:

- Children's Rights Alliance
- Congress Centres Network
- Disability Federation of Ireland
- Irish National Organisation of the Unemployed
- Irish Rural Link
- National Association of Building Co-operatives
- National Women's Council of Ireland
- Protestant Aid
- The Community Platform
- The Irish Council for Social Housing
- The Wheel

CONSULTATIVE COMMITTEE OF ACCOUNTANCY BODIES – IRELAND (CCAB-I)

The Consultative Committee of Accountancy Bodies – Ireland (CCAB-I) is the representative committee for the main accountancy bodies in Ireland. It comprises Chartered Accountants Ireland, the Association of Chartered Certified Accountants, the Institute of Certified Public Accountants in Ireland, and the Chartered Institute of Management Accountants.

The focus of its Pre-Budget Submission for Budget 2013 is centred on practical amendments to current tax reliefs which will have a significant impact on the domestic economy for the purposes of jobs creation and is informed by the Government's Action Plan for Jobs 2012. In the light of the current Economic position, CCAB-I has taken care to ensure that the suggestions are either revenue neutral or revenue positive. Despite the bad press which taxation policy has received in some quarters, reliefs and incentives remain powerful and effective tools in the management of the Irish economy.

The suggestions made include:

- Both the Seed Capital relief and the Enterprise and Investment Incentive Scheme have an important role to play in providing capital for Irish business. The tax benefit of 30% under the Enterprise and Investment Incentive Scheme for rewarding the investor to make a high risk investment is inadequate. The relief should be removed from the list of restricted tax reliefs to make it a worthwhile use of an investor's limited resources.
- Seed Capital Relief should be amended to allow for a mix of loan and equity investment which can be structured to ensure that the relief is not abused while still allowing the entrepreneur to make a commercially viable investment.
- The option for employers to transfer an element of Research and Development (R&D) relief to employees as introduced in Finance Act 2012 is a positive development but requires a broader application to lower paid employees and companies in the loss making phase of business development if the relief is to have any real benefit for domestic businesses.
- A special Income Tax rate of 12.5% on bonuses paid to employees and inventors directly involved in the innovation process is proposed.
- The 2003 "base year" R&D system should be replaced with a full volume based system to ensure the fair treatment of companies who have shown long-term commitment to R&D investment.
- The Special Assignee Relief Programme in Ireland is designed to attract senior executives and decision makers into the country. However it is still uncompetitive in comparison with other jurisdictions with whom Ireland

competes with for Foreign Direct Investment and further amendments are required to ensure that this relief is optimised in Ireland's favour.

- The Foreign Earnings Deduction designed to promote marketing efforts by Irish business in Brazil, Russia, India and China should be extended to include countries such as the US, Saudi Arabia, Switzerland, Singapore, Japan and Australia.
- The seven-year CGT exemption for certain property purchases introduced last year should be extended to include shares which derive their value from property to bring about a sustainable and real stimulus to the property sector.
- It is time that some policy consideration be given to the use of pensions savings to address mortgage debt issues. While there are legitimate concerns over the use of pensions savings to relieve property debt, equally there should be concern over unsustainable levels of mortgage repayment while adequate pensions savings are in place to relieve the debt burden.

RETAIL IRELAND

Key recommendations:

- Retail Ireland urges you to implement the recommendations contained in IBEC's recently launched Action Plan for Recovery: 50 Ideas to Drive Growth in which IBEC suggested a range on innovative ideas to Government to help the domestic economy and put more focus on this vital sector of the economy.

- Consideration should be given to increased capital investment from retailers should consumer spending rise. Further, the merits of potential tax incentives for the retail sector to increase capital expenditure should be explored.

- Retail Ireland urges the Department of Finance to bear in mind the impact that the increase in VAT has had on retail sales and urges it to consider ways that the increased rate can be offset through reductions in other costs borne by retailers and consumers, including excise duties, the black market and business costs.

- Retail Ireland recommends a freeze on excise duty rates so as not to depress the demand of moderate consumers of products such as alcohol, to ensure that more tobacco consumers do not source the product through the illegal supply chain and to ensure the illicit fuel market is not encouraged further.

- Retail Ireland recommends that a whole of Government approach to the phenomenon of the shadow economy and unlawful activity impacting on the retail sector should be adopted. The best way to do this would be for the establishment of an inter-departmental group with a mandate (and resources) to tackle counterfeit and fraud affecting the retail trade. All relevant agencies, including those responsible for enforcement, should participate. The group should be open to representative organisations such as Retail Ireland and be chaired by an experienced member of the retail industry.

- Retail Ireland supports IBEC policy in this area (administrative burden on retailers). Successful initiatives such as the revenue Online Service show how technology can help reduce the administrative burden on business. Government is committed to developing a unique business identifier for use across all departments and agencies, which will reduce repetitive and frequent information requests. An example of this, in our view is the process for monthly WEEE reporting. This should be implemented as a matter of priority.

- The business sector contributes some €1.4 billion in commercial rates and a further €200 million in water charges to local authority revenue. Since the onset of recession, businesses operating in the domestic economy have experienced an average turnover fall of 25%, while local authorities generally have not reduced their charges to business. To lessen this burden, Government should reduce the annual commercial rates bill by €400 million.

- The Department of Finance should bear in mind the rising cost for retailers in accepting cards when formulating policy.

- Retail Ireland believes that consideration should be made to holding the Budget earlier in the year to avoid consumer uncertainty in the run up to the busiest shopping period of the year – Christmas.

DRINKS INDUSTRY GROUP OF IRELAND (DIGI)

The drinks industry calls on the Government to avoid any increase in alcohol taxes in Budget 2013. Ideally, alcohol taxes would be reduced from their internationally high levels and in recognition of the weak state of the substantial economic asset which is the drinks industry. However, DIGI recognises that the poor economic situation and the severe difficulties with the public finances and borrowing make it very difficult to reduce taxes for 2013. Avoiding increases in alcohol excise will give a positive message and will support the Government's "Gathering" initiative in 2013.

The recommendation to avoid increases in alcohol taxation in Budget 2013 reflects:

- The continuing weak economic and public financial position in 2013.
- The large economic and employment contribution of the drinks industry.
- The substantial contribution of the drinks industry to tourism.
- The need to support the "Gathering" initiative in 2013.
- The need to support tourism competitiveness.
- The ongoing decline in average adult consumption which peaked in 2001 at 14.44 LPA and was 11.71 in 2011. It is likely to decline in 2012.
- The need to have a solid domestic market base to support a strong and growing export performance.
- The relatively high alcohol taxes in Ireland compared to the large majority of other EU members and especially in important tourism markets such as Germany and France and in popular destinations for Irish tourists going abroad.
- The very weak position of the on-licence segment of the drinks industry which is experiencing large sales volume declines, large employment declines and significant numbers of closures.
- The continuing decline in the domestic drinks industry in the early part of 2012 as measured by retail sales and Revenue clearances.
- The weak position of the independent off-licence sector which is losing market share to the multiples.
- The impact of the severe lack of access to credit for public houses and independent off-licences.
- The need to support economic recovery and economic confidence.

In the first three months of 2012 alcohol clearances declined by 5%. In the first five months of 2012 retail sales volume in bars declined by 8.2 %. Between 2007 and 2012 bar sales volume declined by 35.5% compared to an overall retail sales volume decline of 13.5%.

Economic forecasts indicate that consumer expenditure volume will perform poorly in 2013. Because of the discretionary nature of much of the expenditure on alcohol the weak overall consumption performance will be associated with a weaker on-licensed alcohol expenditure performance. Substantial numbers of public houses are going out of business.

According to the latest Revenue Commissioners data there was a decline of 559 or 6.2 % in the number of publican licences between 2009 and 2011. The independent off-licence sector is also in a very difficult economic position as the multiples continue to increase their share of the off-licence alcohol market.

The drinks industry is striving to recover the lost domestic economic output through increased efficiency, export markets, domestic marketing and promotion and product and service improvement. But recovery in the current weak economic environment is very difficult. Increases in alcohol taxation in Budget 2013 would substantially curtail these efforts.

The drinks industry contributes greatly to the economy and to the Irish tourism product. It provides tens of thousands of jobs and contributes significantly to other areas of economic activity and to the exchequer. In addition to its extensive use of skilled labour it is a major user of domestic raw materials and inputs including malted barley, barley, cereals, milk, apples, water, services, electricity and gas and pays significant rates and service charges to the local authorities. The Government should not put this economic contribution under additional threat.

IRISH HOTELS FEDERATION

Budget 2013 should support a clear strategy of achieving higher tourism growth over the next several years through recovering overseas visitor numbers, improving tourism competitiveness and supporting commercial viability.

The number of overseas visitors increased substantially by 7.9% in 2011. Unfortunately this improvement did not continue into 2012. There was no increase in the number of overseas visitors in the first half of 2012 compared with 2011. This is partly due to the weakness of the international economy in 2012. Nonetheless, the 2011 performance illustrates the strong potential role that tourism can play in future economic recovery if a supportive policy environment is implemented. The IHF strongly welcomes the recent tourism related policy measures such as retention of the lower VAT rate for 2013 and the Gathering Initiative. The IHF also welcomes the recognition by Government of the potential of tourism for generating economic recovery. Despite these positive developments, the hotel and guesthouse sector continues to suffer from the substantial policy related problems which previous submissions have identified. There has not been sufficient attention to dealing with these.

There is large over capacity of hotels. The market remains well below the pre economic crisis level despite the 2011 growth. Revenue per room in 2011 has stayed at the low 2010 level and is well below the performance of previous years. The availability of credit to the sector is very constrained despite Government efforts to date. Many hotels are not currently commercially viable because of the costs and revenue situation and the overhang of debt. The commercial sustainability of the sector continues to be threatened by unfair competition from non viable bank-owned/controlled hotels offering uneconomic prices. Many hotels have gone into receivership or quasi receivership and many more will follow in the absence of appropriate policies. NAMA, with its large portfolio of hotels, continues to generate uncertainty in the sector. The budget should support competitiveness in the sector and should support the appropriate and necessary refinancing of the sector.

There is much that can be done in Budget 2013 to support the hotel/guesthouse sector. Many of these measures have already been identified but there is a need for urgent implementation

The Government should play its part in the task of maximising the contribution of the hotel and guesthouse sector to economic growth in Budget 2013 by:

1. Maintaining the real level of funding for Fáilte Ireland and Tourism Ireland’s marketing budget with measures included to address the imbalance of an emerging two tier recovery and a specific budget for special events such as the Emerald Isle Classic.

2. Announcing the retention of the 9% VAT rate for 2014.

3. Avoiding any tax increases in tourism related products and services at national and local levels and introducing a four year freeze on all public sector charges at the 2011 level.

4. Reducing energy costs and reducing local authority rates by 30%.

5. Ensuring the availability of appropriately priced suitable credit and the establishment of a bank for reconstruction and development.

6. Introducing measures to help address equity and loan finance market failure to achieve the restructuring of bank debt. Recommendations on initiatives such as a Hotel Equity Investment Scheme, a Hotel Restructuring Fund and Qualifying Investor Funds for Hotels will be presented in greater detail under separate cover.

7. Avoiding the introduction of measures which weaken enterprise sustainability and competitiveness such as the proposed statutory sick pay scheme and increased PRSI to finance the shortfall in the Social Insurance Fund.

8. Reducing the employer PRSI rate to support employment and competitiveness.

9. Not reintroducing the JLC system.

10. Retaining the free travel scheme.

11. Restoring detailed tourism figures from the Central Statistics Office to track tourism progress and monitor performance on a timely basis.

12. Ensuring that the Valuation (Amendment) (No 2) Bill 2012 is fair and transparent for all rate payers.

CHAMBERS IRELAND

Ireland faces significant challenges as we move to bring our finances into balance. At the outset we must be mindful of the impact of increased taxes and charges on the domestic economy in particular. We note that the proportion of employment supported by domestic activity has fallen from 50 percent in 2007 to 40 percent in 2011, largely as a result of the collapse in consumption. In addressing these challenges, Government must also work to support domestic demand and with it the wider domestic economy. Government must be 'job proofed' to ensure that any additional taxation measures are designed to secure job creation and support a recovery in consumer demand.[1]

Following extensive consultation with the Chamber network, the following core requirements are requested for Government to consider in framing Budget 2013

1. Be mindful of the need to support the domestic economy. It is only when the domestic economy picks up that we will see any significant growth in job creation that will have a meaningful impact on unemployment. In this context tax increases will damage growth and limit our potential to grow employment numbers and activity levels.

2. Do not pass sick pay costs on to the private sector. Our Chamber members are resolutely opposed to any suggestions that sick pay costs should be passed on to employers at this time. We urge the Government to ensure that the status quo in this regard remains unchanged while Government continues with its efforts to reduce sick pay costs across the wider public sector.

3. In the context of the Croke Park Agreement, outsourcing has to be part of the agenda of Budget 2013 as a means of securing meaningful and significant savings and further reductions in the size of the public service.

4. Continue to defend our 12.5% Corporation Tax. This is a vital draw for FDI which generates more jobs per head of population in Ireland than in any other country.

5. Drive the restoration of the national finances in order to enhance consumer confidence. In closing the deficit, we call for the adjustment to be driven via cuts rather than tax increases, which do less damage to the broader economy. We note that approximately 80pc of public spending is based upon expenditure in Health, Education and Social Welfare. Given the ongoing tightening of capital investments budgets we note that the major heading items from which savings can be driven fall within these areas.

[1] Costs of Doing Business in Ireland 2011, NCC June 2011.

VAT issues
We believe that Government should give serious consideration to cutting VAT rates given the ongoing softening of retail sales in particular on the back of poor economic performance and the impact of the 2pc VAT increase that occurred in Budget 2012.

Give certainty on 9pc VAT rate for Hospitality sector
The Government deserves plaudits for its decision to support the tourism sector via the 9pc rate. This measure secured employment and supported ongoing improvements in competitiveness in this sector

Local Authority Issues
Local Authority charges remain the biggest fixed cost for many SMEs. The recommendations of successive reform reports need to be fully and speedily implemented.

New Local Property Charges
While we recognise the need to introduce the Property Tax, we strongly feel that the following pre requisites should apply on establishment of the tax:-

1. It should lead to an appropriately targeted reduction in rates and other charges being paid by local businesses by at least 20% to spur local job creation.
2. The Property tax should not be used to indirectly boost Government coffers by bringing in matching reductions in the level of annual GPG funding (General Purpose Grant) being provided to the local authority. In this context the General Purpose Grant (GPG) should be ring-fenced to be maintained at the level of 2012 funding for next 5 years.

Maintain Current Sick Leave Payment Regime
The Chamber network remains concerned regarding efforts of the Department of Social Protection (DSP) to foist sick leave costs onto employers at a time when they are seeking to reduce all costs to restore competitiveness and secure employment.

Reduce HR Costs Burdens on Business
Chambers Ireland is particularly aware of the problems facing two specific groups: employers in the tourism and catering sectors who have been hit hardest by the rules on Sunday premiums; and employers in border counties who must remain competitive with businesses in Northern Ireland. While Budget 2013 is not focussed especially on Labour market regulation, Government must be mindful of the need to cut the cost of employment and secure jobs. Budget 2013 can play a role in supporting this agenda.

IRISH EXPORTERS' ASSOCIATION (IEA)

The Irish Exporters Association submission is … focused on:

- Fiscal policy drivers that will improve export and jobs growth must be at the core of all Government policy and particularly that of the Dept. of Finance.
- Potential growth from stimulating non export businesses into international trading is very substantial, and must be tackled in innovative ways.
- Taxation measures have a significant role to play in stimulating export growth. However, most of our trading partners also are using taxation measures to stimulate their export sectors, and have improved them through the recession. Hence, in Ireland we will have to revisit and modify existing measures such as the EII scheme, R&D tax credits and incentives, foreign earnings deduction schemes and the IP box of incentives. But also there are new schemes required to address emerging problems, hence we recommend a Global distribution centre tax relief scheme.

- Cost competitive issues that are at tipping point for many exporters and will need particular attention in the Budget for 2013. Each export sector has its own particular tipping point, but many have common issues. Hence, for manufacturing industry labour costs, energy costs and local government charges have reached the tipping point and will impact foreign owned MNC decisions to expand in Ireland, as well as the ability of indigenous manufacturers to compete internationally. The Services export industry while affected by labour costs issues has also significant trade finance and market access costs issues. The transport industry which is a vital cog in the manufacturing supply chain is being severely impacted by the continual escalation in diesel costs. This may be seen as a universal problem and not impacting one country more than another, if it were not for the fact that our EU trading partners are using a diesel rebate scheme to give their manufacturers a competitive advantage on international markets.
- State trade promotional agencies structure and support are being adversely affected by the embargo on recruitment, and funds for overseas office administration. We agree with the Governments need to reduce the cost of the Public sector, however, we need to ensure our front line staff in overseas embassies , IDA and EI offices are fully funded by means of transfers from other government departments that are less critical to the international trade and jobs growth activities .

The IEA have four priority recommendations for Budget 2013**:**

i. Do not increase employment costs - salary and wage costs continue to be above the EU average, and taxation, social welfare, sick pay, universal social charge and pension levy charges are all combining to push employment costs to a non-competitive tipping point.

ii. Introduce measures to stimulate non exporting businesses to trade internationally, inclusive of grant and tax credit package for mid-sized companies who expand sales and employment through exporting.

iii. Stimulate investment in businesses who have the capability to expand through new product development and export sales growth by modifying the EII scheme, modifying the R&D tax credit scheme, expanding the Foreign Earnings deduction scheme to include priority countries outside EU, improving further the IP incentives, and introducing tax relief for any business setting up a global distribution centre in Ireland.

iv. Reduce non-wage costs - electricity/gas, diesel, waste charges and rates - which are all impacting on manufacturing industries ability to trade competitively on international markets

IRISH TAX INSTITUTE (ITI)

1. Employment is a key priority and income tax, the universal social charge (USC) and PRSI are taxes on labour. Increasing headline rates for income tax, the USC or PRSI will increase the cost of employment and could damage output and put jobs at risk. Domestic and international evidence-based research supports this position. Headline rates of income tax, USC and PRSI should not be increased.

2. If some level of income tax increase is unavoidable, then base broadening measures are generally less damaging to economic recovery than rate increases. Our submission considers some base broadening possibilities that government could consider.

3. Irish businesses need support and investment right now. In this submission we consider the range of tax supports and initiatives that currently exist and are well summarised in the Action Plan for Jobs 20122. Within this framework, we suggest some modifications that should enhance their attractiveness to investors and increase their take-up.

However, the immediate Budget 2013 arithmetic is not the only challenge we face. Ireland should emerge from its current programme at the end of 2015 and, in meeting current revenue targets, we cannot allow ourselves to lose ground on international competitiveness.

We have an excellent track record for attracting international investment and for being an easy place to do business. However, this is becoming an increasingly crowded space and our neighbours in the UK, in particular, are making great efforts to gain ground in winning FDI projects. The Institute and many other bodies have highlighted certain challenges with our key strategic offerings which, if addressed, could better equip us to meet these competitive threats. In particular, these challenges include

- Our Intellectual Property regime – the scope and rate of relief,
- Our offering for attracting mobile talent – the rate of the relief and its application to newly hired employees, and
- The complexity of our tax credit and debt relief rules.

These issues cannot all be dealt with in Budget 2013, but now is a good time to begin focussed discussions about them. We need to benchmark ourselves against what our competitors are offering in each of these categories and, crucially, what they are planning to roll out over the next 5 years. Based on this information, we can have an informed debate with all stakeholders about what choices we want to make to meet the competition we are unquestionably facing

Institute recommendations on income tax

• High marginal income tax rates reduce economic output, raise the cost of employment and impede job creation efforts. The USC and PRSI are equally regarded by the public as forms of taxation and therefore an increase in USC or PRSI rates would have the same behavioural impact as an increase in income tax rates. Between Budget 2008 and Supplementary Budget 2009, marginal income tax rates for PAYE workers increased from 43.5% to 52% and for the self-employed, from 46.5% to 55%. The severity of these increases in a short time frame of about 18 months has had a dramatic impact on taxpayers and on competitiveness. We consider that there is no scope for any further increases in income tax or USC/PRSI rates in Budget 2013.

• The income tax yield in 2011 exceeded that for 2007, despite the dramatically reduced number of people in employment. The revenue from income tax (including USC) in 2012 is projected to be the highest ever (€15.3 billion) despite the ongoing high unemployment levels. We have become increasingly reliant on income taxes to raise revenue in the past 4 years, so that the expected Exchequer yield from income tax in 2012 will be 42% of total tax yield. The Institute is not in favour of further increasing this dependency. However, if any revenue raising measures on income tax are simply unavoidable, then it is less damaging for jobs if the income tax base is broadened.

Institute recommendations on property tax

• Media reports suggest that any new property tax will be introduced as a self-assessment tax. It is estimated that 1.6 million households will be liable for this property tax. However, only 600,000 taxpayers currently pay income tax by self-assessment. Therefore a large population of taxpayers will be brought into an unfamiliar self-assessment regime for the first time.

• Significant investment will be required by Revenue to ensure there is clear communication and assistance for taxpayers to maximise understanding and compliance. Resourcing this campaign adequately will be an important factor in the successful introduction of the tax.

• It must be easy for taxpayers to actually pay this tax. A range of payment options should be provided to taxpayers, in terms of both timing and payment method.

Institute recommendations on small businesses

• We have seen little evidence of take-up for the corporation tax start-up exemption. It would appear that the key limiting factor is the condition that only start-up companies which hire 8 employees can avail of the full exemption. We believe that some consideration should be given to reducing this requirement to 2 / 3 employees, which is more a realistic employment number for businesses in the start-up phase.

• The experience from many quarters is that the take-up for the Employment and Investment Incentive Scheme (EIIS) has also been low to date. We believe that three key modifications might improve its attractiveness…

• To assist small businesses with cash flow difficulties, we recommend that the threshold for the cash receipts basis of accounting for VAT be increased to €2 million. Again, this could be introduced for a limited period of time.

MACRA NA FEIRME

<u>Land transfer</u>
Early land transfer to young farmers is vital to allow them control and develop their farm business and plan out their future growth and expansion and access credit.

Young Farmer Stamp Duty Relief: young trained farmers under 35 are currently exempt from Stamp Duty on land transfers. This measure is due to expire on December 31st 2012. Macra is seeking to have this relief extended up to 2020 in the budget.

Retention of 90% Agricultural Relief: currently, relief is given by reducing the market value on which CAT is calculated by 90%, provided that 80% of the gross assets post transfer are 'agricultural assets.' With the CAT at 30% and a reduction in general tax free gift threshold, this relief is extremely important for the agricultural sector. Macra is calling for the retention of Agricultural Relief in its current format at the rate of 90%.

<u>Investment</u>
For young farmers the first years of installation are the most critical ones regarding income from the farm activity and getting support for investment in the farm business. Renewal of 100% young farmer Stock Relief: the relief allows young trained farmers offset an increase in the value of their stock against their tax liability while optimizing their trading stock numbers. This measure is due to expire on December 31st 2012. Macra proposes that the 100% stock relief for young trained farmers and 25% stock relief available to all farmers be extended in the upcoming budget for a further 8 years in line with the objectives of the Food Harvest 2020.

Partnerships: for the Department of Agriculture to remove the remaining obstacles in partnerships (eg. currently only allow one Disadvantage Area Payment) and the introduction of incentives for partnerships and collaborative arrangements such as enhanced Stock Relief for all registered farm partnerships.

Targeted Start Up Supports for young farmers: the limited funding that is available for agricultural schemes needs to be prioritised and targeted at supporting young farmers to start up and develop their farm business. In fact all new farming schemes or initiatives should be tailored to ensure young farmers are encouraged.

<u>Land mobility</u>
Access to land is one of the greatest barriers in Irish agriculture, we need to facilitate young farmers to start up and older farmers to retire or exit with dignity so that the industry as a whole can be more productive and generate more income.

Land leasing tax exemption: for individuals aged 40 years or over who lease out their land on a long-term basis for five, seven or ten years are eligible for tax relief. This encourages older farmers to long-term lease their land and increases the supply of land available to active farmers. Macra proposes the continuation of this relief.

New initiatives: new initiatives within the various sectors to support young farmers should be on going. For example in the dairy sector the new entrant milk quota scheme has proved very positive to assist over 200 non-traditional new entrants into the sector to date. Similar additional initiatives and supports, often with little or no financial costs to the exchequer, are required. In fact all new farming schemes or initiatives should be tailored to ensure new entrants are encouraged.

Land Mobility – new Land Restructuring Relief: Macra proposes the introduction of a young farmer Land Restructuring Relief to allow young trained farmers restructure their farm holdings without being liable for transfer taxes.

Education and competitiveness

On-going education and knowledge transfer are essential for competitive farming. The industry needs young highly trained farmers. Creating obstacles for young farmers to access education will have long term consequences for the industry.

Education – means testing: farm assets are productive assets and are essential to the ongoing survival of the business from generation to generation and cannot be factored into means testing for higher education grants. These sectors of the economy must be exempted from such proposals.

Efficiency programs: Macra believes financial support should be available for participation in discussion groups across all sectors. The Dairy Efficiency Program was very successful and should be continued and targeted especially at new entrants.

Summary

The above reliefs and measures are designed and targeted to encourage young farmers to start up and develop their farm business. For the long term sustainability of farming it is vital to endorse and support these important measures.

PAVEE POINT

1. Ensure a Human Rights Based Approach

- In budgetary decisions, the Department of Social Protection should systematically analyse the potential impact of such decisions on marginalised groups and ensure that their human rights are prioritised and safeguarded. This should be done in a transparent manner.
- Invest in systems to record and analyse disaggregated data across state institutions, including social protection institutions.

2. Ensure and invest in an integrated approach to Traveller and Roma policy

- Show leadership as incoming Presidency of the European Union and commit resources to developing a National Traveller and Roma Integration Strategy that is in line with the EU Framework for National Roma Integration Strategies up to 2020 and the Common Basic Principles on Roma Inclusion – and thus avail of EU funds.
- Establish a National Traveller Unit to give national oversight and accountability (including budgetary) for the development and implementation of Traveller and Roma policy; through the coordination of existing Traveller policy units in various Government Departments.

3. Securing Adequate Income and Supporting Training and Employment

Habitual Residence Condition

- Invest in and conduct an equality and poverty impact assessment of the habitual residence condition, taking into account factors of ethnicity and gender.
- Proof and amend the guidelines on the habitual residence condition from an equality and human rights perspective and provide resources to train deciding officers in relation to these changes.

Protecting Current Income

- Protect current welfare rates.
- Ensure eligibility criteria for social welfare supports are not eroded further.
- Halt any further reductions in the earnings disregard of the One Parent Family Payment and reverse the reduction in the youngest age of the child from 7 years to 14.
- Ensure no further cuts to child benefit payments and retain the universality of this payment.

Supporting Training and Employment

- Reform the interaction of social welfare payments and supplementary benefits with minimum wage and taxation in such a way as to protect the transition from welfare to work.

- In order to address specific barriers to Traveller employment ensure that Travellers able to avail of a medical card can retain this for five years from the time of gaining employment.
- Ensure the provision of payments to support training for the long-term unemployed.
- Resource a needs analysis in relation to Roma training and employment.
- Resource specific initiatives to provide training programmes specifically for Roma as an access route to mainstream training and employment.

4. Promoting Traveller and Roma Health

- Resource and develop a detailed action plan to address the findings of the All Ireland Traveller Health Study, using a social determinants approach.
- Ensure that traveler health is prioritized in the health service reform.

Violence against Women

- No further cuts in spending for specialist services and funding should be increased in order that services can adequately respond to the growing demand.

5. Promoting Traveller and Roma Education

- The cuts to Traveller education urgently need to be reviewed given the severely damaging long-term consequences of the cuts on educational outcomes and social welfare payment costs.

5. Supporting Community Groups

- Ensure no further cuts to community organisations.
- Support the on-going existence of an independent Traveller organisation infrastructure in the context of local government reform and alignment strategies.