

Budget 2024 Analysis



INO MISSION STATEMENT

“The INOU is a federation of unemployed people, unemployed centres, unemployed groups, community organisations and Trade Unions.

The INOU represents and defends the rights and interests of those who want decent employment and cannot obtain it. We promote and campaign for policies to achieve full employment for all.

We also campaign for an acceptable standard of living for unemployed people and their dependents. The INOU is an anti-sectarian, anti-racist, non-party political organisation which promotes equality of opportunity within society.”

INO

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On Tuesday, October 10th 2023, the Government published Budget 2024, and while the €12 increase to core social welfare payments is welcome, it will still leave many people trying to manage on a social welfare payment struggling to make ends meet. In his budget speech, Minister for Public Expenditure, NDP Delivery and Reform, Paschal Donohoe, TD stated that “for those in receipt of regular Social Protection payments, I can confirm to the House that the Christmas Bonus will be paid in early December”; that “in addition to this, to support those in receipt of a weekly social welfare payment, I am providing for a once-off double week “Cost of Living Support” payment to all qualifying Social Protection recipients. This will be paid in January and will include pensioners, carers, people on disability payments and jobseekers”; and “a €300 lump sum payment will be made to recipients of the Fuel Allowance in the last quarter of this year”.

In their post-Budget 2024 analysis the Economic and Social Research Institute (ESRI) noted that “One-off policies this year and next will substantially cushion incomes, particularly for low-income households”. It is important to remember that anyone who is unemployed and a Jobseeker’s payment for less than a year will not be eligible for the one-off payments Minister Donohoe announced on Budget day. The ESRI also concluded that “But, for low- and middle-income households, we are still in a catch-up phase after successive below inflation increases to social welfare and tax” and “With inflation moderating, there is a need to move away from one-off payments and benchmark social welfare payments to provide certainty.”

As the Department of Social Protection noted in their July document to the Tax Strategy Group on the Social Protection Budget Package – Budget 2024 Issues: “Notwithstanding these levels of resilience and agility we must always be mindful that the people who rely on the social protection system are the people who are not only most at risk of poverty but are also those who are most vulnerable to price increases – with the effective rate of inflation for low-income households shown to be between 1 and 2 percentage points higher than the average for households generally.” (p3)

It is absolutely essential that Ireland’s social welfare payments strive to lift people above the poverty line and support them to achieve at least a minimum essential standard of living.

INO 2024 Pre-Budget Analysis covers:

- ☞ Adequate Income
- ☞ Supportive Employment Services
- ☞ Employment and Programmes
- ☞ Education and Training
- ☞ Social Inclusion



Adequate Income

In Budget 2024 the INOU called on the Government to:

1. Increase Social Welfare payments by €25, and adjust related supports so that people do not lose this increase through, for example, an increase in their differential rent.
2. Facilitate earlier access to the Christmas Bonus and the Fuel Allowance for people on Jobseeker's Allowance.
3. Increase the Fuel Allowance by seventy-four per cent.
4. End the age segregation still evident in the Jobseeker's Allowance payment.
5. Re-introduce a pay-related element to Jobseeker's Benefit and restore its duration to pre-2008 levels.
6. Introduce a work-friendly Social Welfare system for Jobseekers reflective of changing work practices, based on hours worked rather than days worked.
7. In the meantime increase the daily earnings income disregard for JA to €25 per day for both the main claimant and qualified adult equally.

In Budget 2024 the Government announced:

1. A €12 increase in social welfare payment, bringing the maximum payment up to €232 from January 2024. The Qualified Adult Increase will go up by €8 to €154.
2. This did not happen, someone in receipt of a Jobseeker's payment must be on it for at least a year to be eligible for the Christmas bonus, Fuel Allowance, and the cost of living bonus to be paid in January at the new social welfare rates.
3. The Fuel Allowance remains at €33 per week for 28 weeks. However, a €300 cost of living lump sum will be paid.
4. Regrettably, no change was made on this issue, the maximum rate for young people will increase by €12 to €141.70 from January 2024. A similar payment will be made for a Qualified Adult.
5. A Pay-Related Benefit Scheme for jobseekers is scheduled to be introduced in December 2024. Further details should be available in the forthcoming Social Welfare Bill.
6. No new announcements were made, though a separate consultation process on this issue could yet take place in late 2023 / early 2024.
7. Unfortunately, no new announcements were made. The daily disregard remains at €20, up to a maximum of 3 days or €60 per week.
8. For social welfare recipients receiving a Qualified Child Increase payment there will be a €100 cost of living lump sum payment; and a €4 increase in the QCI, bringing these payments up to €54 for children aged 12 and over and €46 for children under 12 from January 2024.



Supportive Employment Services

In Budget 2024 the INOU called on the Government to:

1. Resource the provision of good career and employment guidance to support unemployed people, regardless of whether or not they are on a payment, to make informed choices.
2. Develop a social welfare health check that proactively informs people of available and appropriate supports and services.
3. Support people to address the initial costs of taking up employment, in particular the costs of travel and childcare.
4. Ensure that individuals and communities most disadvantaged in the labour market are proactively provided with tailor made supports to address their issues.
5. To that end provide high support wrap around services for people further distanced from the Labour Market .
6. Add socio-economic status as a ground in Ireland's equality legislation.

In Budget 2024 the Government announced:

1. No new announcements were made in Budget 2024. 2.6% of the Department of Social Protection's expenditure is earmarked for Employment Supports in 2024.
2. No new announcement made. In the Budget 2024 Expenditure Report the stated aim of Programme A, covering social assistance schemes, services, administration and the Social Insurance Fund "is to provide income supports, as well as employment and community services to enable people to participate in society in a positive way and to alleviate poverty." (p142)
3. In his speech, Minister for Public Expenditure, NDP Delivery and Reform, Paschal Donohoe, TD, state that "The National Childcare Scheme will see a further 25% reduction in childcare costs", to be implemented in September 2024, and that "we are increasing investment on the supply side through core funding. This will support providers, the workers and help to maintain the fee freeze". On the issue of transport, Minister Donohoe noted "the continuation of the temporary 20% fare reductions until the end of 2024"; "the roll-out of further services via BusConnects, Connecting Ireland and New Town service plans"; and that "the eligibility for the Young Adult Card is being extended to cover adults aged 19-25".
4. No new announcements were made in Budget 2024.
5. No new announcements were made in Budget 2024.
6. No announcement was made in this Budget.



Employment and Programmes

In Budget 2024 the INOU called on the Government to:

1. Fully support unemployed people seeking to address their unemployment through self-employment.
2. Increase the Back to Work Enterprise Allowance to three years, and pay 50% of the participant's social welfare payment in the third year.
3. Automate access to the Working Family Payment to minimise the time gap between the individual taking up employment and gaining access to this support.
4. Promote the roll-out and attainment of a MESL informed Living Wage.
5. Ensure that unemployed people are supported to participate in the most meaningful option for them, one that will help them to enhance their skills and employment opportunities.
6. Given the cost of participation on employment programmes, support participants to meet them by increasing the additional payment on these programmes by €10.
7. Open up access to employment programmes for unemployed people who are not in receipt of a payment, in particular those signing on for credits.

In Budget 2024 the Government announced:

1. Most of the enterprise supports announced are targeted at bigger enterprises. However, in the Budget 2024 Expenditure Report it notes that “The additional funding being provided to the LEOs will focus on increasing the numbers of SME start-ups and further progress efforts to deliver balanced economic development.” (p74)
2. No new announcement was made in Budget 2024. BTWEA continues to run over two years with participants receiving 100% of their social welfare payment in year one, and 75% in year two. Enterprise Support Grants of up to €2,500 may be available; and the Local Enterprise Board (LEO) may be of assistance.
3. There was no announcement on this issue. But Minister Donohoe announced that “to ensure that our supports are targeted to the families that need them most, I am also announcing that a €400 lump sum payment will be made to recipients of the Working Family Payment later this year; and that they would be “raising the income threshold on the Working Family Payment by €54 per week”.
4. There was no announcement on this issue, but in his Budget 2024 speech, Minister for Finance Michael McGrath announced that “as of 1 January 2024, the national minimum wage will increase by €1.40 per hour to €12.70 per hour” and “to ensure that such workers remain outside the higher rates of USC, I will be raising the entry threshold to the 4% rate to €25,760 in line with the increase to the national minimum wage.” According to the Living Wage for Ireland website, the living wage in Ireland for 2023 / 2024 is €14.80 per hour.
5. No new announcements were made in Budget 2024.
6. No announcement was made in Budget 2024: the additional payment on employment programmes like Community Employment and Tús remains at €27.50.
7. No announcement was made in the Budget.



Education and Training

In Budget 2024 the INOU called on the Government to:

1. Acknowledge the cost of participation in education and training and properly support adult learners to meet these costs to facilitate their participation.
2. Provide good career and educational guidance to support people to access the most appropriate course.
3. Ensure there is good sign posting within and across the system so people of working age know where they can go to get the most appropriate supports and provision.
4. Properly resource learning that focuses on personal and community development and presents learners with opportunities to address issues in their own lives.
5. In planning for the increased digitalisation of work, ensure that unemployed people and vulnerable workers are supported to adapt and enhance their digital skills.

In Budget 2024 the Government announced:

1. No specific announcements were made on education and training activation programmes. Amongst the broader educational announcements were: a once-off reduction of 33% in the contribution fee for apprentices in higher education; removal of Post Leaving Cert (PLC) fees from September 2024; student contribution fees, including students on specified undergraduate part-time/part-time online courses, will be abolished for all incomes under €55,924 from September 2024.
2. No new announcements were made in Budget 2024.
3. No new announcements were made in Budget 2024.
4. No new announcements were made in Budget 2024.
5. An additional €3m has been earmarked to “Drive FET Strategy Implementation with a particular focus on digital transformation, quality assurance and curriculum development” and an additional €2m to “Support the implementation of the Adult Literacy for Life Strategy and funding to improve outcomes for learners who engage with FET while in custody or through transition from custody FET through Building Bridges”. (Budget 2024 Expenditure Report, p99)



Social Inclusion

The INOU called on the Government in Budget 2024 to:

1. Comprehensively address the housing and transport challenges facing so many people.
2. Properly resource community groups in their work identifying and addressing the needs of people experiencing social and economic exclusion.
3. Support the community and voluntary sector, an important entry point for people more distanced from the labour market, to play its part in supporting employment, education and training opportunities.
4. Properly support community led social enterprises seeking to address exclusion from the labour market and improve access to affordable supports and services.

In Budget 2024 the Government announced:

1. In the Budget 2024 Expenditure Report the Government notes that there will be “an overall capital provision for housing of over €5 billion for 2024” and that “this funding will support an additional 28,000 households overall”. In the Social Housing Assessments 2022 they note that “In total, 57,842 households were assessed as qualified for housing support as of 1 November 2022.” (p8)
Amongst the additional allocations made available to the Department of Transport for 2024 are: €150m to maintain a “Variety of Discounts including 20% average fare, Young Adult Card and 90-minute fare”; €27m for “Additional Funding for public transport services”; and €2m for “additional support to Rural Transport Local Link services”. (p160, Budget 2024 Expenditure Report)
2. In Budget 2024 Expenditure Report they state that the Department of Rural and Community Development will receive €4.6m additional “funding for the Social Inclusion and Community Activation Programme (SICAP) and similar type supports”. The report also notes that “SICAP aims to reduce poverty and promote social inclusion and equality by supporting over 2,000 local community groups and through one-to-one engagement with over 23,000 marginalised individuals annually.” (p138)
3. Additional funding of €21m was announced in the Budget covering “Continued non-core funding for; (i) Social Inclusion and Community Activation Programme (SICAP) and volunteering supports, and (ii) The Community Recognition Fund which will support the ongoing development of over 880 projects to deliver community infrastructure and facilities in recognition of the contribution being made by communities in every county across the country welcoming and hosting arrivals from Ukraine and other countries.”
4. According to the Budget 2024 Expenditure Report there will be “Increased support for mentoring and development of social enterprises” of €1.5m.

